



Republic of the Philippines

DEPARTMENT OF ENERGY

MR. WESTIN RAYMOND A. CONTRERAS

Authorized Representative

1 Barracuda Energy Corp. (1BEC)

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Dear **Mr. Contreras**:

This refers to your 24 June 2020 letter which responded to the show-cause letter issued by the Department last 29 May 2020. The said letter states that the Solar Energy Service Contracts (SESC) covering the 1BEC, 2BEC, 4BEC, and 5BEC's (collectively, the "BECs") solar floating projects located in Laguna de Bay should not be terminated considering the "[l]ack of LLDA policy on floating solar has prevented all developers with floating solar [service contracts] to move forward on development."

It is important to note that granting of surface water rights for the Projects relates to the "Land Rights Acquisition" activity under the Work Programs. Therefore, without the Laguna Lake Development Authority's (LLDA) authorization, the BECs could not push through with completion of the Pre-Development Stage of their projects in a normal manner. We agree that the BECs did not and could not have the means to predict when the LLDA would issue the required policy and release the permits.

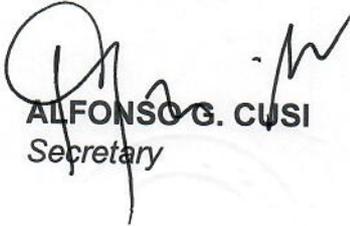
We thus consider the cause of delays as a *force majeure* event. Consequently, the implementation of your Work Program will be suspended pursuant to Section 16.4.a of the SESC, but is subject to the following terms and conditions:

1. The suspension of the SESC shall be effective immediately and automatically be lifted upon LLDA's issuance of a Policy for floating solar power projects.
2. BECs shall file Declaration of Commerciality covering its projects within a non-extendible period of thirty (30) days from the effective date of the LLDA policy.

3. BECs may also relinquish the SESC pursuant to Section 16.4 (b) *"If the Solar Energy Operations are curtailed or prevented by such causes, then the time for enjoying the rights and carrying out the obligations thereby affected, and all rights and obligations hereunder shall be extended for a period equal to the period of delay, curtailment or prevention; Provided, however, That if operations are delayed, curtailed or prevented by Force Majeure for a continuous period of twelve (12) months, this RE Contract may thereafter be terminated, at the option of the RE DEVELOPER, at any time that the Force Majeure condition still exist, subject to the confirmation of the DEPARTMENT"*

Thank you.

Very truly yours,


ALFONSO G. CUSI
Secretary



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IN REPLYING PLS. CITE:

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