

# Monthly Report on the T&D System

For the Month of September 2025

October 15, 2025



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# 1.0 Mission, Goals and Areas of Responsibility

LUMA assumed operations of Puerto Rico's Transmission and Distribution System ("T&D System") on

June 1, 2021, with the mission to recover and transform the energy grid and deliver customer-centric, reliable, resilient, safe, and sustainable electricity at reasonable prices for the 1.5 million customers LUMA is proud to serve. LUMA manages and operates the government-owned T&D Assets under the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement ("T&D OMA") executed on June 22, 2020, among the Puerto Rico Electric Power Authority ("PREPA"), the Puerto Rico Public-Private Partnerships Authority ("P3A") and LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, "LUMA"). This report outlines LUMA's key activities for the month of September 2025.

## **URGENT CASH MATTERS**

September 2025 is the thirty-fourth (34th) consecutive month in which PREPA did not fully fund one or more of the Service Accounts and failed to comply with its contractual obligations, in breach of the T&D OMA. September 2025 is also the twenty-first (21st) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account. September 2025 is also the twelfth (12th) consecutive month in which PREPA did not provide the required funding to replenish the Contingency Reserve Account. Funding the Service Accounts, including the Outage Event Reserve Account and the Contingency Reserve Account, is an obligation of the Owner, pursuant to Section 7.5 of the T&D OMA. To date, PREPA has failed to identify a funding source to meet its obligations under the T&D OMA.

# 2.0 LUMA Accomplishments

## **September Achievements**

### **LUMA and P3A Tour Main Warehouse Highlighting Robust Material Inventory During Hurricane Season**

- Together with the Public-Private Partnerships Authority (P3A), we toured our main warehouse in Palo Seco to highlight the robust inventory of critical materials available to respond quickly to emergencies affecting Puerto Rico's electric system.
- Over the past year, we expanded our inventory to more than \$400 million in materials, including 31,000 poles, 9.9 million feet of cable, and 6,300 transformers, strategically stored across 22 warehouses throughout the Island. These resources are essential to restoring power swiftly after severe weather events.
- "This tour reflects our commitment to transparency, collaboration, and continuous preparation," said José Pérez Vélez, LUMA's Executive Director. "We are better equipped than ever, with more materials, more training, and stronger coordination, to respond during critical moments."
- In addition to strengthening logistics, we continue to enhance our emergency response plan through ongoing drills, agreements with municipalities and hospitals, and mutual aid partnerships that reinforce Puerto Rico's resilience and energy security.
- These actions reaffirm our commitment to serve every customer and community with reliability, transparency, and preparedness. ([link](#))

## **Quanta CEO Reaffirms Commitment to Puerto Rico's Energy Future Calls for Greater Cooperation to Support Progress & FEMA-Funded Projects**

- Duke Austin, President and CEO of Quanta Services, one of LUMA's parent companies, met with representatives from the FEMA Review Council, the Puerto Rico Government, PREPA, and the P3A to discuss how to strengthen collaboration and remove obstacles slowing FEMA-funded projects vital to Puerto Rico's energy transformation.
- During the meeting, Austin reaffirmed Quanta's and ATCO's strong commitment to Puerto Rico and emphasized the importance of eliminating unnecessary bureaucracy to accelerate progress. "Our success depends on a strong public-private partnership and the removal of barriers that delay vital FEMA-funded projects," said Austin.
- Since 2021, LUMA has initiated more than 500 FEMA-funded projects, with 187 already under construction or completed. These include the installation of 1.5 million smart meters, modernization of streetlights to enhance public safety, vegetation management across thousands of miles, and infrastructure upgrades to integrate more renewable energy sources.

### **Austin also outlined several key actions to empower faster progress:**

- Speed up reimbursement of pre-approved FEMA projects.
- Increase working capital advances to allow more projects to move forward simultaneously.
- Fully reimburse the costs of seconded labor used in emergency response and reconstruction.
- Streamline approval processes and reduce redundant reviews.
- Reactivate more than 200 delayed FEMA-funded projects critical to transmission and distribution improvements.
- This initiative underscores LUMA's continued commitment to rebuilding Puerto Rico's energy system with transparency, efficiency, and long-term resilience. ([link](#))

## **Stabilization the Electric System: LUMA Installs New Transformer in Monacillos to Benefit Around 10,000 Customers**

- LUMA completed the installation and energization of a new distribution transformer at the Monacillos substation, directly benefiting more than 10,000 customers in the metropolitan area.
- The new transformer allows customers who had been transferred to other substations since 2021 to once again receive service directly from Monacillos, improving stability and reliability.
- Two additional transmission transformers at Monacillos are in the testing phase and will soon be energized, benefiting more than 275,000 customers and strengthening service in Caguas, Sabana Llana, Carolina, and Hato Rey.
- The project is part of a broader effort to modernize substations across Puerto Rico to improve resilience and meet growing energy demand.
- These transformers were manufactured in China, Turkey, and Brazil, with a nearly three-year process for production and transport due to global supply chain challenges.
- More than half of the transformers in Puerto Rico's substations have exceeded their useful life, making this project a key step in modernizing the system.

- The electric system continues to degrade between 3% and 5% annually, highlighting the urgency of stabilization efforts.
- Progress on these projects depends on operating funds that PREPA has not yet deposited, threatening to delay critical improvements. ([link](#))

### **LUMA Replaces Fiber Optic Cable on Transmission Line from Vega Baja to Bayamón**

- LUMA crews are installing 38,000 feet of fiber optic cable along transmission line 37400, which runs through Manatí, Vega Baja, Vega Alta, Toa Baja, and Bayamón, benefiting more than 100,000 customers in Puerto Rico's northern region.
- Prior to installation, an aerial inspection and thermographic study identified hot spots on the lines, areas of abnormal heating, that will be repaired as part of the project.
- The new fiber optic connection will strengthen communication between substations, improve system monitoring and control, and enhance grid resilience by enabling faster, more effective responses to service interruptions.
- "Integrating fiber optic cable into line 37,400 represents a major step in modernizing the grid and advancing communication capabilities across Puerto Rico," said Engineer Hamilton Lugo, Director of Transmission Line Operations.
- The project is funded through operational funds and forms part of LUMA's broader effort to modernize and strengthen the island's electric infrastructure.
- LUMA emphasized that maintaining progress on these transformation projects depends on the availability of required funds in the designated operational accounts. ([link](#))

### **LUMA Rebuilds Transmission Line in Humacao Out of Service Since Hurricane Maria**

- LUMA is reconstructing transmission line 12,600, connecting the Naguabo TC substation with the Verde Mar substation in Humacao, which has been out of service since Hurricane Maria, to improve service reliability for over 25,000 customers in Naguabo, Humacao, Vieques, and Culebra.
- Until this line is restored, customers in Humacao rely solely on line 5400, which also serves Vieques and Culebra, increasing the risk of outages.
- The reconstruction includes replacing insulators and hardware on 110 poles and installing approximately 30,000 feet of electrical material across 30 poles.
- About 40 employees are working on the project, aiming for completion by the end of October.
- Engineer Hamilton Lugo, Director of Transmission Line Operations, emphasized that this reconstruction restores redundancy and strengthens the system, directly benefiting families and businesses while supporting LUMA's broader commitment to transforming Puerto Rico's electric grid.
- The project is funded through operational funds, and continued progress depends on having the necessary resources to carry out critical system improvements. ([link](#))

### **LUMA Strengthens Substations in Humacao and San Lorenzo with Maintenance and Modernization Work Benefiting Over 14,000 Customers**

- LUMA is performing scheduled maintenance at substations in Humacao and San Lorenzo, benefiting over 14,000 customers in the southeastern region as part of broader infrastructure modernization efforts.

- At the San Lorenzo Substation, crews conducted major maintenance on the transformer, including correcting oil leaks, installing additional fans to prevent overheating, maintaining the voltage regulator (Load Tap Changer), and installing three insulators to reduce the risk of faults.
- A portable substation was used during transformer work to keep customers in service, and the main transformer was successfully returned to operation after load testing.
- At the Humacao Pueblo Substation, crews replaced the battery charger for the protection system, upgraded the control house distribution panel, replaced busbar supports, corrected control cables on transmission line 12,500, and conducted additional inspections to ensure proper operation.
- These preventive maintenance and equipment upgrades directly improve service stability, system reliability, and emergency preparedness for customers in the area.
- All work is coordinated with municipalities and follows strict safety protocols and industry standards.
- LUMA emphasized that continuing these critical improvements depends on the availability of necessary funds in the designated accounts to sustain the pace of the grid's transformation. ([link](#))

#### **Proactive Improvements to Transmission Line in Ceiba Strengthen the Electric Grid in the Eastern Region**

- LUMA crews conducted preventive maintenance on transmission line 36200 along Road 974 in Ceiba, correcting hot spots on this 115kV line that serves over 14,000 customers between Fajardo TC and Dagua TC in Naguabo.
- Hot spots, areas where connections overheat were identified using aerial inspections and thermographic cameras and repairing them reduces risks to the reliable operation of the electrical system.
- "Correcting hot spots allows us to minimize outages and continue strengthening the island's electric grid," said Hamilton Lugo, Director of Transmission Line Operations.
- The project is funded through operational funds, and LUMA emphasized that having funds available in the appropriate accounts is essential to continue critical preventive work and enhance system resilience, especially during hurricane season. ([link](#))

## **3.0 Monthly Sales Summary**

Consumption in September 2025 decreased by 12.2% compared to the previous month (August 2025) and increased by 3.0% compared to the same month of the previous year (September 2024). In September 2025, energy sales increased by 9.4% compared to August 2025 and 7.3% compared to September 2024.

**Table 2–1. Energy billed by customer segment**

| <b>Consumption<br/>(GWh)</b> | <b>Residential</b> | <b>Commercial</b> | <b>Industrial</b> | <b>Public<br/>Lighting</b> | <b>Agriculture</b> | <b>Other<br/>Authorities</b> | <b>Total<sup>4</sup></b> |
|------------------------------|--------------------|-------------------|-------------------|----------------------------|--------------------|------------------------------|--------------------------|
| <b>2025 September</b>        | 669.8              | 666.4             | 136.2             | 23.0                       | 1.6                | 3.2                          | <b>1,500.2</b>           |
| <b>2025 August</b>           | 711.0              | 831.8             | 133.9             | 26.2                       | 2.3                | 3.1                          | <b>1,708.3</b>           |
| <b>2024 September</b>        | 647.7              | 668.1             | 112.1             | 23.3                       | 1.7                | 3.4                          | <b>1,456.3</b>           |

Table 2–2. Energy sales by customer segment

| Sales<br>(\$ Million) | Residential | Commercial | Industrial | Public<br>Lighting | Agriculture | Other<br>Authorities | Total <sup>4</sup> |
|-----------------------|-------------|------------|------------|--------------------|-------------|----------------------|--------------------|
| 2025 September        | 158.3       | 179.2      | 33.5       | 9.3                | 0.5         | 0.8                  | 381.6              |
| 2025 August           | 143.7       | 166.8      | 27.1       | 10.1               | 0.5         | 0.7                  | 348.9              |
| 2024 September        | 149.7       | 165.8      | 29.8       | 9.0                | 0.5         | 0.8                  | 355.6              |

Table 2–3. Energy sales by rate component

| Energy Sales<br>(\$ Million) | Base  | FCA <sup>1</sup> | PPCA <sup>2</sup> | CILT & Subsidies &<br>EE <sup>3</sup> | Total <sup>4</sup> |
|------------------------------|-------|------------------|-------------------|---------------------------------------|--------------------|
| 2025 September               | 99.6  | 152.2            | 63.4              | 66.4                                  | 381.6              |
| 2025 August                  | 101.8 | 168.6            | 56.6              | 21.9                                  | 348.9              |
| 2024 September               | 97.9  | 176.7            | 57.6              | 23.4                                  | 355.6              |

## 4.0 System Operations Update

### Reported Events

- In September 2025, a total of eight (8) base load generation forced outages occurred. Three (3) load sheds occurred because of generation outages that resulted in the activation of Under Frequency Load Shed (“UFLS”<sup>5</sup>), three (3) load sheds were due to a contingency load shed and one (1) load sheds were due to generation shortfall.
- During the month of September 2025 LEOC was not activated.

Table 3–1: Significant Generation Outages by Site for September 2025

| Site Name   | Derated <sup>6</sup> | Forced Outage <sup>7</sup> | Loadshed <sup>8</sup> | Planned /<br>Maintenance<br>Outages <sup>9</sup> |
|-------------|----------------------|----------------------------|-----------------------|--------------------------------------------------|
| San Juan 5  | 6                    | 1                          | 0                     | 1                                                |
| San Juan 6  | 3                    | 1                          | 0                     | 1                                                |
| San Juan 9  | 7                    | 0                          | 0                     | 1                                                |
| Palo Seco 3 | 5                    | 2                          | 2                     | 0                                                |
| Palo Seco 4 | 2                    | 1                          | 0                     | 0                                                |

<sup>1</sup> FCA: Fuel Charge Adjustment

<sup>2</sup> PPCA: Purchased Power Charge Adjustment

<sup>3</sup> CILT: Contribution In Lieu of Taxes and EE: Energy Efficiency

<sup>4</sup> The Total amount may not equal the sum of numbers for each category due to rounding.

<sup>5</sup> Under Frequency Load Sheds occur when the system frequency drops below 59.2 Hz.

<sup>6</sup> Derated: A reduction in power generation capacity, typically due to technical limitation.

<sup>7</sup> Force Outage: Unplanned shutdown of a power station, generation unit, transmission or distribution lines due to unexpected breakdown or failure.

<sup>8</sup> Loadshed: A protective Electric System mechanism to curtail demand for electric power, typically due to power supply shortfalls or disturbances.

<sup>9</sup> Maintenance Outages: A generating unit shutdown for planned maintenance service.

| Site Name    | Derated <sup>6</sup> | Forced Outage <sup>7</sup> | Loadshed <sup>8</sup> | Planned / Maintenance Outages <sup>9</sup> |
|--------------|----------------------|----------------------------|-----------------------|--------------------------------------------|
| Costa Sur 5  | 3                    | 0                          | 0                     | 0                                          |
| Costa Sur 6  | 8                    | 2                          | 0                     | 0                                          |
| Aguirre 2    | 2                    | 1                          | 1                     | 0                                          |
| AES 1        | 4                    | 0                          | 0                     | 0                                          |
| AES 2        | 1                    | 0                          | 0                     | 0                                          |
| EcoEléctrica | 0                    | 0                          | 0                     | 0                                          |
| <b>TOTAL</b> | <b>41</b>            | <b>8</b>                   | <b>3</b>              | <b>3</b>                                   |

**Table 3–2: Total Significant Generation Outages by Month**

| Outage Type:          | Derated | Forced Outage | Loadshed | Loadshed due to Generation Shortfall <sup>10</sup> | Planned / Maintenance Outages |
|-----------------------|---------|---------------|----------|----------------------------------------------------|-------------------------------|
| <b>September 2025</b> | 41      | 8             | 3        | 1                                                  | 3                             |
| <b>August 2025</b>    | 44      | 11            | 2        | 4                                                  | 1                             |
| <b>September 2024</b> | 66      | 11            | 4        | 6                                                  | 2                             |

**Table 3–3: Significant Transmission Outages by Line / Transformer for September 2025**

| Site Name                                   | Line Trips <sup>11</sup> | Transformer Trips <sup>12</sup> | Substation Trips <sup>13</sup> |
|---------------------------------------------|--------------------------|---------------------------------|--------------------------------|
| Barceloneta TC 115 kV Bus                   | 0                        | 0                               | 1                              |
| Bayamon Pueblo 38 kV Bus                    | 0                        | 0                               | 1                              |
| Canas TC Bank 115/38 kV                     | 0                        | 1                               | 0                              |
| Costa Sur SP Bank #1 230/115 kV             | 0                        | 1                               | 0                              |
| Dos Bocas 38 kV Bus                         | 0                        | 0                               | 1                              |
| Dos Bocas Bank 115/38 kV                    | 1                        | 2                               | 0                              |
| Juncos TC 115 kV Bus 1                      | 0                        | 0                               | 1                              |
| Line - 36100 Dos Bocas HP - Piñas GIS       | 2                        | 0                               | 0                              |
| Line - 36300 Humacao TC - Rio Blanco TC     | 1                        | 0                               | 0                              |
| Line - 36300 Jobos TC - Juan Martin         | 1                        | 0                               | 0                              |
| Line - 36400 Dos Bocas HP - Jayuya          | 3                        | 0                               | 0                              |
| Line - 36700 Mayaguez TC - San Sebastian TC | 5                        | 0                               | 0                              |

<sup>10</sup> Loadshed due to Generation Shortfall: Occurs when the demand for electricity becomes higher than the available supply.

<sup>11</sup> Line Trips: A protective disconnection of a transmission or distribution line due to a fault or abnormal condition.

<sup>12</sup> Transformer Trips: The automatic shutdown of a transformer triggered by protective relays due to faults such as overloads or internal issues.

<sup>13</sup> Substation Trips: The protective disconnection of electrical equipment within a substation, often caused by faults or abnormal operating conditions.

| Site Name                                   | Line Trips <sup>11</sup> | Transformer Trips <sup>12</sup> | Substation Trips <sup>13</sup> |
|---------------------------------------------|--------------------------|---------------------------------|--------------------------------|
| Line - 36900 Canas TC – Ponce TC            | 1                        | 0                               | 0                              |
| Line - 36900 Costa Sur SP – Canas TC        | 1                        | 0                               | 0                              |
| Line - 37100 Acacias TC – San German TC     | 2                        | 0                               | 0                              |
| Line - 37400 Barceloneta TC - Cambalache TC | 2                        | 0                               | 0                              |
| Line - 37400 Cambalache TC - Dos Bocas HP   | 2                        | 0                               | 0                              |
| Line - 37400 Manatí TC - Barceloneta TC     | 1                        | 0                               | 0                              |
| Line - 37400 Manatí TC - Vega Baja TC       | 2                        | 0                               | 0                              |
| Line - 37400 Vega Baja TC - Dorado TC       | 1                        | 0                               | 0                              |
| Line - 37800 Caguas TC - Cayey TC           | 1                        | 0                               | 0                              |
| Line - 37800 Cayey TC – Jobos TC            | 3                        | 0                               | 0                              |
| Line - 38200 Monacillos TC – Palo Seco SP   | 1                        | 0                               | 0                              |
| Line - 38300 San Juan SP - Monacillos TC    | 1                        | 0                               | 0                              |
| Line - 39000 Hacienda San Jose - Caguas TC  | 1                        | 0                               | 0                              |
| Line - 41400 Humacao TC - Juncos TC         | 2                        | 0                               | 0                              |
| Line - 50100 Cambalache GP - Manati TC      | 2                        | 0                               | 0                              |
| Line - 50200 Costa Sur SP - Manatí TC       | 1                        | 0                               | 0                              |
| Line - 50200 Manati TC - Bayamon TC         | 3                        | 0                               | 0                              |
| Line - 51000 Aguirre SP - Aguas Buenas GIS  | 1                        | 0                               | 0                              |
| Line - 51200 Costa Sur SP - Cambalache GP   | 1                        | 0                               | 0                              |
| San German TC Substation #6406              | 0                        | 0                               | 1                              |
| Venezuela Substation #1348                  | 0                        | 0                               | 1                              |
| Veredas Substation #3103                    | 0                        | 0                               | 1                              |
| <b>Total</b>                                | <b>42</b>                | <b>4</b>                        | <b>7</b>                       |

**Table 3–4: Total Significant Transmission Outages by Month**

| Outage Type:          | Line Trips | Transformer Trips | Substation Trips |
|-----------------------|------------|-------------------|------------------|
| <b>September 2025</b> | 42         | 4                 | 7                |
| <b>August 2025</b>    | 43         | 11                | 17               |
| <b>September 2024</b> | 77         | 1                 | 12               |

## 5.0 Puerto Rico Energy Bureau Filings and Hearings

LUMA participated in and supported discussions with the Puerto Rico Energy Bureau (“PREB”) across a broad range of topics during the month.

- [NEPR-AP-2023-0003](#) | **Rate Review** – Throughout September, LUMA provided approximately 116 responses to requests for information and participated in two technical conferences: the first on September 4, 2025, related to the updated revenue requirement, and the second on September 26, focused on procedural and substantive matters, including clarification sessions.
- [NEPR-MI-2024-0005](#) | **Priority Stabilization Plan** – On September 8, 2025, LUMA submitted to the PREB a motion detailing the status and federal funding challenges of its 4 x 25 MW Battery Energy Storage System (BESS) project and a PSP/FEMA traceability matrix.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On September 10, 2025, LUMA submitted to the PREB an urgent motion requesting the Puerto Rico Energy Bureau to approve the “Fiona Permanent Work Area Plan: Mayagüez G”, which was submitted in June 2025. Approval is needed for FEMA and COR3 to proceed with federally funded post-Hurricane Fiona restoration work. On September 11, 2025, LUMA submitted the updated 90-Day Plan for T&D Projects. On September 12, 2025, LUMA submitted a motion to the PREB with detailed reports on pending FEMA reimbursements and ER1 Program fund usage, along with challenges affecting disbursement and project execution. On September 12, 2025 LUMA also submitted two (2) FEMA Project Obligations, one for the Automation Improvement Program for Arecibo and the other for the Pole and Conductor Repair of San Juan. On September 23, 2025, LUMA submitted a motion to the PREB notifying that FEMA de-obligated funding for the Arecibo Group 4 pole and conductor repair project at the request of LUMA. On September 26, 2025, LUMA submitted to the PREB Eighteen FEMA projects obligations for various Improvement Programs. On September 30, 2025, LUMA submitted two amended FEMA-obligated projects for transmission and distribution (T&D) projects: FAAS – EPC – [Monacillo TC] (Substations) FAAS [EPC – Costa Sur TC – Phase II & III] (Substation).
- [NEPR-MI-2020-0001](#) | **Permanent Rate** – On September 15, 2025, LUMA filed the proposed Quarterly Fuel Cost Adjustment (FCA) and Purchased Power Charge Adjustment (PPCA) factors to be in effect from October 1, 2025 to December 31, 2025. Following two rounds of requests for information regarding the quarterly factors proposed, the Energy Bureau issued a Resolution and Order on September 30, 2025, setting factors to be in effect during that same period..
- [NEPR-MI-2024-0002](#) | **Accelerated Storage Addition Program (“ASAP”)** – On September 10, 2025, LUMA submitted the Standard Offer (SO1) Agreement for the Sixth (6) program participant to PREB for approval. On September 24, 2025, LUMA submitted evidence confirming the transmittal of the finalized Sixth SO1 Agreement to PREPA for approval in accordance with the Order issued on September 17. On September 26, 2025, LUMA submitted an informative motion requesting that the PREB consider modifying the September 26 Resolution to, at a minimum, allow the ASAP process to continue with respect to the SO1 Agreements.
- [NEPR-MI-2019-0009](#) | **Interconnection Regulation** – On September 18, 2025, LUMA filed a motion in response to SESA’s opposition to LUMA’s motion requesting approval of LUMA’s revised Smart Inverter Settings Sheets, requesting the Energy Bureau to deny SESA’s opposition and urging them to issue a determination on the Revised Settings.

#### Other Filings made during September 2025:

- [NEPR-MI-2022-0001](#) | **Energy Efficiency (“EE”) and Demand Response (“DR”) Transition Period Plan (“TPP”)** – Monthly Reports ELRP (September 15, 2025).
- [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – Monthly Report on System Reliability Metrics for August 2025 (September 22, 2025).

- [NEPR-MI-2022-0001](#) | **Energy Efficiency (“EE”) and Demand Response (“DR”) Transition Period Plan (“TPP”)** – Monthly Status Report on the CBES program for August 2025 (September 22, 2025).
- [NEPR-MI-2024-0005](#) | **Priority Stabilization Plan** – Monthly Collaborative Report on the Progress of the Electric System Priority Stabilization Plan, in compliance with the Resolution and Order of March 28, 2025, and July 16, 2025 (September 26, 2025).
- [NEPR-MI-2021-0002](#) | **Federal Funding** – Monthly Progress Report for 4x 25 MW BESS Project (September 26, 2025).

## 6.0 Legislative Matters & Material Legal Update

Monitoring legislative activity, responding to requests for comments, and preparing LUMA employees for public hearings is an important and significant responsibility, requiring multiple interactions with members and staff of the Puerto Rico Senate and House of Representatives.

During the month of September, LUMA submitted comments on ten (10) legislative measures, responded to four (4) Requests for Information (RFIs), and participated in three (3) Public Hearings and one (1) Oversight Hearing. Additionally, LUMA received four (4) new RFIs and two (2) new Public Hearing summonses.

**Table 5–1: Summary of Relevant Legislation and Requests for Comments or Information in the Puerto Rico Senate, House of Representatives or Governor’s Office of Legislative Affairs**

| Committee                                                                                  | Act, Bill or Resolution                                                                                                                                                                                                                                                                                                           | LUMA Response                                                                                                                                                   |
|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Senate of Puerto Rico - Planning, Permitting, Infrastructure and Urbanism Committee</b> | Public Hearing summoning regarding Senate Bill 553 (P.S. 553) to establish the "Puerto Rico Critical Infrastructure Protection and Resilience Act", in order to develop a legal framework that guarantees the safety, operational continuity, and rapid recovery of essential infrastructure from natural and man-made disasters. | On September 2, 2025, LUMA submitted its response to the Senate's Request for Additional Information as a result of the Public Hearing held on August 19, 2025. |
| <b>House of Representatives of Puerto Rico - Southern Region Committee</b>                 | Request for Input regarding House Resolution 77 (R.C. 77) to conduct a comprehensive investigation into the ongoing power outages in District 21, which includes the municipalities of Guánica, Lajas, Las Marías, Maricao, Sabana Grande, and Yauco.                                                                             | On September 4, 2025, LUMA received a Request for Input regarding House Resolution 77. On September 23, 2025, LUMA submitted its response to the Committee.     |

| Committee                                                                                                    | Act, Bill or Resolution                                                                                                                                                                                                                                                                                                                                              | LUMA Response                                                                                                                                                                                                                                                 |
|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Senate of Puerto Rico - Transportation, Telecommunications, Utilities, and Consumer Affairs Committee</b> | Request for Input regarding Senate Resolution 87 (R.S. 87) to conduct an investigation regarding the lack of public lighting on highways, streets, and sidewalks throughout Puerto Rico; and for other related purposes.                                                                                                                                             | On September 8, 2025, LUMA received a Request for Input regarding Senate Resolution 87. On September 22, 2025, LUMA requested additional time to respond to the RFI. On September 29, 2025, LUMA submitted its response to the Committee's Request for Input. |
| <b>Senate of Puerto Rico - Housing and Social Welfare Committee</b>                                          | Public Hearing summoning regarding Senate Resolution 178 (R.S. 178) to investigate the current status of shelters managed by the Department of Housing to respond to emergencies during hurricane season, including their structural condition, capacity, geographic distribution, level of preparedness, current availability, use of funds, and improvement plans. | On September 2, 2025, LUMA attended the Public Hearing regarding Senate Resolution 178. On September 9, 2025, LUMA submitted its response to the Senate's Request for Additional Information as a result of the Public Hearing.                               |
| <b>Senate of Puerto Rico</b>                                                                                 | Request for Information No. 2025-0108 regarding the Net Metering Program.                                                                                                                                                                                                                                                                                            | On September 9, 2025, LUMA received the Request for Information No. 2025-0108. On September 12, 2025, LUMA submitted its response to the Senate.                                                                                                              |
| <b>Senate of Puerto Rico - Innovation, Reform and Appointments Committee</b>                                 | Request for Input regarding House Joint Resolution 193 (R.C.C. 193) to order the Electric Power Authority ("PREPA") and/or the electric grid operator LUMA Energy, LLC. ("LUMA") to cease collecting any Supplemental Study and grid improvement fees that would have been required for systems up to 25 kilowatts by Regulation Number 8915, among other matters.   | On September 9, 2025, LUMA received a Request for Input regarding House Joint Resolution 193. On September 16, 2025, LUMA submitted its response to the Committee.                                                                                            |
| <b>House of Representatives of Puerto Rico - Transportation and Infrastructure Committee</b>                 | Request for Input regarding House Joint Resolution 178 (R.C.C. 178) to order the Puerto Rico Highway and Transportation Authority and the Municipality of San Juan to establish and implement the necessary mechanisms for the installation of electric lighting systems on the highways and sidewalks of Old San Juan; and for other related purposes.              | On September 9, 2025, LUMA received a Request for Input regarding House Joint Resolution 178. On September 22, 2025, LUMA requested additional time to respond to the Committee's request.                                                                    |

| Committee                                                                  | Act, Bill or Resolution                                                                                                                                                                                                                                                                                                                                                                                                                          | LUMA Response                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Senate of Puerto Rico - Government Committee</b>                        | Request for Input regarding Senate Bill 696 (P.S. 696) to amend Article 1.6 of Act 17-2019, known as the "Puerto Rico Energy Public Policy Act", and Articles 2.3 and 2.13 of Act No. 82-2010, as amended, known as the "Public Policy for Energy Diversification through Sustainable and Alternative Renewable Energy in Puerto Rico Act", in order to restore the rule of law on burning coal as a source for power generation in Puerto Rico. | On September 12, 2025, LUMA submitted its comments to the Committee regarding Senate Bill 696.                                                                                                                                                                                                                                                                           |
| <b>House of Representatives of Puerto Rico - Judiciary Committee</b>       | Request for Input regarding House Joint Resolution 192 (R.C.C. 192) to conduct an investigation into the operations of LUMA Energy, LLC (LUMA), in the municipality of Orocovis, for possible acts of sabotage, gross negligence or retaliation that could constitute a violation of the Penal Code of Puerto Rico, Act 57-2014, and various federal laws that protect critical infrastructure and civil rights.                                 | On September 15, 2025, LUMA received a Request for Input regarding House Joint Resolution 192. On September 29, 2025, LUMA submitted its comments to the Committee.                                                                                                                                                                                                      |
| <b>House of Representatives of Puerto Rico - Government Committee</b>      | Public Hearing summoning regarding House Resolution 42 (R.C. 42) to investigate the current status of projects for the reconstruction of Puerto Rico's electric grid and the uneven progress of the different entities in charge.                                                                                                                                                                                                                | On September 16, 2025, LUMA received a Public Hearing summoning regarding House Resolution 42. On September 21, 2025, LUMA submitted its comments to the Committee. On September 22, 2025, LUMA attended the Public Hearing. On September 29, 2025, LUMA submitted its response to the Committee's Request for Additional Information as a result of the Public Hearing. |
| <b>House of Representatives of Puerto Rico - Southern Region Committee</b> | Public Hearing summoning regarding House Resolution 77 (R.C. 77) to conduct a comprehensive investigation into the ongoing power outages in District 21, which includes the municipalities of Guánica, Lajas, Las Marías, Maricao, Sabana Grande, and Yauco.                                                                                                                                                                                     | On September 16, 2025, LUMA received a Public Hearing summoning regarding House Resolution 77. On September 24, 2025, LUMA submitted its comments to the Committee. On September 25, 2025, LUMA attended the Public Hearing.                                                                                                                                             |

| Committee                                                                            | Act, Bill or Resolution                                                                                                                                                                                                                                                                                                                                                                                                                                       | LUMA Response                                                                                                                                                                                                                                                                                   |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>House of Representatives of Puerto Rico - Central Region Committee</b>            | Oversight Hearing summoning regarding House Resolution 87 (R.C. 87) to conduct a comprehensive investigation into all matters related to the socioeconomic development of the municipalities of Lares, Adjuntas, Utuado, Jayuya, Ciales, Morovis, Orocovis, Corozal, Barranquitas, Naranjito and Comerío. On this occasion the Committee would held an oversight hearing at the Julián Marrero School in the Palmarejo Neighborhood, Municipality of Corozal. | On September 19, 2025, LUMA received an Oversight Hearing summoning regarding House Resolution 87. On September 24, 2025, LUMA submitted its comments to the Committee. On September 24, 2025, LUMA attended the Oversight Hearing held at Julián Marrero School in the Municipality of Corozal |
| <b>House of Representatives of Puerto Rico - Government Committee</b>                | Request for Input regarding House Joint Resolution 166 (R.C.C. 166) to establish the "Solar Street Lighting Pilot Project", to install Light-Emitting Diodes with photovoltaic solar panels and a rechargeable battery on the public domain electric lighting poles located on State Highway PR-2; the pilot project will focus on the Municipality of Mayagüez.                                                                                              | On September 19, 2025, LUMA received a Request for Input regarding House Joint Resolution 166. On September 29, 2025, LUMA submitted its response to the Committee.                                                                                                                             |
| <b>House of Representatives of Puerto Rico - Internal Affairs Committee</b>          | Public Hearing summoning regarding House Joint Resolution 186 (R.C.C. 186) to initiate, as a matter of priority, all the necessary administrative procedures aimed at making permanent improvements that allow the residents of the Villas del Sol sector, in the municipality of Toa Baja, to have legal connection to the electric power and aqueduct and sewerage services, and with the appropriate road infrastructure.                                  | On September 23, 2025, LUMA received a Public Hearing summoning regarding House Joint Resolution 186. On September 30, 2025, LUMA submitted its comments to the Committee.                                                                                                                      |
| <b>House of Representatives of Puerto Rico - Elders and Social Welfare Committee</b> | Public Hearing summoning regarding House Bill 834 (P.C.834) to create the "Priority Restoration of Essential Services for Foster and Transitional Homes Act".                                                                                                                                                                                                                                                                                                 | On September 25, 2025, LUMA received a Public Hearing summoning regarding House Bill 834.                                                                                                                                                                                                       |
| <b>Senate of Puerto Rico - Government Committee</b>                                  | Request for Input regarding House Bill 133 (P.C.133) to create the "Fair Payment Plans to Ensure Continuity of Essential Services Act".                                                                                                                                                                                                                                                                                                                       | On September 29, 2025, LUMA received a Request for Input regarding House Bill 133.                                                                                                                                                                                                              |
| <b>House of Representatives of Puerto Rico - Economic Development Committee</b>      | Public Hearing summoning regarding House Resolution 400 (R.C. 400) to research the feasibility, convenience and necessity of establishing nuclear plants for the generation of electricity in Puerto Rico.                                                                                                                                                                                                                                                    | On September 29, 2025, LUMA received a Public Hearing summoning regarding House Resolution 400.                                                                                                                                                                                                 |

| Committee                                                                    | Act, Bill or Resolution                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | LUMA Response                                                                                  |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <b>House of Representatives of Puerto Rico - Government Committee</b>        | Request for Input regarding House Joint Resolution 167 (R.C.C. 167) to order LUMA Energy and the Aqueduct and Sewer Authority to grant to any subscriber with notice of suspension of service, an extension of time or extension, as of the date notified for the suspension of service, of a term of not less than thirty (30) days in addition to that already established by provision of Law No. 33 of June 27, 1985, as amended, better known as the "Act to Establish the Minimum Procedural Requirements for the Suspension of Essential Public Services". | On September 30, 2025, LUMA received a Request for Input regarding House Joint Resolution 167. |
| <b>Senate of Puerto Rico - Innovation, Reform and Appointments Committee</b> | Request for Input regarding Senate Bill 684 (P.S. 684) to amend Act No. 17-2019, as amended, known as the "Puerto Rico Energy Public Policy Act", in order to include the food sector as a critical and essential service within the facilities of indispensable services under said Act, establish public policy; and for other related purposes                                                                                                                                                                                                                 | On September 30, 2025, LUMA received a Request for Input regarding Senate Bill 684 (P.S. 684). |

**Table 5–2: Material Litigation Update<sup>14</sup>**

| Case No. & Parties                                                                                                                                                                                                              | Description                                                                                                                 | Updates                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Civil Case No. SJ2022CV02868 – Ismael Herrero Domenech and the class composed of all residential electrical energy customers of LUMA Energy LLC v. LUMA Energy LLC, WendCo of Puerto Rico Inc. et al. v. LUMA Energy LLC</b> | Consolidated class actions claiming damages from the April 6, 2022, event at Costa Sur that caused an island-wide blackout. | On September 13, 2025, LUMA informed the Court of the pending discovery for the class certification phase. The Court acknowledged LUMA's filing on September 15, 2025. |
| <b>Civil Case No. SJ2025CV03310 – WendCo of Puerto Rico Inc. et al. v. LUMA Energy LLC</b>                                                                                                                                      | Class action complaint claiming damages from the April 16, 2025, event that caused an island-wide blackout.                 | On September 2, 2025, LUMA filed a motion in compliance with order regarding its position regarding the transfer of the case to San Juan.                              |

<sup>14</sup> Material Litigation Activity refers to all litigation related to challenges to the T&D OMA, matters that could impede the T&D OMA work or litigation with significant financial risk. This does not include ordinary litigation proceedings that originate as part of the operation of the T&D System, including but not limited to pre-litigation dispute resolution, management of active litigation, discovery, PREB invoice challenges, and other litigation procedures.

| Case No. & Parties                                                                                                                              | Description                                                                                                  | Updates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Civil Case No. SJ2025CV06607/ CT-2025-0003- Departamento de Asuntos del Consumidor v. LUMA Energy LLC, et. als.</b>                          | Declaratory judgment action challenging the Liability Waiver on constitutional grounds                       | On September 18, 2025, LUMA filed a Motion to Enforce the Automatic Stay before the Title III Court. DACO opposed the enforcement of the stay on October 2, 2025. ICSE also filed an Opposition to the enforcement of the stay. LUMA has until October 9, 2025, to file a Reply Brief. Thereafter, LUMA's Motion to enforce the automatic stay will be submitted for adjudication. Separately, LUMA filed its Brief in Opposition to the Intra-jurisdictional Certification before the Puerto Rico Supreme Court on September 23, 2025. On that same date, PREPA, the Senate and the House of Representatives also submitted their briefs, and OIPC filed a motion requesting permission to intervene. LUMA opposed to said motion on September 24, 2025. All filings are now submitted for adjudication. Also, on September 24, 2025, the PREB submitted its brief before the Supreme Court. |
| <b>Notice of Dispute issued by P3A against LUMA under the T&amp;D OMA; Demand of Mediation issued by LUMA against P3A under the T&amp;D OMA</b> | On July 22, 2025, P3A issued a Notice of Dispute identifying six categories of purported Technical Disputes. | LUMA disputed P3A's claim and stated that none of the purported disputes fall under the definition of Technical Disputes, and P3A responded in writing. The Parties met thereafter and discussed the Threshold Dispute, and the substance of P3A's allegations. Not able to resolve the Threshold Dispute, on August 15, 2025, LUMA sent P3A its Demand for Mediation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

| Case No. & Parties                                                                                                                                           | Description                                                                                                                                                               | Updates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                              |                                                                                                                                                                           | On August 20, 2025, P3A sent a letter in which it refused to participate in mediation. Instead, it notified its intent to proceed to appoint an Independent Expert under the rules of the ICC International Center for ADR.                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>LUMA v. P3A, Adv. Proc. Case No. 25-00043</b>                                                                                                             | LUMA filed a Complaint seeking a declaratory judgment concluding that the Threshold Dispute over the classification of the issues raised in the Notice of Dispute (“NOD”) | On September 2, 2025. The parties filed a Joint Status Report regarding the meet - and -confer call held to discuss the need for sealing materials and for motion practice concerning the Motion for Provisional Relief. On September 3, 2025, the Court issued a scheduling order regarding the jurisdictional issue and stayed the Technical Dispute resolution process until the Court issues an order regarding jurisdiction. On September 16, 2023, P3A filed its Jurisdictional Opposition on September 16, 2023. LUMA and FOMB filed their respective Reply briefs on September 25, 2025. P3A filed a Sur-Reply on September 27, 2025. |
| <b>The following cases have had no significant changes since the last report:</b>                                                                            |                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Civil Case No. 22–CV–01357 – CADFI Corp. v. PREPA, LUMA and Municipality of San Juan Domingo Marrero v. Mun. de Guánica, Civil Case No. PO2021CV00963</b> | Plaintiff alleges that pole placement in sidewalks violates ADA.                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Civil Cases No. SJ2023CV01793, No. SJ2023CV02513 (consolidated) – LUMA Energy ServCo, LLC v. Municipio Autónomo de Manatí</b>                             | Plaintiff alleged that pole placement in sidewalks violates the Americans with Disabilities Act (“ADA”).                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                                                              | Challenge to Manatí Municipality’s construction excise tax determinations for LUMA.                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|                                                                                                                                                              |                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

## 7.0 Ongoing External Audits

LUMA is subject to multiple audits related to its activities under the T&D OMA. LUMA takes all required audits under T&D OMA seriously and therefore allocates considerable resources and time to completion of these.

**Table 6–1: Summary of Governmental Audits**

| Government Entity                                                     | Audit Description                                                                                                                                                                                        | Significant Updates                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Comptroller’s Office of Puerto Rico (“OCPR”), No. 15720 (LUMA)</b> | Audit of PREPA during the period of June 1, 2018 – June 30, 2021, by virtue of Article III, Section 22 of the Constitution of the Commonwealth of Puerto Rico, and Act 9 of August 24, 1952, as amended. | <p>On August 26, 2025, OCPR sent an RFI requesting a copy of LUMA's insurance policy for Public Responsibility that covers the University of Puerto Rico in Cayey. The information was submitted on September 3.</p> <p>On August 28, 2025, OCPR sent an RFI requesting the hire date of a LUMA employee. The information was submitted on August 29.</p> <p>On September 22, 2025, OCPR sent an RFI requesting the vendor certification documents that are part of LUMA's Vendor Registry for a sample of four (4) vendors. The information was submitted on September 26.</p>     |
| <b>Comptroller’s Office of Puerto Rico (“OCPR”), No. 15794 (LUMA)</b> | Audit of PREPA during the period of June 1, 2018 – June 30, 2021, by virtue of Article III, Section 22 of the Constitution of the Commonwealth of Puerto Rico, and Act 9 of August 24, 1952, as amended. | <p>On September 5, 2025, OCPR sent an RFI requesting the employment hiring and termination dates, as applicable, for a sample of fourteen (14) employees. The information was submitted on September 8.</p> <p>On September 25, 2025, OCPR sent an RFI requesting the payment vouchers of per diem for a sample of fourteen (14) employees. The information was submitted on September 30.</p> <p>On September 26, 2025, OCPR sent an RFI requesting the positions and job descriptions for a sample of fourteen (14) employees. The information was submitted on September 30.</p> |

| Government Entity                                                                      | Audit Description                                                                                                                                 | Significant Updates                                                                                                                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Comptroller's Office of Puerto Rico ("OCPR"), No. OC-25-39 (AAFAF Audit Report)</b> | This audit pertains to Autoridad de Asesoría Financiera y Agencia Fiscal de Puerto Rico ("AAFAF") and the report was issued in November 15, 2024. | On June 24, LUMA received written feedback from OCPR requesting additional documentation and further clarification. The response was submitted on October 1, 2025.                                                                                                                                                  |
| <b>Comptroller's Office of Puerto Rico ("OCPR"), Carta Circular OC-25-20</b>           | This Circular Letter applies to government entities under the Executive Branch who receive contributions from the General Fund.                   | At this moment, there are no pending requests.                                                                                                                                                                                                                                                                      |
| <b>PREPA Fiscal Year ("FY") 2023</b>                                                   | KPMG Audit of PREPA Financial Statements ("FY2023")                                                                                               | LUMA continues to support PREPA's ongoing audit and has provided responses on a rolling basis to KPMG and PREPA requests. On August 2025, Hacienda's representatives notified LUMA that PREPA's audit was expected to be completed and published in September 2025, however this date has shifted to November 2025. |
| <b>PR Treasury Department &amp; Municipalities by PwC</b>                              | PwC Audit of LUMA Energy, LLC 2023 and 2024 (Consolidated: ManageCo & ServCo and Standalone: ServCo) – Financial Statements                       | The 2023 audit remains ongoing with a target issuance date shifted from September 2025 towards October 2025. The 2024 audit is expected to be completed by January 2026.                                                                                                                                            |
| <b>P3A FY2022 Audit – by Vázquez &amp; Vilanova</b>                                    | First Year ("FY2022") T&D OMA Compliance – audit for the first full year of LUMA operations.                                                      | No pending actions from LUMA.                                                                                                                                                                                                                                                                                       |
| <b>P3A FY2023 Audit – by Vázquez &amp; Vilanova</b>                                    | Second Year ("FY2023") T&D OMA Compliance – audit for the second year of LUMA operations.                                                         | No pending actions from LUMA.                                                                                                                                                                                                                                                                                       |
| <b>P3A FY2024 Audit – by Vázquez &amp; Vilanova</b>                                    | Third Year ("FY2024") T&D OMA Compliance – audit for the third year of LUMA operations.                                                           | No pending actions from LUMA.                                                                                                                                                                                                                                                                                       |

| Government Entity                                                                                                                                | Audit Description                                                                                                                                                                                              | Significant Updates           |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| <b>Union Pension Plan Compliance (“NEBF”) 2023 (Calendar) Audit – by Withum</b>                                                                  | Pursuant to Article 6, Sections 6.7 and 6.8 of the Restated Employees Benefit Agreement and Trust for the National Electrical Benefit Fund, the Trustees of the Fund have established a Payroll Audit Program. | No pending actions from LUMA. |
| <b>COR3 - Central Office for Recovery, Reconstruction and Resiliency Monitoring by Deloitte</b>                                                  | Deloitte Monitoring for Q1-FY2025 Federal Funding process.                                                                                                                                                     | No pending actions from LUMA. |
| <b><i>The following audits have had no significant changes since the last report:</i></b>                                                        |                                                                                                                                                                                                                |                               |
| <b>OCPR, No. 15560 – Audit of debt issued by the Commonwealth of Puerto Rico and its public corporations from January 1, 2000 – present day.</b> |                                                                                                                                                                                                                |                               |
| <b>OCPR, No. 15637 – Audit of the Municipality of Guánica.</b>                                                                                   |                                                                                                                                                                                                                |                               |
| <b>OCPR, No. 15671 – Audit to PREPA for the period of June 1, 2018 – June 30, 2021.</b>                                                          |                                                                                                                                                                                                                |                               |

## 8.0 Material T&D OMA Items

### PREPA's Non-Compliance with T&D OMA Obligations

- September 2025 is the thirty-fourth (34th) consecutive month in which PREPA did not fully fund one or more of the Service Accounts and failed to comply with its contractual obligations, in breach of the T&D OMA.
- September 2025 is the twenty-first (21st) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account.
- September 2025 is the twelfth (12th) consecutive month in which PREPA did not provide the required funding to replenish the Contingency Reserve Account.
- LUMA has issued thirty-four (34) non-compliance notices to PREPA and notified P3A as Administrator of the T&D OMA.
- LUMA has issued sixteen (16) notices to PREPA and notified P3A as Administrator regarding fuel advances made by PREPA to Genera outside of the funding cycle established in the T&D OMA, LTGA OMA and the PGHOA.
- Since January 2023, LUMA has requested PREPA provide balance sheet reconciliations. Until initial balance sheet reconciliations are provided, including a segregated opening balance sheet for the Transmission and Distribution (“T&D”) system, LUMA is prevented from providing certain Operation and Maintenance (“O&M”) services related to financial reporting under T&D OMA. On August 20, 2024, FTI was contracted by the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”) to define the scope of PREPA’s Accounting Remediation project, including the balance sheet separation efforts. To date, LUMA has not been informed of the FTI project results.

- On June 12, 2025, LUMA notified PREPA of its irrevocable delegation of authority as its agent after LUMA obtained on June 2, 2025, a copy of Resolution 5183, To Repeal Resolution 5020 and Authorize the Executive Director of PREPA as the Sole Entity Responsible for the Management of Grant Applications Related to the Transmission and Distribution System, approved on April 30, 2025, by the Governing Board of PREPA. Resolution 5183 is null, and void given the irrevocable authority granted by PREPA to LUMA under section 5.6(a) of the T&D OMA to represent PREPA before any Governmental Body, which includes the Federal Emergency Management Agency (“FEMA”).
- LUMA responded to PREPA’s request for a status update on the Accelerated Storage Addition Program (ASAP), confirming that two Standard Offer 1 (SO1) agreements—one with EcoEléctrica (fully approved and pending execution) and another with Polaris (awaiting PREPA Governing Board and Financial Oversight Management Board approval)—are progressing, with all six SO1 agreements already approved by the Puerto Rico Energy Bureau (PREB); LUMA requested PREPA to execute the EcoEléctrica agreement and approve the Polaris agreement in the upcoming board meeting to help advance the deployment of battery energy storage systems critical for stabilizing the energy system.
- LUMA is advancing the modernization of Vieques’ electrical system through the planned development of a new substation and microgrid, pending approval from PREPA’s Governing Board to authorize the \$7.38 million land acquisition from PRIDCO and designate a representative to finalize the transaction.

### **PREPA Reorganization and Shared Services**

As stipulated by the T&D OMA, Shared Services were only intended to last 6 months after commencement of GenCo Operator, which term shall not exceed 3 years. After the original 6 months of Shared Services, the Agreement has been extended for PREPA four (4) times with the last one executed on June 30, 2025 for an additional six (6) months until December 31, 2025. It is imperative that PREPA complete its full separation from the Share Services Agreement to advance its reorganization as established in its Fiscal Plan. Accordingly, LUMA continues to support PREPA with the provision of Shared Services with the expectation that no further extension will be required.

The A&R SSA outlines specific conditions to ensure mutual alignment on expectations for progress during this extension period. However, the biweekly Shared Services reports submitted by PREPA on July 15, July 30 and August 21, and October 01, 2025 did not meet the requirements set forth in the agreement. While LUMA appreciates PREPA’s effort to comply with the requirements, the reports do not include specific requests for LUMA’s support or provide timelines for transition, testing, or implementation

activities. These details will enable LUMA to plan and resource its support for PREPA and facilitate collaboration. Additionally, LUMA has identified several concerns that require immediate attention:

- **Timeline Misalignment and Missed Milestones:** Some deliverables now extend beyond the contractual end date, with deadlines set for January 2026. This is inconsistent with the scope and intent of the fourth (4th) Amendment. LUMA clarifies that it does not intend to extend the A&R SSA a fifth (5th) time beyond December 31st, 2025.
- **ERP Interface Misunderstanding:** PREPA has indicated that certain milestones depend on LUMA's collaboration on an ERP interface. To clarify, no ERP integration is currently underway or agreed upon under the A&R SSA. If PREPA requires ERP related information, it must submit a formal written request specifying the details. LUMA will review, analyze, and respond accordingly. It is important to differentiate between ERP data transfer to PREPA's new ERP in Oracle Fusion (ultimately a one-time "cut-over") and the required financial reporting as established in the T&D OMA as one is not dependent on the other. LUMA is ready to transfer all PREPA's current ERP data as contained on CO1 within Oracle EBS. However, the financial information of GridCo required by HoldCo to consolidate its financial statements after the ERP separation (Shared Services termination) will be provided once HoldCo's Governance framework is established and consistent with form and timing defined in the T&D OMA.

### Net Energy Metering

- In compliance with the current regulation of distributed generation interconnection, LUMA successfully completed an additional 1,500 supplemental studies in September 2025. The studies cover distribution feeder voltage, thermal, and protection analyses, which are critical to maintaining the distributed system's stability and reliability. As of September 30th, all feeders with penetration levels above fifteen percent (15%) have been studied. In addition, feeders that have been studied must be re-evaluated to include the new projects that require supplementary studies and updated topographic conditions. Through this process, LUMA has identified the required system upgrades. LUMA is currently in the process of preparing the cost and timeline information to share with the developers. LUMA is highly concerned about the increasing number of interconnections surpassing the pace of comprehensive studies, which poses a systemic reliability risk. LUMA has engaged in discussions with distributed generation developers and installers to secure payments for required supplemental studies.

### Third Party Pole Attachments ("TPA")

- Continued negotiation with carriers about the new proposed FCC Pole Attachment Rate. LUMA is in the process of gathering data and reviewing the pole attachment rate analysis for formal responses. A formal response from LUMA to the carriers is expected to be sent in October 2025.
- LUMA has continued conversations with the Government of Puerto Rico regarding the possibility of identifying additional funding to complete a TPA inventory and to finance pole attachments transfers not covered by federal funds nor included in LUMA's budget.
- On September 15, 2025, LUMA held a meeting with the Municipality of Cabo Rojo regarding their request to use PREPA poles to install security cameras and discuss the Pole Attachment Contract and the associated requirements.

- On September 30, 2025, LUMA sent a Notice to carriers requesting inventory information about 72 poles on San Juan as a pilot for the island-wide inventory.

#### **LUMA's Billing and Collection Efforts**

- LUMA has partnered with our Bill Print vendor to launch an Address Standardization initiative aimed at reducing returned mail and ensuring customers receive their invoices on time. By cleansing and validating address data using USPS-compliant standards, we aim to improve delivery success, reduce operational costs, and enhance the customer experience. Customers will be encouraged to verify their mailing information to support this effort.
- LUMA has received a payment of \$2,688,329.40 from Claro for Third Party Attachments annual fees covering Fiscal Years 2022 through 2025.
- LUMA activated almost 4,300 customers on the Net Energy Metering ("NEM") tariff.
- LUMA began receiving Low Income Home Energy Assistance Program ("LIHEAP") funds in May on behalf of qualified customers. In September, over \$1.7M in payments were applied to customer accounts. LUMA reached 3,995 new payment agreements with customers in September 2025, for a total of over 130,146 agreements since August 2021. Also, in September LUMA completed over 209,103 outbound collection calls for a total of over 5.2 million outbound calls since August 2021. LUMA's Revenue Protection team collected over \$27million in September 2025 directly related to active customer collections of past due receivables. Collection efforts included outbound calls, letters, emails and inbound calls.