



PEERLESS/SUNOCO: A PARTNERSHIP WITH US VIRGIN ISLANDS



OCTOBER 25, 2024

OUR PRESENCE IN PUERTO RICO DATES BACK TO 1958

- 1958** - ESTABLISHED A WAREHOUSING OPERATION TO STORE AND DELIVER HEAVY INDUSTRIAL CHEMICALS FOR UNION CARBIDE. AN EARLY VENTURE IN “OPERATION BOOTSTRAP”
- 1966** - BUILT A RAFFINATE PROCESSING FACILITIES TO PRODUCE SOLVENTS FOR THE ASPHALT AND DRY CLEANING INDUSTRIES AMONG OTHERS.
- 1978** - RE-CONFIGURED THE PROCESS FACILITIES “PRE-REFINED” CRUDE FOR FURTHER PROCESSING IN CORCO.
- 1982** - CONSTRUCTED A TRUCK LOADING RACK AND STARTED TERMINALLING OF BULK CHEMICALS.
- 1989** - COMMENCED PRODUCING JET FUEL (JP-4) FOR THE US AIR FORCE. LEASED THE PUNTILLA DOCK AND 1.5 MILLIONS BARRELS STORAGE CAPACITY FROM UNION CARBIDE.

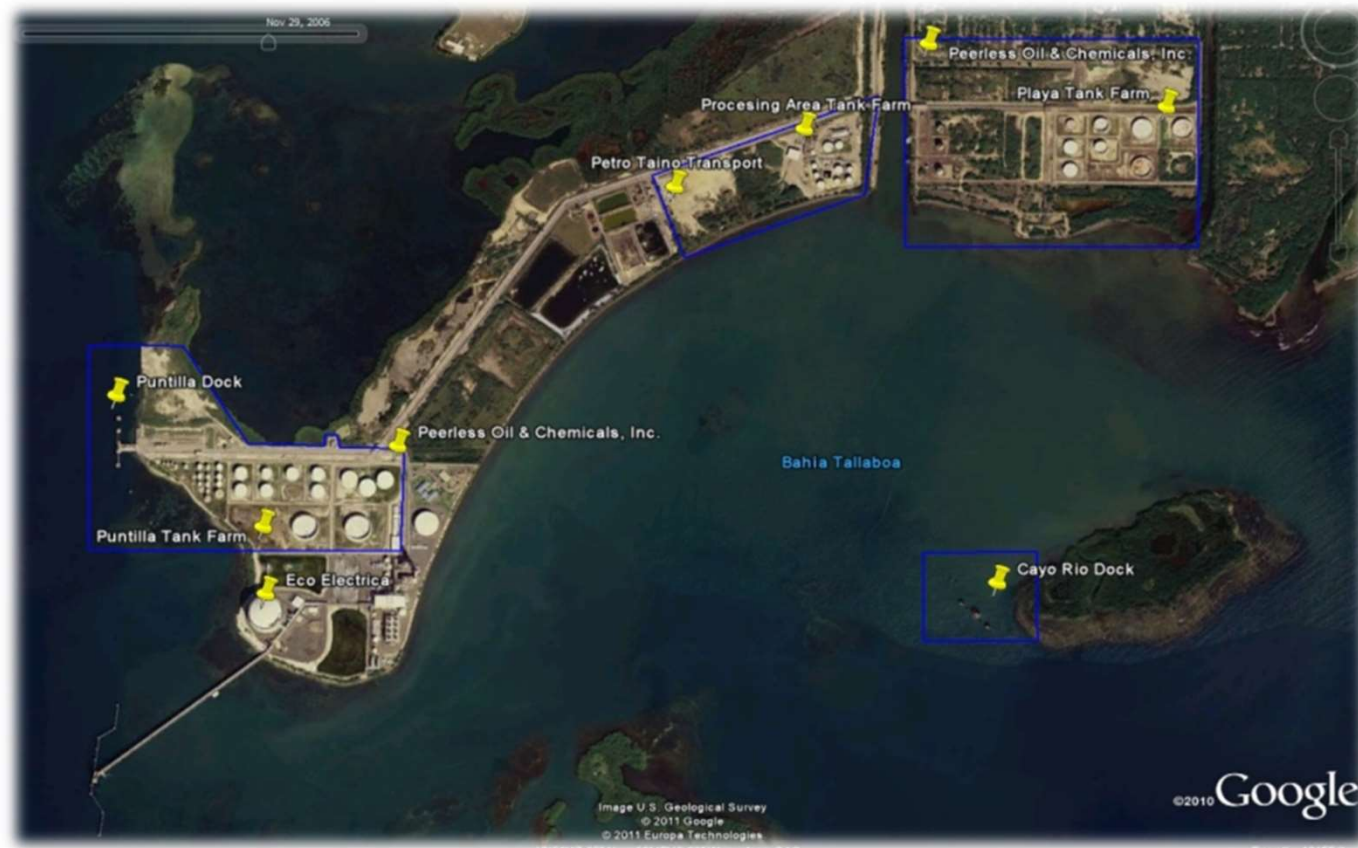
AND WE CONTINUOUSLY REINVENT OUR OPERATIONS TO MEET THE CHANGING MARKET NEEDS

- **1991** - BUILT A “STATE OF THE ART” TRUCK LOADING RACK TO DELIVER HIGH QUALITY GASOLINE UNDER A BLENDING AND DISTRIBUTION AGREEMENT WITH YABUCOA SUN OIL.
- **1994** - RE-CONFIGURED THE PROCESS FACILITIES TO REMOVE BENZENE FROM YABUCOA SUN OIL GASOLINE STREAM IN RESPONSE TO THE CLEAN AIR ACT RESTRICTIONS.
- **1999** - CONVERTED THE FACILITIES INTO THE FIRST TERMINAL DEDICATED TO IMPORT, BLEND AND SUPPLY GASOLINE & DIESEL EXCLUSIVELY FOR WHOLESALERS, JOBBERS AND INDEPENDENT SERVICE STATIONS.
- **2007 - SUPPLIED 24MM GALS OF DIESEL TO PREPA (AFTER THE PALO SECO FIRE).**
- **2010 - STARTED DELIVERING DIESEL BY BARGE TO PREPA.**
- **2012** - LAUNCHED OUR BRAND OF GAS STATIONS - ECOMAXX .
- **2015 – LEASED TANK FROM ECOELECTRICA POWER PLANT IN PENUELAS, PUERTO RICO**

WHILE GROWING OUR CUSTOMER BASE, PRODUCT OFFERINGS, FACILITIES

- **2016 - STARTED DELIVERING DIESEL TO AES POWER PLANT IN GUAYAMA, PUERTO RICO.**
- **2022 – SUNOCO ACQUIRED PEERLESS**

PEERLESS HAS SUPPORTED THE GROWING NEEDS OF PUERTO RICO AND THE CARIBBEAN



OUR FOUR IN-HOUSE DOCKS PROVIDE AN EFFICIENT ENTRY/DEPARTURE POINT FOR SEA ROUTES

- FOUR (4) DOCKS OFFER A PASSAGEWAY FROM THE SOUTH SIDE OF THE ISLAND
 - CAYO RIO DOCK,
 - PUNTILLA,
 - GUAYANILLA DOCK AND
 - RORO (ROLL ON ROLL OFF)

THE TERMINAL HAS SUPPORTED THE GROWING NEEDS OF PUERTO RICO AND THE CARIBBEAN



PUNTA GOTAY DOCK



Peerless Oil, Peñuelas
March 13, 2012

AERO FOTO

SEAMLESS TANKER/ BARGE / TRUCK TRANSPORTATION ECOSYSTEM





Industrial/Commercial/Government

Marine



Government

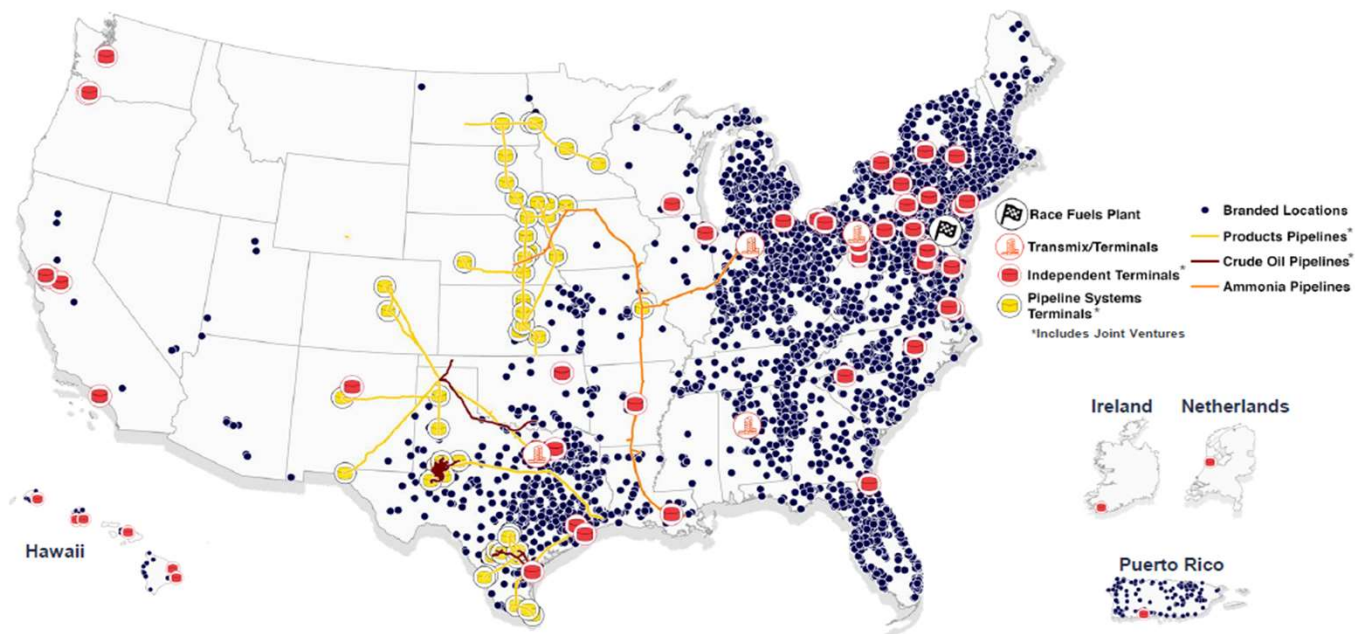


Quick Lubes



SUNOCO LP

Leading Operator of Critical Energy Infrastructure and North America's Largest Independent Fuel Distributor

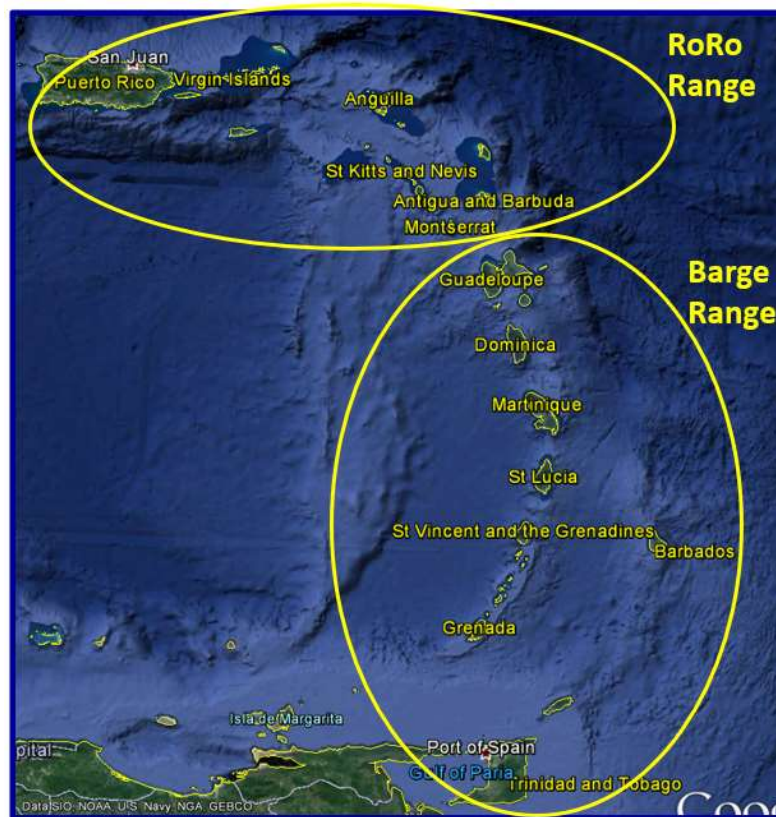


- Distribute over 8.5B gallons of fuel annually
- ~7,400 branded locations across >40 U.S. states and Puerto Rico
- ~14,000 miles of pipeline transporting crude oil, refined products, and ammonia
- 850+ real estate assets
- 113 terminals across the U.S., Caribbean, and Europe
- Largest transmix operator in North America with 4 facilities

OVER 100 STATIONS IN PUERTO RICO UNDER THE BRAND NAME OF ECOMAXX & SUNOCO



Supply Area : East Caribbean



PARTNERSHIP WITH THE US VIRGIN ISLANDS

- **1999** - START SUPPLYING FUELS TO THE USVI VIA BARGE. DOMINO WAS OUR CLIENT DELIVERING APROXIMATELY 17,000 BBLS PER MONTH.
- **2012** – WHEN HOVENSA SHUTDOWN THE REFINERY, PEERLESS WAS THE MAIN SUPPLIER FOR ST CROIX AND ST THOMAS. AS OF TODAY, PEERLESS CONTINES TO SUPPLY FUELS AND LUBRICANTS.
- **2017** – IN 2017, AFTER HURRICANE IRMA AND HURRICANE MARIA, PEERLESS WAS THE MAIN SUPPLIER OF FUELS AND PRODUCTS TO THE USVI.
- **2018** - STARTED DELIVERING JET FUEL FOR ST THOMAS AIRPORT
- **2022** – SUNOCO ACQUIRED PEERLESS



THE TERMINAL SUPPORTED THE USVI AFTER HURRICANES IRMA AND MARIA IN 2017



ISSUES FOR WAPA



Virgin Islands
WATER AND POWER AUTHORITY

- HIGH PRICES TO THE RESIDENTIAL AND COMMERCIAL CLIENTS
- CASH FLOW DUE TO HIGH EXPENSE OF BARGE CONTRACT AND CREDIT
- RELIABILITY AND AVAILABILITY OF SUPPLIERS

ISSUES FOR WAPA



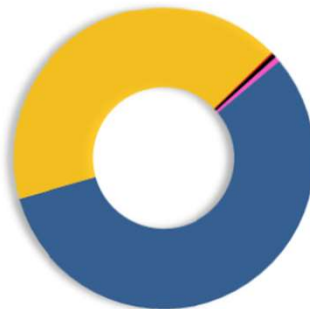
Virgin Islands WATER AND POWER AUTHORITY

As of March 1, 2022

RESIDENTIAL

- FIRST 250 kWh -

■ Energy Charge ■ Fuel Charge ■ Pilot Surcharge ■ Self Insurance Surcharge ■ OPEB Surcharge

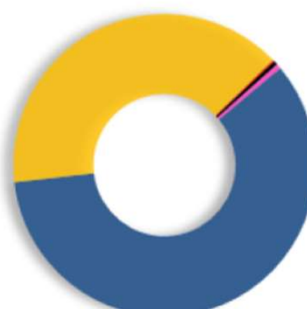


Residential Energy Charge: \$ 0.181456
 Fuel Charge: \$ 0.222246
 Pilot Surcharge: \$ 0.000686
 Self-Insurance Surcharge: \$ 0.001925
 OPEB Surcharge: \$ 0.002166

Total Residential Charge:
\$ 0.408479 / kWh

RESIDENTIAL

- ALL OTHER kWh -

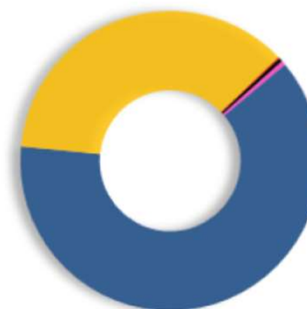


Residential Energy Charge: \$ 0.207654
 Fuel Charge: \$ 0.222246
 Pilot Surcharge: \$ 0.000686
 Self-Insurance Surcharge: \$ 0.001925
 OPEB Surcharge: \$ 0.002166

Total Residential Charge:
\$ 0.434677 / kWh

COMMERCIAL

- ALL kWh -



Commercial Energy Charge: \$ 0.246533
 Fuel Charge: \$ 0.222246
 Pilot Surcharge: \$ 0.000686
 Self-Insurance Surcharge: \$ 0.001925
 OPEB Surcharge: \$ 0.002166

Total Commercial Charge:
\$ 0.473556 / kWh

In addition to the per kWh rates, all customers are assessed a flat rate customer charge.

Residential: \$ 4.86

Commercial: Single Phase: \$ 6.33 or Three Phase: \$ 12.65

ELECTRIC

WE SEEK TO COLLABORATE WITH WAPA TO IMPROVE THE EFFICIENCIES OF THE ELECTRIC SERVICE AND PRICE TO THE USVI RESIDENTS

WITH OUR PROPOSAL, PEERLESS AND SUNOCO WILL PROVIDE:

- RELIABILITY OF SUPPLY
- REDUCTION IN COST OF PRODUCT
- QUALITY OF FUELS AND LUBRICANTS
- REDUNDANCY OF SUPPLY FOR LOCAL PEOPLE
- CASH FLOW FOR WAPA



Virgin Islands
WATER AND POWER AUTHORITY

PROPOSAL FOR:



**Virgin Islands
WATER AND POWER AUTHORITY**

- USE TANKS OF WAPA IN ST THOMAS AND ST CROIX AS STORAGE FACILITIES
- PEERLESS OR DESIGNATED SUPPLIER WILL OWN THE FUEL
 - WAPA WILL BE THE ULTIMATE CONSIGNEE.
 - THIS ALLOWS WAPA TO PAY FOR THE AMOUNT USED, PROVIDING A BETTER CASH FLOW



PROPOSAL FOR:



Virgin Islands
WATER AND POWER AUTHORITY

- PEERLESS HAS ALREADY PROVEN THIS CONCEPT USING THE ECOELECTRICA TANK IN PUERTO RICO.



1. EcoElectrica shares a small peninsula with Peerless Oil & Chemicals Inc that juts out into Guayanilla Bay and the Caribbean Sea beyond. Here an LNG tanker discharges its cargo to the 1-million-bbl storage tank via a pipeline mounted on the causeway connecting the plant site to the unloading dock



PROPOSAL FOR:



**Virgin Islands
WATER AND POWER AUTHORITY**

- **LOADING RACK** IN WAPA STORAGE FACILITY
 - PEERLESS OR DESIGNATED SUPPLIER COULD LOAD TRUCKS AND SELL DIESEL TO THE TRUCKING INDUSTRY AND MARINE CLIENTS
 - ADDITIONAL REVENUES TO THE TREASURY DEPARTMENT OF THE USVI BASED ON MORE SALES
 - THIS WILL PROVIDE RELIABILITY OF SUPPLY IN CASE OF INTERRUPTION OF DELIVERIES FROM CURRENT IMPORTERS.





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