

# Monthly Operations Report on the T&D System

For the Month of May 2026

June 12, 2026



# Contents

- 1.0 Mission, Goals and Areas of Responsibility ..... 1**
- 2.0 LUMA Accomplishments ..... 1**
- 3.0 Federal Grants ..... 3**
- 4.0 Monthly Sales Summary ..... 4**
- 5.0 System Operations Update..... 5**
- 6.0 Puerto Rico Energy Bureau Filings and Hearings..... 7**
- 7.0 Legislative Matters & Material Legal Update..... 9**
- 8.0 Ongoing External Audits..... 14**
- 9.0 Material T&D OMA Items ..... 17**

# 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 May 2026.

## **URGENT CASH MATTERS**

May 2026 is the forty-second (42nd) month in which PREPA did not fully fund one or more of the Service Accounts, in breach of the T&D OMA. May 2026 is also the twenty-nine (29th) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account and the twenty-first (21st) 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.

# 2.0 LUMA Accomplishments

## **May Achievements**

### **Completed Key Transmission Structure Replacements to Reinforce Reliability in the Central Region**

LUMA completed a modernization phase on transmission line 36100, replacing three deteriorated wooden structures with 90 ft galvanized steel structures rated for 160 mph wind loads. This work strengthens a critical corridor between Dos Bocas and Ciales, improving structural reliability for substations serving approximately 40,000 customers in Ciales, Morovis, Corozal, and Utuado. Crews executed the work despite steep terrain, limited access routes, and the need for specialized equipment. [\(link\)](#)

### **Completed Replacement of Substation Critical Equipment to Strengthen Reliability for Over 28,000 Customers**

LUMA replaced two aging gas circuit breakers at the Cidra and Comerío substations as part of ongoing efforts to improve substation reliability. These replacements enhance redundancy and reduce failure risks affecting roughly 28,000 customers in Aguas Buenas, Cidra, Comerío, and Cayey. Condition assessments identified two additional 38 kV breakers at Cidra for future replacement; Comerío's four remaining 38 kV breakers remain in varying lifecycle states. [\(link\)](#)

### **Launched a Key Feeder Upgrade to Improve Reliability in Utuado**

LUMA initiated construction activities on the FEMA funded reconstruction of feeder 810103, a three-mile distribution line with an obligated investment of \$3.38M. Phase one began May 18 and includes installing

32 hardened poles and replacing more than 24,000 ft of conductor to increase capacity and improve reliability.

The project required temporary lane closures along PR 111 and scheduled service interruptions impacting approximately 2,100 customers, with mitigation measures in place. A complementary transmission upgrade is planned to improve voltage regulation in the area. [\(link\)](#)

### **Completed Maintenance at the Inabón Substation to Improve Service for Over 5,500 Customers in Ponce**

LUMA performed preventive and corrective maintenance at the Inabón Substation to support system stability for approximately 5,500 customers. Activities included transformer diagnostic testing, LTC inspection, distribution breaker maintenance, wildlife protection installation, and environmental compliance measures designed to prevent outages and equipment damage. [\(link\)](#)

### **Rehabilitated Hurricane-Damaged Infrastructure to Strengthen Service in Canóvanas and Río Grande**

LUMA restored electrical connectivity between the Canóvanas and Río Grande substations, rehabilitating infrastructure offline since Hurricane María. The restored path improves redundancy for more than 3,300 customers, including critical PRASA pumping stations.

Work completed to date includes preparing 10 poles for conductor installation and progressing toward installation of approximately 2,550 feet of new cable (1,200 ft completed; ~1,350 ft in progress). [\(link\)](#)

### **Strengthened the Emergency Response Plan for the 2026 Hurricane Season**

LUMA submitted the updated 2026 Emergency Response Plan to the Governor, Legislative Assembly, and the Puerto Rico Energy Bureau (“Energy Bureau”). Enhancements include improved damage documentation processes, expanded materials inventory exceeding \$400M, maintenance of more than 2,500 vehicles, continued Incident Command System (“ICS”) and emergency training, communication system improvements, and ongoing preventive maintenance across the island to support operational readiness. [\(link\)](#)

### **Formalized an Interagency Agreement with Aibonito to Keep Substation Areas Free of Hazardous Vegetation**

LUMA formalized an interagency agreement with the Municipality of Aibonito to establish routine vegetation control around substation perimeters. Under the agreement, the municipality conducts vegetation clearing, while LUMA provides technical oversight and covers related costs.

Initial clearing activities were completed using heavy equipment, and a bi monthly maintenance schedule is now in place to maintain safe access and reduce operational and security risks. [\(link\)](#)

### **Our experts Trained Vega Alta Municipal Employees in Electrical Safety Ahead of Hurricane Season**

LUMA delivered electrical safety training to first responders and municipal personnel in Vega Alta to strengthen emergency response readiness ahead of the hurricane season. Training focused on operational safety protocols, hazard identification, and proper response procedures. [\(link\)](#)

## 3.0 Federal Grants

Federal Grants support a set of coordinated grid resilience and modernization projects designed to strengthen Puerto Rico's electric system. These initiatives focus on restoring critical transmission and substation assets, upgrading protection and control systems, improving grid automation, enhancing inspection capabilities, correcting behind-the-meter safety issues, and hardening telecommunications networks. Together, the projects use grant resources to reduce system vulnerabilities, increase reliability, and improve operational readiness for LUMA's customers.

### DOE Grant Key Milestones

- **P-2 Substation Stabilization – First Tranche Commissioning Report RFI's Submitted**
  - The commissioning report for the Caguas and Monacillos TR1/TR3 transformers was formally submitted, confirming full testing, energization, and operational readiness of all first-tranche substation upgrades. RFI's from first submittal was completed and submitted.
- **P-2 Bayamón Transformer – Installation and Energization Complete**
  - The Bayamón transformer installation, along with associated Programmable Automation Controller (“PAC”) and Supervisory Control and Data Acquisition (“SCADA”), switching, and containment upgrades, was completed and energized reflecting validated readiness and strengthened reliability for the region on May 20, 2026.
- **P-11 Telecommunications Network Hardening for Resiliency and Reliability**
  - New task to address existing vulnerabilities in grid-supporting communications infrastructure. This project aims to strategically rebuild and upgrade key communications systems to restore and enhance the resilience and reliability of grid operators.

### FEMA Grant Key Milestones

- **Advancement of Project Obligations**
  - A total of 254 projects for Hurricane Maria have been obligated to date, reflecting continued progress in securing FEMA support and actively refining project scopes through approved amendments. For the month of May, we received one new obligation for Vegetation valued at \$93K, marking our 23rd obligation of the year. Of the 254 obligated projects, 205 are currently in construction, representing 81% of all obligated projects.
- **Structured Financial Tracking of Recovery Activities**
  - With the newly established Request for Advance process, we implemented stricter financial controls across the full cycle—project spending, advance requests, and reimbursement submissions. As part of this effort, we successfully requested \$21M in May, ensuring proper tracking and reconciliation of the advance.
- **Continued Progress Under FEMA Workflow Processes**
  - FEMA's workflow reflects ongoing execution within the agency's established project review and funding mechanisms, supporting the advancement of multiple recovery

initiatives across the system. Currently, FEMA has 28 Hurricane Maria projects moving through their workflow processes, representing a total estimated value of \$1.2B.

## 4.0 Monthly Sales Summary

Consumption in May 2026 increased by 15.3% compared to the previous month (April 2026) and 9.1% compared to the same month of the previous year (May 2025). In May 2026, revenues were 19.8% higher than in April 2026 and 22.6% compared to the same month of the previous year (May 2025). The primary driver of the increase in electricity consumption in May 2026 was the prevailing weather conditions. Cooling Degree Days (CDD) for the month were 67°F above the 2026 baseline and 37°F higher than those recorded in May 2025.

**Table 4–1. Energy billed by customer segment**

| Consumption (GWh) | Residential | Commercial | Industrial | Public Lighting | Agriculture | Other Authorities | Total <sup>4</sup> |
|-------------------|-------------|------------|------------|-----------------|-------------|-------------------|--------------------|
| 2026 May          | 619.5       | 660.0      | 115.5      | 26.0            | 2.3         | 3.4               | 1,426.7            |
| 2026 April        | 504.4       | 594.4      | 110.6      | 23.3            | 1.9         | 2.9               | 1,237.5            |
| 2025 May          | 533.0       | 629.0      | 114.8      | 25.9            | 1.8         | 3.1               | 1,307.6            |

**Table 4–2. Energy sales by customer segment**

| Sales (\$ Million) | Residential | Commercial | Industrial | Public Lighting | Agriculture | Other Authorities | Total <sup>4</sup> |
|--------------------|-------------|------------|------------|-----------------|-------------|-------------------|--------------------|
| 2026 May           | 161.9       | 202.2      | 34.0       | 11.5            | 0.7         | 1.0               | 411.3              |
| 2026 April         | 126.9       | 173.4      | 31.5       | 10.1            | 0.6         | 0.8               | 343.3              |
| 2025 May           | 125.7       | 167.8      | 30.4       | 10.3            | 0.5         | 0.8               | 335.5              |

**Table 4–3. Energy sales by rate component**

| Energy Sales (\$ Million) | Base | FCA <sup>1</sup> | PPCA <sup>2</sup> | CILT & Subsidies & EE <sup>3</sup> | Total <sup>4</sup> |
|---------------------------|------|------------------|-------------------|------------------------------------|--------------------|
| 2026 May                  | 97.9 | 178.9            | 69.0              | 65.5                               | 411.3              |
| 2026 April                | 83.8 | 140.4            | 60.9              | 58.2                               | 343.3              |
| 2025 May                  | 90.5 | 152.5            | 70.7              | 21.8                               | 335.5              |

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

<sup>2</sup> PPCA: Purchase Power Change Adjustment

<sup>3</sup> CILT: Contribution in Lieu of Taxes, Subsidies, PREPA pension fund rider, Provisional rate 2026 and Energy Efficiency.

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

## 5.0 System Operations Update

### Reported Events

- In May 2026, a total of five (5) base load generation forced outages occurred. Five (5) load sheds were due to generation shortfalls that resulted in the activation of Under Frequency Load Shed (“UFLS”)<sup>5</sup>.
- There were no LEOC activations for the month of May 2026.

**Table 5–1: Significant Generation Outages by Site for May 2026**

| Site Name    | Derated <sup>6</sup> | Forced Outage <sup>7</sup> | Loadshed <sup>8</sup> | Planned / Maintenance Outages <sup>9</sup> |
|--------------|----------------------|----------------------------|-----------------------|--|
| San Juan 5   | 2                    | 0                          | 0                     | 1  |
| San Juan 9   | 4                    | 1                          | 0                     | 0  |
| Palo Seco 3  | 0                    | 1                          | 0                     | 0  |
| Palo Seco 4  | 1                    | 1                          | 2                     | 0  |
| Costa Sur 5  | 0                    | 1                          | 1                     | 1  |
| Costa Sur 6  | 3                    | 1                          | 2                     | 0  |
| Aguirre 2    | 8                    | 0                          | 0                     | 1  |
| AES 1        | 3                    | 0                          | 0                     | 0  |
| AES 2        | 4                    | 0                          | 0                     | 0  |
| EcoEléctrica | 0                    | 0                          | 0                     | 0  |
| <b>Total</b> | <b>25</b>            | <b>5</b>                   | <b>5</b>              | <b>3</b>                                   |

**Table 5–2: Total Significant Generation Outages by Month**

| Outage Type:      | Derated | Forced Outage | Loadshed | Loadshed due to Generation Shortfall <sup>10</sup> | Planned / Maintenance Outages |
|-------------------|---------|---------------|----------|--|-------------------------------|
| <b>2026 May</b>   | 25      | 5             | 5        | 1  | 3                             |
| <b>2026 April</b> | 15      | 10            | 6        | 0  | 1                             |

<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.

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

| Outage Type: | Derated | Forced Outage | Loadshed | Loadshed due to Generation Shortfall <sup>10</sup> | Planned / Maintenance Outages |
|--------------|---------|---------------|----------|--|-------------------------------|
| 2025 May     | 53      | 8             | 6        | 0  | 5                             |

**Table 5–3: Significant Transmission Outages by Line / Transformer for May 2026**

| Site Name                                 | Line Trips <sup>11</sup> | Transformer Trips <sup>12</sup> | Substation Trips <sup>13</sup> |
|---|--------------------------|---------------------------------|--------------------------------|
| 11 Agosto 38 kV Bus                       | 0                        | 0                               | 1                              |
| Caguas TC 38 kV Bus #1                    | 0                        | 0                               | 1                              |
| Caguas TC 38 kV Bus #2                    | 0                        | 0                               | 3                              |
| Daguao TC 38 kV Bus                       | 0                        | 0                               | 1                              |
| Egozcue 38 kV Bus                         | 0                        | 0                               | 2                              |
| Fajardo TC 38 kV Bus                      | 0                        | 0                               | 1                              |
| Hato Tejas Sector 38 kV Bus               | 0                        | 0                               | 1                              |
| Jobos TC 115/38 kV Bank #1                | 0                        | 1                               | 0                              |
| Jobos TC 38 kV Bus #2                     | 0                        | 0                               | 1                              |
| Juana Diaz 38 kV Bus #2                   | 0                        | 0                               | 1                              |
| Juncos TC 38 kV Bus                       | 0                        | 0                               | 1                              |
| Line - 36200 Dagua TC – Fajardo TC        | 1                        | 0                               | 0                              |
| Line - 36200 Juncos TC - Rio Blanco       | 1                        | 0                               | 0                              |
| Line - 36400 Dos Bocas HP - Jayuya        | 2                        | 0                               | 0                              |
| Line - 36400 Ponce TC – Jayuya            | 1                        | 0                               | 0                              |
| Line - 37100 Costa Sur SP – Guanica TC    | 1                        | 0                               | 0                              |
| Line - 37800 Jobos TC –Cayey TC           | 1                        | 0                               | 0                              |
| Line - 38300 Monacillos TC – San Juan SP  | 1                        | 0                               | 0                              |
| Line - 41000 Yabucoa TC – Humacao TC      | 1                        | 0                               | 0                              |
| Line - 50200 Costa Sur SP – Manati TC     | 1                        | 0                               | 0                              |
| Line - 51200 Costa Sur SP - Cambalache GP | 1                        | 0                               | 0                              |
| Monacillos TC 115 kV Bus #4               | 0                        | 0                               | 1                              |
| Rambla 38 kV Bus                          | 0                        | 0                               | 1                              |
| Rio Blanco 38 kV Bus                      | 0                        | 0                               | 1                              |
| Substation #1204 El Conquistador          | 0                        | 0                               | 1                              |
| Substation #1620 Escorial                 | 0                        | 0                               | 1                              |
| Substation #1912 Caparra                  | 0                        | 0                               | 1                              |
| Substation #5004 Rambla                   | 0                        | 0                               | 1                              |
| Toro Negro 38 kV Bus                      | 0                        | 0                               | 1                              |

<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> |
|------------------------|--------------------------|---------------------------------|--------------------------------|
| Viaductos 38 kV Bus #1 | 0                        | 0                               | 1                              |
| <b>Total</b>           | <b>11</b>                | <b>1</b>                        | <b>22</b>                      |

**Table 5–4: Total Significant Transmission Outages by Month**

| Outage Type:      | Line Trips | Transformer Trips | Substation Trips |
|-------------------|------------|-------------------|------------------|
| <b>2026 May</b>   | 11         | 1                 | 22               |
| <b>2026 April</b> | 26         | 4                 | 11               |
| <b>2025 May</b>   | 35         | 6                 | 16               |

## 6.0 Puerto Rico Energy Bureau Filings and Hearings

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

- [NEPR-MI-2021-0004](#) | **Initial Budgets** – On May 20, 2026, LUMA submitted the Joint Reconciliation Plan Amendment to propose how LUMA, PREPA, and Genera will use approximately \$98.6 million of reconciled FY2026 revenues during FY2027.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On May 14, 2026, LUMA submitted a motion requesting the Energy Bureau’s approval for a revised Attachment A and a new Attachment B to reactivate priority transmission, distribution and streetlighting projects. On May 15, 2026, LUMA submitted to the Energy Bureau the Q3 FY2026 Federal Funding Report. On May 21, 2026, LUMA submitted to the Energy Bureau one FEMA Project Obligation for the Vegetation Management Plan and one amended obligation for the Pole and Conductor Repair improvement Plan. On May 22, 2026, LUMA submitted a motion to the Energy Bureau requesting an amendment of \$500 million to the equipment and materials global FAASt and use the freed funding to initiate or reactivate projects that have incurred costs. On May 26, 2026, LUMA submitted a motion requesting expedited approval of an initial project plan to repair and rebuild a specific transmission line.
- [NEPR-MI-2019-0005](#) | **Vegetation Management Plan**– On May 15, 2026, LUMA submitted to the Energy Bureau the Q3 FY2026 Vegetation Management Plan Report. On May 20, 2026, LUMA submitted a motion requesting a stay on the order to submit monthly Vegetation-Management Progress reports, due to this still being under reconsideration by the Energy Bureau in the rate case.
- [NEPR-MI-2019-0006](#) | **Emergency Response Plan** – On May 29, 2026, LUMA submitted to the Energy Bureau the 2026 Transmission and Distribution Emergency Preparedness Report and the

Emergency Response Plan. Additionally, LUMA submitted the 2026 Annual AAR/Trainings Report.

- [NEPR-MI-2019-0009](#) | **Interconnection Regulation** – On May 22, 2026 LUMA filed a motion to submit its Comments on subjects discussed in Virtual Stakeholder Workshop held on March 30, 2026 and included a letter sent to P3A addressing voltage instability and service reliability concerns. On May 27, 2026, LUMA submitted a Presentation for Stakeholder Workshop Scheduled for May 28, 2026, in compliance with April 27<sup>th</sup> Order. On May 28, 2026, LUMA participated in a Virtual Stakeholder Workshop held by the Energy Bureau in which LUMA presented its position regarding the new Interconnection Regulation rulemaking process.
- [NEPR-AP-2023-0003](#) | **Rate Review** – On May 5, 2026, LUMA submitted its motion for reconsideration of the Final Resolution and Order on Electricity Rates issued on April 15, 2026. Subsequently, on May 22, 2026, LUMA requested clarification from the Energy Bureau regarding the Cable TV Power Supplies (CATV) tariff established in that same order.
- [NEPR-MI-2021-0008](#) | **Customer Bill** – On May 28, 2026, LUMA submitted two requests to the Energy Bureau to amend the Model Bill to implement the Final Rate Order on electricity rates issued on April 15, 2026. First, LUMA seeks to remove the “Cláusula PAGO PENSIONES – Ajuste costos pensión” | “Rider PENSION PAYMENTS – Adjustment pension costs” and the “Cláusula PROVISIONAL – Ajuste Provisional” | “Rider Provisional – Provisional Adjustment.” Second, LUMA requests to amend the LRS and RH3 language on the second logical page of the Model Bill to align with the updated rate structure, which eliminates these categories from subsidies and incorporates their costs into base rates.

#### Other Filings made during May 2026:

- [NEPR-MI-2020-0001](#) | **Streetlights Report** – Quarterly Report on Streetlights Repairs for the period of January through March 2026 (May 6, 2026).
- [NEPR-MI-2022-0001](#) | **Energy Efficiency (“EE”) and Demand Response (“DR”) Transition Period Plan (“TPP”)** – FY2026 Q3 Consolidated TPP and DR Quarterly Report (May 14, 2026).
- [NEPR-MI-2021-0004](#) | **Initial Budgets** – Q3 of FY2026 Report for the period of January – March 2026 (May 15, 2026).
- [NEPR-MI-2024-0001](#) | **PREB Approved Investments** – Energy Bureau Approved Investments Status Quarterly Report for Q3 of FY2026 (May 15, 2026).
- [NEPR-MI-2020-0019](#) | **System Remediation Plan (“SRP”)** – Q3 of FY2026 Report for the period of January-March 2026 (May 15, 2026).
- [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – Monthly Report on System Reliability Metrics for April 2026 (May 20, 2026)
- [NEPR-MI-2019-0016](#) | **DG Interconnection Progress Report** – FY2026 Q3 DG Interconnection Progress Report for the period of January-March 2026 (May 21, 2026).
- [NEPR-MI-2021-0002](#) | **Federal Funding** – Monthly Progress Report for 4 x 25 MW Battery Energy Storage System (“BESS”) Project. (May 27, 2026)
- [NEPR-MI-2024-0005](#) | **Priority Stabilization Plan** – May 2026 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 (May 27, 2026).

## 7.0 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 May, LUMA submitted comments on five (5) legislative measures, responded to one (1) Request for Information (RFI) and attended one (1) legislative meeting. Additionally, LUMA received three (3) new RFIs.

**Table 7–1: 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   |
|---|--|---|
| House of Representatives of Puerto Rico - Northern Region Committee   | Request for Input regarding <b>House Bill 1184 (P.C. 1184)</b> to create the "Northern Corridor" Revitalization Program.   | On May 4, 2026, LUMA submitted its comments to the Committee regarding House Bill 1184.       |
| Senate of Puerto Rico - Innovation, Reform and Appointments Committee | Request for Input regarding <b>Senate Resolution 459 (R.S. 459)</b> to order the Commission on Innovation, Reform and Appointments of the Senate of Puerto Rico to conduct thorough research on current and projected water supply system in the municipality of Cabo Rojo and bordering municipalities; evaluate the hydrological, technical, environmental and socioeconomic of the Esencia Project; quantify their water demand actual in daily and annual gallons; determine the potential impact on communities currently experiencing low pressure and deficiencies in the service; Analyze the risks of overexploitation and saline intrusion in aquifers southwest | On May 5, 2026, LUMA submitted its comments to the Committee regarding Senate Resolution 459. |

| Committee   | Act, Bill or Resolution   | LUMA Response  |
|---|---|--|
|   | coastal; and for other related purposes.  |  |
| House of Representatives of Puerto Rico - Government Committee      | Request for Information regarding <b>House Resolution 42 (R.C. 42)</b> to carry out an investigation regarding LUMA's new CEO work plan.  | On May 6, 2026, LUMA submitted its response to the Request for Additional Information as a result of the Public Hearing held on April 24, 2026.  |
| House of Representatives of Puerto Rico - Northern Region Committee | Request for Information regarding <b>House Resolution 554 (R.C. 554)</b> to carry out an investigation regarding voltage fluctuations and outages affecting residents and merchants along Highway 681, in the municipalities of Barceloneta and Arecibo; to inquire about the causes of said instability in the distribution system operated by LUMA Energy; identify damage caused to equipment; Evaluate the vegetative and infrastructure maintenance plan in said coastal area. | On May 4, 2026, LUMA received a Request for Input regarding House Resolution 554. On May 18, 2026, LUMA submitted its comments to the Committee. |
| Senate of Puerto Rico - Government Committee                        | Request for Input regarding <b>House Bill 1207 (P.C. 1207)</b> to create the "Law for Municipal Collaboration in the Installation, Repair, Maintenance and Modernization of the Public Lighting System".  | On May 12, 2026, LUMA received a Request for Input regarding House Bill 1207. On May 13, 2026, LUMA submitted its comments to the Committee.     |
| House of Representatives of Puerto Rico - Government Committee      | Request for Input regarding <b>House Bill 1252 (P.C. 1252)</b> to create the "Law for the Continuity of the Drinking Water Service through Specialized Brigades of Line Guards in the Aqueduct and Sewerage Authority".   | On May 13, 2026, LUMA received a Request for Input regarding House Bill 1252. On May 26, 2026, LUMA submitted its comments to the Committee.     |

| Committee   | Act, Bill or Resolution   | LUMA Response  |
|---|---|--|
| Senate of Puerto Rico - Government Committee  | Meeting regarding <b>House Bill 1004 (P.C. 1004)</b> to amend Section 6 of Act No. 83 of May 2, 1941, as amended, known as the "Puerto Rico Electric Power Authority Act", to add a new subsection (q) to provide that every company that administers Puerto Rico's electric system shall establish and maintain a complaint processing system that prevents the unjustified closure of claims without effective resolution; provide for consumer notification.   | On May 19, 2026, LUMA attended a meeting with the president of the Government Committee regarding House Bill 1004. |
| House of Representatives of Puerto Rico - Transportation and Infrastructure Committee | Request for Input regarding <b>House Joint Resolution 264 (R.C.C. 264)</b> to order the Department of Transportation and Public Works (DTOP) to carry out, within a term of no more than thirty (30) days from the effective date of this Joint Resolution, an inspection of the luminaires located on State Highway PR-165 at the intersection with PR-865 in the municipality of Toa Baja; to evaluate the condition of the luminaires at Km. 1.6 of the PR-865 State Highway in the Campanilla neighborhood of the municipality of Toa Baja. | On May 12, 2026, LUMA received a Request for Input regarding House Joint Resolution 264.                           |
| Senate of Puerto Rico - Government Committee  | Request for Input regarding <b>Senate Bill 1277 (P.S. 1277)</b> to amend Articles 1,2,3,4,5 and 6, and add the new Articles 2-A and 6-A to Act No. 166-2009, as amended, known as the "Law on the Hiring of Inmates to Perform Various Tasks as Part of the Process of Rehabilitation and   | On May 26, 2026, LUMA received a Request for Input regarding Senate Bill 1277.                                     |

| Committee                                    | Act, Bill or Resolution   | LUMA Response   |
|--|---|---|
|  | Reintegration into the Free Community", for the purpose of creating the Emergency Response and Community Recovery Correctional Brigades.  |   |
| Senate of Puerto Rico - Government Committee | Request for Input regarding <b>Senate Joint Resolution 187 (R.C.S. 187)</b> to designate with the name of "Ing. Miguel A. Cordero López" the Neos Building, located at 1110 Ponce de León Avenue, in the Municipality of San Juan, where the headquarters of LUMA Energy and the Electric Power Authority are located; Arrange for the installation of the corresponding signage. | On May 28, 2026, LUMA received a Request for Input regarding Senate Joint Resolution 187. |

**Table 7–2: Material Litigation Update<sup>14</sup>**

| Case No. & Parties  | Description  | Updates   |
|---|--|---|
| <b>Civil Case No. SJ2025CV11093/ CT-2025-0006- P3A v. LUMA Energy LLC; LUMA Energy Servco, LLC/ Adv. Proc. 25-00061</b> | Declaratory Judgment Complaint and Injunction filed by P3A seeking the nullification of the OMA. | On May 8, 2026, the Court granted the Motions to Remand. On May 13, 2026, LUMA filed a Notice of Appeal and an Urgent Motion to Stay Order to Remand Pending Appeal. On May 14, 2026, the Court entered a briefing schedule and stayed the proceedings pending resolution of the motion to stay. On May 18, 2026, the Government and P3A filed an Opposition to LUMA's Motion to Stay, and the FOMB filed a |

<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  |
|---|---|--|
|   |   | Statement in support of LUMA's Motion to Stay. On May 21, 2026, LUMA filed a Reply in support of its Motion to Stay.   |
| <b>Civil Case No. SJ2025CV11202/ CT-2025-0007- Hon. Jennifer González Colon; Government of Puerto Rico v. LUMA Energy, LLC/LUMA Energy Servco, LLC/ Adv. Proc. 25-00062</b> | Complaint filed by the Government of Puerto Rico against LUMA seeking the nullification of the T&D OMA. | On May 8, 2026, the Court granted the Motions to Remand. On May 13, 2026, LUMA filed a Notice of Appeal and an Urgent Motion to Stay Order to Remand Pending Appeal. On May 14, 2026, the Court entered a briefing schedule and stayed the proceedings pending resolution of the motion to stay. On May 18, 2026, the Government and P3A filed an Opposition to LUMA's Motion to Stay, and the FOMB filed a Statement in support of LUMA's Motion to Stay. On May 21, 2026, LUMA filed a Reply in support of its Motion to Stay. |
| <b>Civil Case No. SJ2025CV06607/ CT-2025-0003/ USCA No. 25-2077- Departamento de Asuntos del Consumidor v. LUMA Energy LLC, et. als.</b>                                    | Declaratory judgment action challenging the Liability Waiver on constitutional grounds                  | On May 11, 2026, the First Circuit entered an order directing FOMB to file a brief on its position on the issue and the potential ramifications of the decision for PREPA's Title III proceedings. On May 26, 2026, the FOMB filed its Brief.  |
| <b>Multicom Group Corporation v. LUMA Energy LLC, SJ2025CV08258.</b>  | Complaint for collection of \$1.5M under a contract with LUMA as agent of PREPA                         | On May 12, 2026, Plaintiff filed a Motion for Summary Judgment. On May 28, 2026, LUMA filed a Motion to Compel Arbitration and for Stay of the Proceedings Pending Arbitration. The Court granted Plaintiff until June 17, 2026, to respond.   |

| <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</b>   | Plaintiff alleges that pole placement in sidewalks violates ADA   |
| <b>Domingo Marrero v. Mun. de Guánica, Civil Case No. PO2021CV00963</b>   | Plaintiff alleged that pole placement in sidewalks violates the Americans with Disabilities Act (“ADA”).  |
| <b>Civil Cases No. SJ2023CV01793, No. SJ2023CV02513 (consolidated) – LUMA Energy ServCo, LLC v. Municipio Autónomo de Manatí</b>  | Challenge to Manatí Municipality’s construction excise tax determinations for LUMA.   |
| <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.  |
| <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.   |
| <b>Eduardo Horrutinier, et. al. v. LUMA, SJ2025CV11155/ Case No. 17-03283</b>   | Class action; declaratory judgment and injunction challenging the imposition and collection of the Pension Charge   |
| <b>Civil Case No. SJ2025CV03310 – WendCo of Puerto Rico Inc. et al. v. LUMA Energy LLC</b>  | Class action complaint claiming damages from April 16, 2025, event that caused an island-wide blackout.   |
| <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”) |
| <b>Case No. 17-BK-04780</b>   | LUMA’s request for payment for administrative expenses  |

## 8.0 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 8–1: Summary of Governmental Audits

| Government Entity  | Audit Description   | Significant Updates   |
|--|---|---|
| <b>Comptroller’s Office of Puerto Rico (“OCPR”), No. 15592 (PREPA)</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 July 24, 1952, as amended.                      | At this moment, there are no pending requests.  |
| <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 July 24, 1952, as amended.                      | At this moment, there are no pending requests.  |
| <b>OCPR, No. 15671 (PREPA)</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 July 24, 1952, as amended.                      | On May 27, 2026, OCPR sent the final Audit Report for this audit. LUMA has ninety (90) consecutive days (starting on June 1) to submit the document Plan de Accion Correctiva (“PAC”) with the compliance to OCPR’s recommendations. The PAC is due on August 29, 2026. |
| <b>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 July 24, 1952, as amended.                      | At this moment, there are no pending requests.  |
| <b>OCPR, No. 15929 (LUMA)</b>  | Special Investigation of PREPA – LUMA for the period June 1, 2021 – December 31, 2025, by virtue of Article III, Section 22 of the Constitution of the Commonwealth of Puerto Rico, and Act 9 of July 24, 1952, as amended. | At this moment, there are no pending requests.  |
| <b>OCPR, No. OC-25-39 (Puerto Rico Fiscal Agency)</b>                  | This audit pertains to AAFAF and the report was   | At this moment, there are no pending requests.  |

| <b>Government Entity</b>  | <b>Audit Description</b>  | <b>Significant Updates</b>   |
|---|---|--|
| <b>and Financial Authority<br/>[“AAFAF”] Audit Report)</b>  | issued on December 15, 2024.  |  |
| <b>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 FY2023 Audit</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 Klynveld Peat Marwick Goerdeler (“KPMG”) and PREPA requests. PR Treasury Department’s (“Hacienda’s”) representatives notified LUMA that PREPA’s audit was expected to be completed and published in May 2026, however this date has shifted to June 2026. |
| <b>PR Treasury Department &amp; Municipalities by Pricewaterhouse Coopers (“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 May 2026 towards June 2026. The 2024 audit is estimated to be completed by October 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 / Affinity Consulting Group, LLC and Global Consultas Asociados, LLC (“Affinity-Global)</b> | Third Year (“FY2024”) T&D OMA Compliance – audit for the third year of LUMA operations.   | On April 23, 2026, LUMA held a kick-off meeting with P3A, and the auditors hired to perform the OMA Compliance audit. LUMA is gathering the information by the due date of April 24, 2026.   |
| <b>P3A FY2024 and 2025 Audit – by / Affinity Consulting Group, LLC and Global Consultas Asociados, LLC (“Affinity-Global)</b>               | Third and Fourth Year (“FY2024 & 2025”) T&D OMA Compliance – audit for the third and fourth year of LUMA operations.            | On April 23, 2026, P3A held a kick-off meeting with LUMA, and the auditors hired to perform the T&D OMA Compliance audit. LUMA is gathering the information. P3A indicates this effort is to prepare Act 29 Annual Compliance Report.  |

| 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>Central Office for Recovery, Reconstruction and Resiliency (“COR3”) Monitoring by Deloitte</b> | Deloitte Monitoring for Q1-FY2025 Federal Funding process.   | On April 9, 2026, COR3 communicated that it deems LUMA’s Corrective Action Plans to be sufficient to address the recommendations from COR3. No pending actions from LUMA. |

***The following audits have had no significant changes since the last report:***

**OCPR, No. 15560 – Audit of debt issued by the Commonwealth of Puerto Rico and its public corporations from January 1, 2000 – present day.**

**OCPR, No. 15637 – Audit of the Municipality of Guánica.**

## 9.0 Material T&D OMA Items

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

- May 2026 is the forty-second (42<sup>nd</sup>) 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.
- May 2026 is the twenty-ninth (29<sup>th</sup>) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account.
- May 2026 is the twenty-first (21<sup>st</sup>) consecutive month in which PREPA did not provide the required funding to replenish the Contingency Reserve Account.
- LUMA has issued forty-two (42) non-compliance notices to PREPA and notified P3A as Administrator of the T&D OMA.
- LUMA has issued thirty-two (32) 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 to 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.

- 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 presented a comprehensive proposal during the March 4, 2026 stakeholder meeting with PREPA to resolve concerns and prevent delays to over \$150 million in federal funding for the Monacillos PCC Project, emphasizing that FEMA-identified historic structures do not impede operations and that further progress depends solely on PREPA’s agreement to the required MOA to avoid jeopardizing critical grid modernization efforts. To this date, LUMA awaits PREPA’s comments to proceed with the MOA submission to FEMA.
- The Consolidated Project List process adopted by the Energy Bureau in its February 5, 2026, R&O, as subsequently ratified by its February 11, 2026, R&O, should serve as the controlling execution mechanism concerning the review and reactivation of previously withdrawn FEMA funded projects under the FEMA Accelerated Awards Strategy (“FAASt”) program. Projects included in the revised list of the February 11<sup>th</sup> R&O should be reactivated and aligned with available Stafford Act Section 406 funding opportunities, with additional reactivation occurring as further Stafford Act Section 428 funding becomes available. Compliance oversight by PREPA or P3A should proceed concurrently with project development, rather than as a condition precedent to activation, to ensure timely use of federal funding and reduce reimbursement exposure. Continued failure to activate the 289 FAASt projects places at risk the recovery of approximately \$231 million in incurred costs and exposes an additional \$170 million in reconciled costs to potential de-obligation, for a total incurred cost exposure of \$401 million. Although costs have already been incurred on the affected projects, reimbursement remains uncertain where projects remain inactive or where discrepancies persist regarding eligibility for advancement, and any FEMA reimbursements not received risk being borne directly by ratepayers.
- On March 24, 2026, the Fiscal Plan kickoff meeting with PREPA, LUMA, Genera, and FOMB confirmed the updated plan structure and initiated early drafting of non-financial chapters, emphasizing the need for prompt data sharing and establishing bi-weekly recurring meetings to ensure timely coordination of forthcoming financial components. This session has been ‘on hold’ pending the delivery of macro-economic data and the allocation of funds for these activities through the April 15th Rate Order.

### **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 (5) times with the last one executed on December 31, 2025, for an additional six (6) months until June 30, 2026. On June 3, 2026, PREPA formally requested another Shared Services extension until 30 June 2027.

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. The A&R SSA outlines specific conditions to ensure mutual alignment on expectations for progress during this additional extension period. However, the biweekly Shared Services reports submitted by PREPA so far did not meet the requirements set forth in the agreement. In alignment with its approved Fiscal Plan, PREPA as a holding company (HoldCo) has yet to establish a comprehensive financial governance framework to standardize and consolidate financial reporting across PREPA (HydroCo), LUMA (GridCo), and Genera (GenCo). This lack of coordination continues to hinder the development of integrated financial statements. Moreover, PREPA has not yet created the legal entity for GridCo, which is essential for properly segregating Transmission and Distribution assets under LUMA's operation. PREPA also remains engaged in Shared Services, having repeatedly requested extensions to the Shared Services Agreement rather than executing a full exit. These unresolved issues pose significant challenges to achieving accurate and consolidated financial reporting.

### **Net Energy Metering**

- In compliance with the current regulation of distributed generation interconnection, LUMA successfully completed an additional 2,013 supplemental studies in May 2026. The studies cover distribution feeder voltage, thermal, and protection analyses, which are critical to maintaining the distributed system's stability and reliability. As of May 31, all feeders with penetration levels above fifteen percent (15%) have been studied. 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”)**

- LUMA continues to engage with telecommunications carriers regarding outstanding pole attachment invoices issued for fiscal years 2022 through 2025. Several carriers have submitted requests for payment agreements, which remain under evaluation.
- LUMA continues to engage with telecommunications carriers regarding the proposed Pole License Agreement. Comments received from multiple carriers are under review, and discussions remain ongoing to support finalization of the agreement.
- LUMA continues to perform activities associated with the United States Department of Energy's (DOE) Utility Pole Abatement Program, including pre-surveys, field surveys, and notifications related to abandoned cables and non-compliant attachments.
- On May 15, 2026, LUMA held a coordination meeting with telecommunications carriers and representatives from Energy Bureau, the Puerto Rico Telecommunications Bureau (NET), and DOE to discuss the scope of the DOE Utility Pole Abatement Program and potential opportunities for collaboration. Following the meeting, participating entities requested the development of a joint pilot initiative, and LUMA subsequently provided designated points of contact for coordination.

- LUMA distributed the proposed pilot project framework for the DOE Utility Pole Abatement Program and conducted a follow-up meeting on May 29, 2026, to discuss implementation procedures, define next steps, and advance program execution.

### **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 customer experience. Customers will be encouraged to verify their mailing information to support this effort. Cycle 2-4 was updated in May and focusing on cycle 5-6 in June.
- Unbilled dropped to 0.70% of our total customers. Continued focus on actioning unbilled accounts.
- LUMA activated almost 1,794 customers on the Net Energy Metering ("NEM") tariff in May.
- LUMA began receiving Low Income Home Energy Assistance Program ("LIHEAP") funds in May on behalf of qualified customers. In May, over \$900 K in payments were applied to customer accounts. LUMA reached 4,366 new payment agreements with customers in May 2026, for a total of over 169,273 agreements since August 2021. Also, in May LUMA completed over 124,065 outbound collection calls for a total of over 6.5 million outbound calls since August 2021. LUMA's Revenue Protection team collected over \$23.1 million in May 2026 directly related to active customer collections of past due receivables. Collection efforts included outbound calls, letters, emails, and inbound calls.