

REGISTRO DE CONTRATOS
TOMO 21 PAGINA 83
CONTRATO NUM. 2012-000424
Interagencial

GOVERNMENT OFFICIALS: LUIS M. BERNAL JIMENEZ

COMMONWEALTH OF PUERTO RICO
ENERGY AFFAIRS ADMINISTRATION
GRANT AGREEMENT FOR STREAMLINED AND STANDARDIZED PERMITTING
AND INTERCONNECTION PROCESSES FOR ROOFTOP PV
IN PUERTO RICO

APPEARS

As the First Party: The PUERTO RICO ENERGY AFFAIRS ADMINISTRATION; hereinafter, "PREAA", an agency of the Central Government of the Commonwealth of Puerto Rico with the Employer Identification Number _____ created and ascribed to the Department of Economic Development and Commerce; hereinafter, "DEDC", by Act No. 73 of May 28, 2008, as amended, and herein represented by its Executive Director, **Luis M. Bernal Jiménez**,

pursuant to the authority vested on him by Act No. 73, *supra*, and Act No. 128 of June 29, 1977, as amended.

As the Second Party: The UNIVERSITY OF PUERTO RICO, MAYAGÜEZ CAMPUS; hereinafter, "UPRM", a component of the Commonwealth of Puerto Rico's institution of higher learning, with the Employer Identification Number _____ created by Act No. 1 of January 20, 1966, as amended, and herein represented by its Chancellor, **Dr. Jorge Rivera Santos**,

pursuant to the authority vested on him by Act No. 1, *supra*.

The representatives of the appearing parties represent and affirm that they are empowered and authorized to bind the party they represent herein, by and to the terms and conditions of this covenant, and they freely and voluntarily:

STATE

WHEREAS: On August 31, 2011 the PREAA and UPRM submitted a proposal to the Department of Energy (DOE) entitled *Streamlined and Standardized Permitting and Interconnection Process for Rooftop Photovoltaic Systems (PV) in Puerto Rico* (SSPIP). The SSPIP is intended to transform the rooftop PV market in Puerto Rico which strives to create, not only a standardized framework for PV deployment, but also a streamlined, organized, and lean, permitting and interconnection process, where most residential and small commercial PV systems can be installed safely and quickly.

WHEREAS: The SSPIP entails the development of a holistic framework that ensures process predictability and standardization while dealing with rooftop PV market barriers, evaluate and identify the actions needed to streamline the processes of permitting and interconnection of rooftop PV systems at the residential and small commercial level, develop preliminary implementation and enforcement strategies, create the technical guidelines that will ensure safety following the recommendations of Solar ABC and Network for New Energy Sources, implement standardized forms and mechanisms to submit the documents required by current regulations, and evaluate and improve on the current standards to ensure fast interconnection of distributed rooftop PV systems without compromising safety.

WHEREAS: The project between the parties will also consist of creating a draft document that will make available best practices and technical assistance regarding solar rights to relevant stakeholders.

WHEREAS: The DOE has approved Phase I of the submitted proposal, with duration of one (1) year.

WHEREAS: The UPRM represents to the PREAA that it has faculty personnel qualified to carry out the activities described in the preceding paragraphs, and that it is willing to carry out the same.

WHEREAS: The approved DOE proposal states that PREAA will be responsible for the proposed PV plan with technical support from the UPRM. The project will be administratively managed by the PREAA, in close coordination with UPRM researchers.

WHEREAS: The approved DOE proposal states that PREAA will establish a legal agreement with UPRM to set up the sub-award for the distribution of funding.

WHEREAS: All publications and bodies of work will be shared by the PREAA and the UPRM, whether it is at the research, implementation, recommendations, results or conclusions stage. All results of the research and investigation, as well as the conclusions, will all be available to the public either at a public website or upon request to DOE, UPRM or the PREAA. DOE, UPRM and PREAA are free to independently disseminate, publish and further expand on the materials, software and all tools developed through the project, without the consent of the other parties, except for those integrated to the PREAA website. Once integration is completed in the PREAA website, the materials, software and tools in PREAA's website will become PREAA's property and responsibility.

NOW, THEREFORE, the PREAA and the UPRM mutually agree and covenant that PREAA will provide UPRM, the sum of **two hundred seventy six thousand eight hundred fifteen (\$276,815.00) dollars** for this project, and that the UPRM will share the costs of said project as required by DOE, by providing the personnel for this assignment, up to the equivalent amount of **sixty five thousand three hundred ninety two (\$65,392.00) dollars** in-kind, and that UPRM

shall apply the indicated sums to the activities above and further on described, subject to the following:

TERMS AND CONDITIONS

1. **UPRM Project Director as an Essential Condition of this Agreement:** The UPRM will provide the services of Professors **Dr. Agustín A. Irizarry Rivera, Dr. Efraín O'Neill Carrillo, Eduardo Ortiz Rivera, and up to four (4) Graduate students.** The participation of said professors and students on behalf of the UPRM is an essential condition of this agreement. The Project Director function on behalf of the UPRM will be carried out by Dr. Efraín O'Neill Carrillo. Any personnel change in that position shall be notified by the UPRM to the PREAA for approval. The PREAA's approval of such a personnel change will not be denied, except for just cause.

2. **Scope of Work:** The parties appearing herein agree that the UPRM, in conjunction with the PREAA personnel that is assigned to the project, shall carry out all the activities necessary to complete the project entitled *Streamlined and Standardized Permitting and Interconnection Processes for Rooftop PV in Puerto Rico*. It is the responsibility of UPRM researchers to lead the entire field work, studies, data gathering and analysis, stakeholder engagement activities and developing policy recommendations. The PREAA and UPRM will make available best practices and technical assistance regarding solar rights to relevant stakeholders. The UPRM's specific responsibilities in the project consist of:
 - a) *Communications within the team:* The group will consist of Efraín O'Neill, Agustín Irizarry and the PREAA personnel assigned to the project, hereinafter the Group. The Group will maintain communications at least twice a week, via phone, email or videoconference. This will allow the Group to track progress and quickly correct any deviations from the agreed scientific/technical direction or adjust the plan if necessary to achieve the main project objectives. The Group will also hold quarterly, formal, face-to-face meetings for a detailed review of results and progress of the project. If a strategy proves unfeasible, this will be evaluated and documented, and work will continue towards the development of the streamlined processes for rooftop PV.
 - b) *Development of a Web – Based System:* The UPRM will be responsible for the development of the technical specifications of an integrated computer tool that will allow tracking of time required to complete all phases of the permitting and interconnection process. PREAA will provide limited access to its Internet site, and technical assistance to UPRM personnel, in order to integrate the tool into PREAA's Internet site. The new web tool will then be integrated into the existing PREAA web-based tools, or will be stand-alone if integration is not possible.
 - c) *Develop and/or improve financing mechanisms:* During this task the Group will draft a best practices report of selected financing mechanisms to stakeholders.
 - d) *Evaluate and improve net metering and interconnection standards:* This task will provide information that will ultimately help improve the current standards to ensure fast interconnection of distributed rooftop PV.
 - e) *Planning and Zoning:* UPRM will study provisions in state and local codes regarding solar rights, that will help identify barriers in current standards. Estimate the potential socio-economic impact of best practices. A best practices guide for PV friendly construction will be developed, including a comparison of cost reductions in PV

deployment through PV-friendly design and construction. These best practices will be made available to relevant stakeholders.

- f) *Develop the Phase II Implementation Plan:* The UPRM will lend assistance to the PREAA in the development of a detailed implementation plan in order to comply with the DOE's agreement requirements, and to move forward in the process of transforming the PV market in Puerto Rico.

3. **Work Schedule:** A detailed work plan directed towards carrying out the activities described in the preceding section is included in Appendix A. Signing of this contract constitutes approval of said work plan, and the UPRM may commence to carry out the activities countenanced by this agreement.

4. **Project Timetable:** As shown on the following timetable:

TASK	SUB-TASK	YEAR 1: MILESTONES
Stakeholder engagement (for all tasks below) Budget: 35% for year 1; 65% for year 2 & 3	Weekly: Email, phone calls, social networks Bi-monthly: small group meetings Twice a year: 2 PV stakeholders summits (1 day each)	Total time spent: 2 months (overlaps with work below) Fine-tune rooftop PV market evaluation Island-wide PV community to actively participate in PV framework development
Quarterly Reviews (day-long face-to-face meetings the 3 rd , 6 th , 9 th and 12 th months) Reporting	Review project progress Formal assessment Corrections made if needed	Decision points based on critical review of phase 1's progress Improvement benchmarked against initial market diagnostic and project's timetable
Development of Web-based system Budget: 30% for year 1; 16% for year 2 & 3	Integrated tool for: Information access Permitting Interconnection Standardize and simplify forms & mechanisms	Time Spent: 4 months Thorough analysis of best practices (1 st month) Provide starting point for streamlined process. Tool for time tracking (3 rd month) Create templates and examples (6 th month)
Evaluate and improve net-metering and interconnection standards Budget: 15% for year 1; 8% for year 2 & 3	Net-metering: Increase limit to 2MW, determine achievable net metering penetration, carryover of excess electricity, review renewable energy credits framework, explicit protection against unnecessary fees Interconnection: transparent, uniform, detailed policies; screen by degree of complexity; prohibit requirements for redundant devices	Time spent: 2 months Study and develop specific suggested changes to interconnection & net metering regulations (completed by 8 th month)
Develop and/or improve financing mechanisms Budget: 12% for year 1; 6% for year 2 & 3	Third party ownership, roof lease with utility	Time spent: 1.5 months Draft plans to support these financing mechanisms (11 th month)
Planning & zoning Budget: 8% for year 1; 5% for year 2 & 3	Solar rights and construction standards	Time spent: 2 months Draft proposal for solar rights and construction standards (11 th month) Suggested revisions of standards (12 th month)


5. **Billing/Invoices:** UPRM's bills or invoices will be presented on a monthly basis. Each bill or invoice will be accompanied by a report that will contain a detailed description of the work performed, and will justify the payment of the funds. Payment of said bills or invoices will be disbursed pursuant to the procedures of the Department of the Treasury of Puerto Rico, the custodian of the PREAA's funds.

It is further agreed by the appearing parties that any bill or invoice submitted by the UPRM after the fifteenth (15th) day of a particular month for work done during the previous month or before, will be paid during the month following that in which the bill or invoice was received by the PREAA.

The UPRM's bills or invoices submitted to the PREAA shall be paid no more than forty five (45) days after the bill or invoice has been submitted for payment, notwithstanding the fifteen (15) day rule, if the bill or invoice is considered to be correct. If payment is not received in a timely manner, all work will be halted, and will not be resumed until payment is satisfied.

The UPRM's bills or invoices will always be subject to review and verification by the PREAA, and they must always be accompanied by the receipts and other documents that evidence the same. In addition, the UPRM bills or invoices must contain sufficient information that will identify the following:

- a) The nature of the services rendered and/or tasks carried out.
- b) The dates on which those services were rendered and/or tasks carried out.
- c) The hours dedicated to each activity that constitutes services and/or tasks.
- d) The sum of money remaining in the agreement after presentation of the bill or invoice.


 In compliance with all as may be applicable of the Executive Order of November 29, 2001 (Administrative Bulletin No. OE-2001-73), to the officials, agencies and instrumentalities of the Commonwealth of Puerto Rico that appear in this agreement, and/or the grant transaction herein contained between said agencies and instrumentalities, the detailed work plan included on all bills or invoices that the UPRM will submit to the PREAA will also contain within its body, and over the signature of its subscriber, the following certification:

I (name) hereby Certify, under penalty of absolute nullity, that no public official or employee of the Puerto Rico Energy Affairs Administration or the Department of Economic Development and Commerce is a party to, or has any interest, in the profits or benefits that are the product of the contract that gives rise to this bill or invoice and, if/she were a party to, or had any interest, in the profits or the benefits that are a product of said contract, a proper dispensation has been previously duly issued. The only consideration to provide the goods or services under the aforementioned contract is the payment agreed to in the same with the authorized representative of the Puerto Rico Energy Affairs Administration and/or the Department of Economic Development and Commerce. The amount expressed in this bill or invoice is fair and correct and the goods, work, and/or services for which payment is requested herein have been duly delivered and/or rendered and have not been paid for. "Invoices that do not have this certification will not be paid"

"Signature of Authorized Representative"

6. Maximum Funding and Account Number of Funds: For the services rendered under this contract by the UPRM, PREAA shall pay as follows, unless another distribution is decided by both parties as the program develops:

ITEM	AMOUNT
Personnel costs	\$120,025.00
Fringe Benefits	\$4,650.00
Travel	\$31,500.00
Equipment	\$4,500.00
Supplies	\$1,500.00
Other Direct Costs	\$47,939
Indirect Charges	\$66,701.00
Total	\$276,815.00

 The disbursement of funds by the PREAA will be limited to the maximum amount of **two hundred seventy six thousand eight hundred fifteen (\$276,815.00) dollars**, as compensation pursuant to this agreement, and all of its obligations as stated in Appendix A. Said sum covers all costs that may be generated by all the activities described in this agreement, and in Appendix A; including incidental costs and expenses, if any. UPRM may utilize unused funding for purposes directly related to the program, but only after obtaining the express written consent of the PREAA. Corresponding payments shall be made from account number **E-1290-272-1320000-06F-2011-DE-EE0005700**, approval sheet number **12-045**.

7. **Changes in the Law:** Any change in the law, including but not limited to tax or labor law that may cause an increase in the UPRM's costs of carrying out the activities to be funded by this agreement, shall be the UPRM's sole and exclusive responsibility. Consequently, the PREAA shall not be obliged to disburse any additional sums, above that amount expressly stated in this agreement, should such an event occur, and the UPRM is still obligated to carry-out the duties and obligations expressed in this agreement.
8. **Term of Enforceability:** This agreement shall be in force from the date that it is signed by all the parties hereto, until February 28, 2013. The parties may agree to extend the existence and operation of this agreement by amending the same in writing, before its expiration date. Any such extension of this agreement's term of enforceability shall be subject to the existence of adequate funds, in the appropriate budget account(s).
- 8-A. **Commencement of Activities:** The appearing parties agree and covenant that the activities contained in this agreement will not commence until the agreement is signed by all the appearing parties. The parties furthermore recognize and accept that none of the activities contained in this agreement will be carried out after the date of expiration of the agreement, with the sole exception of activities begun prior to the date of expiration of the agreement, that are substantially finished by that date and for which there are sufficient funds in the

budget accounts identified in this agreement. Except for this sole exception, the PREAA will not make any payments on the basis of an expired contract.

8-B. Registration in the Office of the Comptroller: The appearing parties expressly recognize and accept that no activity or payment countenanced in this agreement may be carried out until the same has been presented for registration in the Office of the Comptroller of Puerto Rico pursuant to Act No. 18 of October 30, 1975, as amended. The UPRM knows of its right to request the PREAA copies of all the documents that evidence the PREAA's compliance with this registration procedure and the duty of the PREAA to provide such evidence to the UPRM.

8-C. Termination of the Agreement: The appearing parties expressly agree and covenant that the PREAA in its unfettered discretion can terminate this agreement, based on the non-compliance with any of the obligations listed in this agreement, by notifying the UPRM by certified mail, return receipt, with at least thirty (30) day notice to the date the PREAA has chosen to terminate this agreement. In such a case, the UPRM will have the right to be paid for the activities carried out until the date of such notification of termination, but not beyond.

9. Reports and Requests of Information: The appearing parties agree that, upon the date of the signing of this agreement, the UPRM will file with the PREAA progress monthly reports through which it will keep the PREAA informed of the progress it has made in carrying out the activities described in this agreement and Appendix A. Said reports will contain a relation of the activities carried out, problems, if any, that the UPRM has confronted to carry out said activities, the measures taken by the UPRM to resolve said problems, the UPRM's perception of the feasibility of carrying out the totality of activities contained in its work plan within the time allotted, and any other information that is related to the activities the UPRM has accepted to carry out under this agreement.

At any moment after the signing of this agreement, the PREAA may request from the UPRM any information it may deem pertinent and/or convenient regarding this project and any other matter touching upon or related to this agreement. The UPRM expressly agrees herein to supply the information thus requested expeditiously, through Dr. Efraín O'Neill. This does not include information that is not in possession of the UPRM and is not available upon request. However, information that is attainable from a third party upon request has to be disclosed.

10. Events that Require the Termination of the Agreement: The occurrence of the following events shall give rise to the termination of the agreement with UPRM:

- (a) UPRM's noncompliance with any of the terms and/or conditions herein expressed, if the UPRM could not correct that noncompliance, or if said noncompliance concerns an essential condition of this agreement.
- (b) If the UPRM does not correct the noncompliance, even if it could have, within the fifteen (15) days that follow the PREAA's notification of the existence of such noncompliance.

(1) It is provided, however, that upon a timely petition from the UPRM expressing just cause, the PREAA may extend said fifteen (15) days time period. The

PREAA's prerogative for granting such extensions is subject to and limited by the term of enforceability of this agreement.

- (c) The UPRM's noncompliance with a PREAA's request for information, order, correction notification, among others, as described in the proposal, within the term for compliance expressed, as the case may be:
- (1) in said request or order as described in the proposal,
 - (2) in this agreement, or
 - (3) in a term extension previously granted by the PREAA, in accordance with the terms and conditions of this agreement.
- (d) That any circumstance arises that prevents the UPRM, or any third party that the UPRM provides with conclusive participation in the same, to complete the activities expressed in this agreement. Examples of some, but not all circumstances included in this sub-clause, would be:
- (1) That the UPRM, or any third party that the UPRM provides with conclusive participation in the activities included in this agreement, seeks the protection of any Bankruptcy or insolvency proceedings, pursuant to the statutes applicable to such matters.
 - (2) That the creditors of the UPRM, or of any third party that the UPRM provides with conclusive participation in the activities included in this agreement, submit either of them to an involuntary Bankruptcy or insolvency proceeding, pursuant to the statutes applicable to such matters, if such action is not withdrawn within the five (5) following its filing.
 - (3) That the UPRM, or any third party that the UPRM provides with conclusive participation in the activities included in this agreement, becomes subject to a valid order given by a court of law with jurisdiction and competency over the subject matter, naming a trustee, administrator or liquidator over its affairs.
 - (4) That the UPRM, or any third party that the UPRM provides with conclusive participation in the activities included in this agreement, has its assets judicially seized, attached and/or sequestered.
 - (5) There are also extreme cases such as Acts of God and other situations beyond the control of UPRM's administration that might delay a response to an information request.
- (e) **Communications with DOE:** PREAA can communicate directly with DOE related to any issue of the award. The UPRM contact and Project PI, Dr. Efrain O'Neill, will be copied in such communications. UPRM can communicate on any technical issues of the project with DOE, after coordination, such as a phone call or email, with the PREAA personnel assigned to the project. The PREAA contact, Director Luis Bernal, will always be copied in such communications.

The agreement cannot be terminated if the reasons for any non-compliance from UPRM are directly and exclusively attributed to the PREAA intentionally causing such reason for non-compliance.

- 11. Enforcement Power:** The UPRM recognizes the enforcement power that resides in the PREAA concerning the enforcement of the obligations that the UPRM has assumed under this agreement. The parties hereto expressly agree that should the PREAA's representative understand that the UPRM has incurred in violations of this agreement, or that circumstances have arisen that prevent the UPRM from carrying out the activities described in this agreement, he (she) shall

notify the UPRM of such finding and shall grant the UPRM ten (10) days to hold a meeting regarding the same.

In that meeting, the UPRM shall have the opportunity to express the reasons for which such finding is not correct, or, if correct, that the same can be rectified. If the UPRM does not request said meeting, or, if said meeting is held, the PREAA representative determines that the reasons expressed by the UPRM are insufficient grounds to vary his (her) previous determination, he (she) may order this agreement terminated, and commence proceedings to recapture the funds granted to the UPRM under this agreement.

12. **Official Representatives of the Parties:** The appearing parties expressly agree that their respective official representatives in anything having to do with this agreement will be the following officials:

Dr. Jorge Rivera Santos
Chancellor
Box 9000, UPR Mayagüez
Mayagüez, PR 00680

Luis M. Bernal Jiménez
Executive Director
P. R. Energy Affairs Administration
P. O. Box 41314
San Juan, PR 00940

Only the abovementioned individuals will have the authority to sign communications between the parties that will have effect on the operation of this grant agreement. Changes in said personnel shall be notified expeditiously in writing to the other party by the party making the change.

13. **Waiver of Responsibility:** The PREAA shall not be responsible towards the UPRM, or its employees and/or contractors, or towards any other person, entity, organization, or any other third party regarding any loss, damage, penalty, fine, or for any other claim or cause of action that arises from, or is related to, any occurrence that arises during the activities countenanced in this agreement or that is a consequence of the same. The UPRM, hereby expressly agrees and covenants to represent, defend, save and hold harmless, pay on behalf and/or indemnify the PREAA regarding any claim made by its employees or contractors, or any other person, entity, organization or any other third party, for any loss, damage, fine, penalty or any other claim or cause of action that arises from, or is related to, the activities countenanced in this agreement or that is a consequence of the same. The PREAA recognizes that acts arising from negligence or intent on behalf of PREAA or its employees, contractors, or towards any other person, entity, organization, or any other third party regarding any loss, damage, penalty, fine, or for any other claim or cause of action, will be the responsibility of PREAA.

14. **Conflicts of Interest:** In compliance with all as may be applicable of Act No. 12 of July 24, 1985, as amended, to the officials, agencies and instrumentalities of the Commonwealth of Puerto Rico that appear in this agreement, and/or the grant transaction herein contained between said agencies and instrumentalities, and, in particular, with Letter to Boards of Directors and Boards of Governors of Public Corporations of May 20, 1993, and Circular Letters 97-02 and

2002-05, of the Office of Government Ethics of the Commonwealth of Puerto Rico, the appearing parties CERTIFY:

- (1) That no public servant of the PREAA or the Department of Economic Development and Commerce (DEDC) has a pecuniary interest in this agreement.
- (2) That no public servant of the PREAA or the DEDC, that has had a direct or indirect pecuniary interest in the UPRM during the last four (4) years, has influenced and/or participated in the institutional decisions of the PREAA and/or the DEDC regarding this grant agreement.
- (3) That no public servant of the PREAA or the DEDC has solicited, or accepted, directly or indirectly, on his (her) behalf, on behalf of a member of his (her) family unit, or on behalf of any person, presents, gratifications, favors, services, donations, loans or any other thing of monetary value.
- (4) That no public servant of the PREAA or the DEDC requested, or accepted, any goods of economic value, in relation to this transaction, from personnel of the UPRM as payment for carrying out the duties and responsibilities of his (her) position.
- (5) That no public servant of the PREAA or the DEDC has requested, directly or indirectly, for himself or herself, for any member of his (her) family unit, nor for any other person, business or entity, any goods of economic value, including presents, loans, promises, favors, or services, in exchange for the acts of said public servant to be influenced in the UPRM's favor.
- (6) That there is no family relationship, within the fourth grade of consanguinity and second grade of affinity, with any public servant that has the authority to influence and participate in the institutional decisions of the PREAA and/or the DEDC.

Note: For purposes of the above certification, the term "family unit" includes the husband or wife of the public servant, his (her) dependent children, or those people who share the legal residence of the public servant, or those people whose financial affairs are under the control, *de jure* or *de facto*, of the public servant.

In compliance with all as may be applicable of the Circular Letter 2003-02 of the General Services Administration of the Commonwealth of Puerto Rico to the officials, agencies and instrumentalities of the Commonwealth of Puerto Rico that appear in this agreement, and/or the grant transaction herein contained between said agencies and instrumentalities, the UPRM herein agrees and covenants to comply with Act No. 84 of June 18, 2002, that establishes the Ethics Code for Contractors, Suppliers and Solicitants of Economic Incentives of Executive Agencies of the Commonwealth of Puerto Rico.

All parties herein expressly recognize and accept that the provision of accurate and correct information regarding the subjects expressed above is an **essential condition** of this agreement. All parties further agree that any inaccuracy concerning the same will be sufficient cause for the PREAA to notify the UPRM of said noncompliance and of the UPRM's obligation **to return all moneys that it received pursuant to this agreement.**

In addition, it is expressly agreed herein that it shall be the UPRM's responsibility to inform all its subcontractors (if any), or any other participant in the activities covered by this agreement, concerning the above mentioned requirements that may be applicable to them, and to assure itself that all said subcontractors or participants fully comply with the same.

15. Other Matters Related to Conflicts of Interest: This contract does not limit the UPRM's ability to carry out the business for which it was constituted. But the UPRM expressly recognizes and accepts that it assumes the duty and obligation not to pursue any particular or professional interest that conflict with PREAA's interests related to the work to be performed under this contract.

The UPRM expressly recognizes and accepts that upon signing this contract it assumes a duty of total and complete loyalty towards the PREAA, which includes not having adverse interests to those of that government agency. Those adverse interests may include, without being limited to, representing clients or partners that have or may have, interests that conflict with those of the PREAA. This duty and obligation of total and complete loyalty also includes the continuing duty of the UPRM of keeping the PREAA informed regarding all relations with clients, third parties and any self-interest, among others, that may conflict with those of the PREAA, since the moment of the signing of this contract until its date of termination.

For example, without being limited to, the UPRM would incur in a conflict of interest when, to benefit a client or partner it pursues or provides that which it should oppose in compliance of its duty to safeguard the interests of a present or previous client or partner. It would also be a conflict of interest when the UPRM incurs in behavior that is so classified by professional ethical norms or by local or federal laws, rules and/or regulations. Regarding corporations, partnerships and/or firms, it would be a conflict of interest when any of its directors, associates and/or employees does not comply with the obligations to do, and not to do, describe before. The UPRM expressly assumes the duty of avoiding even the appearance of a conflict of interest.

The UPRM expressly recognizes the enforcement power that resides in the Administrator of the PREAA in relation to the conflicts of interests above described. If the PREAA believes that a conflict of interest exists or has arisen between the UPRM and the PREAA, he/she will follow the procedure described in clause number 11, entitled "Enforcement Power", above.

16. Exercise of Remedies: Conflict resolution: All efforts will be made to resolve disagreements between the parties regarding technical, financial and management issues, using the terms of this contract and the conditions established in the approved proposal and documents submitted to DOE. If disagreements cannot be solved, final decisions will be made by PREAA Director, Luis Bernal, in coordination with the Chancellor of the UPRM.

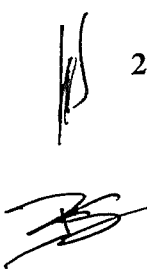
All parties accept that if the PREAA chooses not to exercise any of the remedies or legal mechanisms provided to it in this agreement, such action will not constitute an abandonment or a renunciation of the same and to the contrary, that those remedies and mechanisms shall remain in full force. In addition, all parties to this agreement accept that the PREAA may exercise some or all of the remedies and legal mechanisms it is entitled to under this agreement, simultaneously or consequently, at its total and complete discretion, and without such choice of exercise, whichever it may be, to be interpreted as a renunciation to any or all of these remedies or legal mechanisms.

17. Drug Free Workplace: The UPRM declares and certifies that the institution is familiar with the Drug Free Workplace Act of 1988, and expressly assumes herein to observe all the dispositions of said legislation and implement them in all as may be applicable to it.

18. Prohibition Concerning Discrimination: The UPRM declares and certifies that it does not and will not discriminate against any person for reason of race, color, religion, sex, age, origin, political persuasion, and/or place of birth and that said policy will continue in everything related to and touching upon the activities expressed in this agreement.

19. Subcontracting, Transfer or Assignment: The UPRM shall not subcontract the tasks and services contained in this agreement, nor retain or contract the services of experts or any other person to such ends without the previous and written permission of the PREAA. Neither shall the UPRM transfer, assign, or convey any interest arising from this agreement.

20. Severability: All parties herein expressly agree that all parts, sections and clauses of this agreement are independent one from the other and, if one or more of them should be declared invalid by a Court of Law, with jurisdiction and competence over the subject matter, its decision will not affect the others, unless the decision clearly and expressly indicates the contrary.

**21. Agreement as to Governing Law and Court:** All parties to this contract expressly recognize that this contract is to be governed by the laws of the Commonwealth of Puerto Rico. The parties further expressly agree that any controversy that may arise among the parties in relation to this contract will be submitted to the San Juan Section of the Court of First Instance of Puerto Rico for resolution.

22. Totality of Agreements and Covenants: The appearing parties expressly recognize that this contract and the Proposal written by the UPRM professors (included as Appendix A of this contract) contains the totality of their agreements and covenants, and no other source can supplement or vary the contents of the same, save those sources expressly stated herein, except those that may be included by the DOE during the duration of this agreement. The parties also agree that this agreement may only be amended in writing, during the term of enforceability of the same.

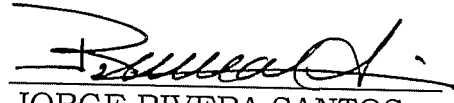
ACCEPTANCE

The parties sign this agreement, and initial all of its pages, in testimony of their acceptance of all of its terms and conditions, and of their obligation and commitment of complying with everything herein expressed. In San Juan, Puerto Rico, this __ __ day of April, 2012.

For the PREAA:

For the UPRM:


LUIS M. BERNAL JIMÉNEZ
Executive Director
Puerto Rico Energy Affairs Administration
P.O. Box 41314
San Juan, P.R. 00940



JORGE RIVERA SANTOS
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