

Monthly Operations Report on the T&D System

For the Month of June 2026

July 15, 2026



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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 June 2026.

URGENT CASH MATTERS

June 2026 is the forty-third (43rd) month in which PREPA did not fully fund one or more of the Service Accounts, in breach of the T&D OMA. June 2026 is also the thirtieth (30th) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account and the twenty-second (22nd) 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

June Achievements

Key Operational and Capital Improvements

Advancing Grid Modernization Through Collaboration with the U.S. Department of Energy

LUMA hosted representatives from the U.S. Department of Energy ("DOE") to review progress on federally funded grid-modernization initiatives. DOE and LUMA teams conducted site inspections at substations and distribution projects in San Juan and Barceloneta and discussed planned system upgrades and technology improvements. Approximately \$142 million in DOE-supported investments are advancing efforts to strengthen grid resilience, enhance operational performance, and improve service reliability across Puerto Rico. [\(link\)](#)

New Transformer at Mora Substation Strengthens Power Reliability in the Northwest

LUMA energized a new 112 MVA transformer at the Mora Substation in Isabela, restoring full operational capacity and stabilizing service for roughly 70,500 customers in the Northwest region. The work included structural upgrades, added transformer redundancy, and improved protection systems to support projected load growth. This upgrade increases regional resilience and advances ongoing system-modernization efforts across Puerto Rico. [\(link\)](#)

Reinforcing Vieques' Electrical Infrastructure Ahead of Peak Hurricane Season

As part of its hurricane-season readiness efforts, LUMA completed a four-day liveline project across multiple Vieques communities to reinforce local electrical infrastructure and reduce outage risk. Crews upgraded hardware and insulators on nearly 100 structures, improving system stability and strengthening critical grid components. These improvements enhance service resilience for Vieques and support broader islandwide preparedness initiatives. [\(link\)](#)

Strengthening Reliability Through Permanent Improvements at the Hermanas Dávila Substation

LUMA completed permanent system upgrades at the Hermanas Dávila Substation in Bayamón, resolving Hurricane María-related damage and restoring redundancy for approximately 3,000 customers. Work included replacement of five transmission poles, upgrades to critical substation components, and repairs to key switching equipment to reduce operational risk and improve system stability. These upgrades increase fault-response capability and strengthen service reliability for the surrounding area. [\(link\)](#)

Communications

Strengthening Emergency Preparedness Through Cross Sector Collaboration

Under its Emergency Response Plan (“ERP”), LUMA convened government, municipal, partner-agency, and emergency-management representatives at the Response Fundamentals Forum 2026 to strengthen coordination and preparedness protocols. The session focused on risk alignment, operational procedures, and interagency coordination required to maintain continuity of critical services during emergencies. These activities enhance response readiness and support the reliability of Puerto Rico’s electric system. [\(link\)](#)

3.0 Billing and Collections

Effective billing and collections processes are essential to maintaining cash flow, supporting system operations, and ensuring customers receive accurate and timely account information. This section summarizes ongoing initiatives to improve billing accuracy, enhance delivery performance, reduce unbilled accounts, and strengthen collection efforts through targeted customer outreach, assistance programs, and updated operational practices.

Address Standardization and Invoice Delivery

- LUMA launched an Address Standardization initiative with its bill-print vendor to reduce returned mail and improve on-time invoice delivery.
- Customer addresses are being cleansed and validated using USPS-compliant standards.
- Cycles 5–6 were updated in June; remaining billing cycles will be addressed in the coming months.
- Customers will be encouraged to verify their mailing information to support accurate delivery.

Billing Accuracy and Unbilled Accounts

- Unbilled accounts decreased to 0.74% of total customers.
- Operational teams continue to prioritize actions that reduce and resolve unbilled accounts.

Customer Assistance Programs and Collections Activity

- LUMA began receiving Low Income Home Energy Assistance Program (“LIHEAP”) funds in June, applying more than \$3.8 million to qualified customer accounts.
- In June, LUMA established 4,915 new payment agreements, reaching a total of over 174,188 agreements since August 2021.
- LUMA completed more than 148,393 outbound collection calls in June, totaling over 6.6 million calls since August 2021.
- The Revenue Protection team collected over \$30.5 million in June through active collections on past-due receivables.
- Collection efforts included outbound calls, letters, emails, and inbound call support.

Outbound Call Center Efforts and Results

- 30,767 Industrial and Commercial calls exceed Monthly Target of 5K
- 117,007 Residential calls exceed Monthly Target of 73K
- Automated Efforts:
 - Bill Reminder Automated Calls: 16,497
 - 48-Hour Call Automated Calls: 3,853
 - Strategy: Residential Bill Reminder resulting in:
 - Total Calls: 23,672 (65.88% effectiveness)
 - Collections: \$1,956,845.05
 - Strategy: Commercial and Industrial Reminder resulting in:
 - Total Calls: 8,087 (81.07% effectiveness)
 - Collections: \$9,963,117.79

Revenue Protection Team Results

- 22,985 letters sent
- 1806 completed disconnections
 - \$50,083.91 collected revenue on disconnections
- Identified Increased Bonds Requirements – 60 accounts for \$661,371.17 risk mitigation
- 1,635 bonds received for \$32,231,156.08 risk mitigation
- 46 bonds executed for expected payments of \$1,317,716.23
- Payments of \$186,696.97 received from 42 bonds executions
- 496 cases identified for account legalization

Outstanding Receivables Trends

- Outstanding receivables for June 2026 remained stable, with no significant fluctuations observed during the period. The team continues carrying out ongoing collections efforts to encourage customers to keep their accounts current.

Customer Experience Key Metrics

- Customer Service performance in June remained stable, supported by 90% workforce adherence and 2% attrition.

- Average Speed of Answer (“ASA”) closed at 8 minutes and 15 seconds.
- Average Handle Time (“AHT”) closed at 8 minutes and 41 seconds.
- These operational metrics sustained service continuity and responsiveness.
- Customer experience remains the primary improvement area.
- First Call Resolution (“FCR”) closed at 59.7% below the 70% benchmark.
- Abandonment rate closed at 27.3% (24.07% excluding short abandons).
- Results reinforce ongoing operational excellence efforts to improve accessibility, resolution effectiveness, and overall customer experience.

4.0 Operational Highlights

Major Capital & Infrastructure Projects

Transmission Substation Operations

In June, several key operational improvements were completed across multiple divisions. Protection & Control replaced two distribution relays to improve system reliability. Transmission crews replaced seven structures in Ciales and executed 160 insulation and hardware replacements islandwide. Substation Apparatus teams conducted maintenance on one transformer in Yabucoa, serviced transmission breakers in Aguas Buenas, Monacillos, Caguas, and Costa Sur, and completed maintenance on distribution breakers in Yauco, San Juan, and Quebradillas, further strengthening system performance and readiness.

Operations Distribution Performance

The Operations Distribution team completed core workload activities including 41 certifications, 151 service connections and disconnections, and 57 hot-spot repairs. The team advanced 91 primary customer requests, supported 11 planned outages, processed 27 regional requests, and executed 30 wildfire-mitigation tasks. Field crews replaced 217 poles, performed 38 maintenance tasks including underground work, and inspected or replaced 24 primary metering devices. Substation teams completed 126 maintenance activities and calibrated 280 protection relays, while Transmission Lines teams executed 205 preventive and corrective tasks to strengthen system reliability.

Progress in Advancing System Resilience

In June, LUMA made strong progress across key system-improvement initiatives. Crews advanced transmission reliability by replacing 21 poles across Cidra, Cayey, Guánica, and Yauco, along with 168 hardware and insulation upgrades and islandwide switch replacements. We energized three transformers and a new breaker across Mora TC, Sabana Llana TC, and Hogar Crea, strengthening substation readiness.

On distribution, we completed our first federally funded feeder project on the 1303-02 Feeder in San Juan and continued progress on the 8101-03 Feeder in Utuado with 15 new poles. Crews also improved lighting reliability with 16 Operations & Maintenance (“O&M”) streetlight replacements and 304 replacements through federal projects across multiple municipalities.

Further strengthening the grid, teams replaced 240 poles through the Distribution Pole and Conductor Program and cleared 200 miles of vegetation across seven municipalities, reducing outages and improving system performance.

Maintenance & Resilience Initiatives

Emergency Response Training

In accordance with Section 6 (m) vi. of Act 83 of 2 May 1941, as amended, LUMA has completed over 36K employee hours of FEMA training with 97% compliance in ICS 100, Introduction to the Incident Command System. LUMA, in its continued commitment to training its personnel, demonstrates a solid organizational readiness and compliance with essential training requirements to respond and restore power quickly and safely.

Customer and Community Initiatives

Community Engagement & Project Support

The Community Engagement Team supported strategic infrastructure work across Puerto Rico by coordinating with municipalities, assisting with project communications, and providing proactive customer education. Efforts focused on facilitating project execution, preparing communities for planned activities, and strengthening public confidence through direct engagement. During June, the team visited 12 municipalities, conducted 13 community events, and reached more than 26,500 customers. Engagement activities supported five major strategic projects affecting 57,631 customers across nine municipalities, ensuring aligned coordination and clear information sharing throughout the project lifecycle.

Customer and Community Initiatives

Strengthening Community Preparedness Through Electrical Safety Training

LUMA expanded its electrical-safety training efforts this hurricane season, preparing more than 140 city personnel, community leaders, and first responders in Utuado, Santa Isabel, and Vega Alta. Training covered hazard identification and safe response procedures during emergencies. These actions enhance community preparedness and support broader resilience efforts across Puerto Rico.

5.0 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 Mora Transformer – Installation and Energization Complete

- The Mora 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 June 24, 2026.

- With Mora, this completes all the milestones for P-2 and the last pending deliverable is the Second Tranche Report for Fajardo, Bayamon, and Mora due in September 2026.

FEMA Grant Key Milestones

Advancement of Project Obligations

- A total of 262 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 June, we received 8 new obligations, including 7 for Vegetation and 1 for Telecommunications, for a total of \$130.5M. This brings our year-to-date total to 31 obligations. Of the 262 obligated projects, 218 are currently in construction, representing 83.2% 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 \$156M in June and received \$158M, 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 55 Hurricane Maria projects moving through their workflow processes, representing a total estimated value of \$1.3B

6.0 Monthly Sales Summary

Consumption in June 2026 decreased by 2.1% compared to the previous month (May 2026) and 4.5% compared to the same month of the previous year (June 2025). In June 2026, revenues were 8.5% higher than in May 2026 and 22.4% compared to the same month of the previous year (June 2025). Note, the revenue increase in June 2026 compared to May is mainly due to the pension rider, reflecting adjustments for the period from September 2026 through May 2026.

Table 6–1. Energy billed by customer segment

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2026 June	579.8	665.1	121.1	25.8	1.9	3.4	1,397.1
2026 May	619.5	660.0	115.5	26.0	2.3	3.4	1,426.7
2025 June	638.9	666.3	126.0	26.0	2.0	3.3	1,462.5

Table 6–2. Energy sales by customer segment

Sales (\$ Million)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2026 June	166.9	231.7	34.8	11.2	0.6	1.0	446.2
2026 May	161.9	202.2	34.0	11.15	0.7	1.0	411.3
2025 June	146.1	176.7	30.5	10.0	0.5	0.8	364.6

Table 6–3. Energy sales by rate component

Energy Sales (\$ Million)	Base	FCA ¹	PPCA ²	CILT & Subsidies & EE ³	Total ⁴
2026 June	97.8	183.5	67.1	97.8	446.2
2026 May	97.9	178.9	69.0	65.5	411.3
2025 June	98.6	173.7	71.4	20.9	364.6

7.0 System Operations Update

Reported Events

- In June 2026, a total of nine (9) base load generation forced outages occurred. Four (4) load sheds were due to generation shortfalls that resulted in the activation of Under Frequency Load Shed (“UFLS”)⁵.
- There were no LEOC activations for the month of June 2026.

Table 7–1: Significant Generation Outages by Site for June 2026

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

¹ FCA: Fuel Change Adjustment

² PPCA: Purchase Power Change Adjustment

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

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

⁵ Under Frequency Load Sheds occur when the system frequency drops below 59.2 Hz.

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

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

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

⁹ Maintenance Outages: A generating unit shutdown for planned maintenance service.

Site Name	Derated ⁶	Forced Outage ⁷	Loadshed ⁸	Planned / Maintenance Outages ⁹
Costa Sur 5	2	0	0	0
Costa Sur 6	4	0	0	0
Aguirre 2	3	0	0	1
AES 1	7	1	0	0
AES 2	11	2	3	0
EcoEléctrica	0	0	0	0
Total	41	9	4	2

Table 7–2: Total Significant Generation Outages by Month

Outage Type:	Derated	Forced Outage	Loadshed	Loadshed due to Generation Shortfall ¹⁰	Planned / Maintenance Outages
2026 June	41	9	4	0	2
2026 May	25	5	5	1	3
2025 June	41	18	14	4	2

Table 7–3: Significant Transmission Outages by Line / Transformer for June 2026

Site Name	Line Trips ¹¹	Transformer Trips ¹²	Substation Trips ¹³
Bayamon Pueblo 38 kV Bus	0	0	1
Bayamon TC Bank #1 115/38 kV	0	1	0
Centro Medico 38 kV Bus	0	0	1
Dorado TC 115/38 kV Bank	0	1	0
Dos Bocas 38 kV Bus	0	0	2
Fajardo TC 38 kV Bus	0	0	1
Fonalledas Substation #1401	0	0	1
Gautier Benitez Sect 38 kV Bus	0	0	1
Juan Domingo 38 kV Bus	0	0	1
Line - 36100 Bayamon TC - Cana	1	0	0
Line - 36100 Dos Bocas HP - Piñas GIS	4	0	0
Line - 36200 Juncos TC – Rio Blanco	1	0	0

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

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

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

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

Site Name	Line Trips ¹¹	Transformer Trips ¹²	Substation Trips ¹³
Line - 36300 Humacao TC – Rio Blanco	2	0	0
Line - 37400 Vega Baja TC – Dorado TC	1	0	0
Line - 38200 Monacillos TC – Palo Seco SP	1	0	0
Line - 40100 Aguirre SP - Jobos	1	0	0
Line - 40300 Ponce TC – Pattern	3	0	0
Line - 50200 Costa Sur SP – Manati TC	2	0	0
Line - 51000 Aguas Buenas GIS – Aguirre SP	1	0	0
San Daniel Substation #8013	0	0	1
Verdemar Substation #2605	0	0	1
Victoria TC 38kV Bus #2	0	0	2
Total	17	2	12

Table 7–4: Total Significant Transmission Outages by Month

Outage Type:	Line Trips	Transformer Trips	Substation Trips
2026 June	17	2	12
2026 May	11	1	22
2025 June	18	0	12

8.0 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-MI-2024-0005](#) | **Priority Stabilization Plan** – On June 1, 2026 in compliance with the March 28, July 16 and April 30 orders, LUMA submitted its Comprehensive Transmission Plan Report. On June 10, 2026 LUMA submitted a motion requesting that the PREB keep relevant portions of Exhibit 1 Comprehensive Transmission Plan of the June 1 Motion from disclosure.
- [NEPR-MI-2020-0001](#) | **Permanent Rate** – On June 1, 2026, LUMA filed the proposed FY27 Annual Riders for the Contribution in Lieu of Taxes to municipalities (“CILT”), subsidies (“SUBA-HH” & “SUBA-NHH”), and EE programs to be in effect from July 1, 2026, to June 30, 2027.
- [NEPR-MI-2021-0008](#) | **Customer Bill** – On June 4, 2026, the PREB determined that LUMA complied with the required adjustments to the Model Bill, authorizing the issuance of bills beginning July 1, 2026.
- [NEPR-MI-2026-0005](#) | **2026 Permanent Rate** – On June 4, 2026, the PREB issued a Resolution and Order on LUMA’s May 22, 2026 request for clarification regarding the Cable TV Power Supplies (“CATV”) tariff under the Rate Review docket, clarifying the CATV rates as requested by LUMA. On June 30, 2026, LUMA submitted revisions to the tariff book that reflect the currently approved rate structure for FY27.

- [NEPR-MI-2021-0002](#) | **Federal Funding** – On June 5, 2026 LUMA submitted a motion with two detailed recovery plans for the Caguas area describing the permanent repair work needed after Hurricane Fiona. On June 11, 2026, LUMA submitted a motion requesting the approval of updated scopes of work for the Acacias 6801 transmission center relocation project and replace the previously approved version with this amended one. On June 16, 2026 LUMA submitted to PREB the updated 90-Day Plan. On June 18, 2026 LUMA submitted to the PREB six FEMA Obligations, five for Vegetation Management Plan and one for the Telecommunications improvement plan.
- [NEPR-MI-2021-0004](#) | **Initial Budgets** – On June 9, 2026, LUMA submitted its responses to PREB's May 27 order, including withdrawing the Covadonga Substation temporary repair from its Joint Reconciliation Plan and providing detailed attachments responding to informational requirements. On June 23, 2026, LUMA filed a request to allocate \$20.88 million of the remaining FY 2026 reconciliation balance toward critical T&D projects. On June 24, 2026, LUMA submitted a third amendment to realign the Non-Federally Funded Capital portion of its FY 2026 budget—without increasing total NFC funding or altering customer rates—by reallocating within existing allocations to better align expenditures and commitments under the provisional and final rate orders. On June 25, 2026, LUMA filed a motion to inform the PREB that PREPA failed to fully fund the FY 2026 Service and Non-Federally Funded Capital Accounts—leaving a \$39.15 million shortfall—as well as to supplement the record with the Financial Oversight Management Board's ("FOMB's") June 17 certification of the Fifth Revised FY 2026 Budget.
- [NEPR-AP-2023-0003](#) | **Rate Review** – On June 10, 2026, LUMA requested relief from two determinations of the Final Rate Order while the PREB considers its Motion for Reconsideration filed on May 5, 2026.
- [NEPR-MI-2024-0002](#) | **LUMA's Accelerated Storage Addition Program ("ASAP")** – On June 24, 2026, LUMA filed a motion to inform continued progress on ASAP. As detailed in submitted Exhibit 1, FOMB has approved or conditionally approved ten ASAP projects, all of which have also been approved by PREB. Since the ASAP quarterly report, two additional agreements have been executed, for a total of three executed to date. In addition, three projects have completed all signing conditions with PREPA, and the remaining four are in the process of completing their required conditions.
- [NEPR-MI-2022-0001](#) | **Energy Efficiency ("EE") and Demand Response ("DR") Transition Period Plan** – On June 26, 2026, LUMA informed the PREB of a reallocation of funds within the previously approved Fiscal Year ("FY") 2026 EE portfolio budget in order to maximize EE program savings for the FY. In conjunction with the budget shift, LUMA also informed the realignment of energy savings among the EE programs to reflect current implementation condition while maintaining the overall FY26 saving target of 32,376 MWh.
- [NEPR-MI-2019-0005](#) | **Vegetation Management Plan** – On June 26, 2026 LUMA submitted a second motion to the PREB in regard to the requirement to submit monthly Vegetation Management Progress Reports; the requested stay is to last until the PREB rules on LUMA's reconsideration petition in the Rate Case Proceeding.

Other Filings made during June 2026:

- [NEPR-MI-2020-0001](#) | **Permanent Rate** – LUMA filed the proposed Quarterly Fuel Cost Adjustment (“FCA”) and Purchased Power Charge Adjustment (“PPCA”) factors to be in effect from July 1, 2026, to September 30, 2026. On June 24, 2026, LUMA responded to a Request for Information on the topic and participated in a Technical Conference on June 25, 2026. On June 30, 2026, the PREB issued a Resolution and Order establishing the quarterly and annual factors applicable for the period. (June 15, 2026)
- [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – Monthly Report on System Reliability Metrics for May 2026 (June 22, 2026)
- [NEPR-MI-2021-0002](#) | **Federal Funding** – Monthly Progress Report for 4 x 25 MW Battery Energy Storage System (“BESS”) Project. (June 27, 2026)
- [NEPR-MI-2024-0005](#) | **Priority Stabilization Plan** – June 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 February 18, 2025. (June 29, 2026)

9.0 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 June, LUMA submitted comments on six (6) legislative measures, responded to one (1) Request for Information (“RFI”), and submitted amendments to one (1) legislative bill. Additionally, LUMA received one (1) request for a legislative meeting, one (1) Oversight Hearing summoning, one (1) Public Hearing summoning, and one (1) new RFI.

Table 9–1: 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 - District 27 Representative	Request for Information (RFI) related to the closure of the Customer Experience Center located in the municipality of Aibonito.	On June 3, 2026, LUMA received a Request for Information from the District 27 Representative. On June 10, 2026, LUMA submitted its comments to the Representative.
House of Representatives of Puerto Rico - Transportation and Infrastructure Committee	Request for Input regarding House Joint Resolution 264 (R.C.C. 264) to order the Department of Transportation and Public Works (DTOP) to	On June 5, 2026, LUMA submitted its comments to the Committee regarding House Joint Resolution 264.

Committee	Act, Bill or Resolution	LUMA Response
	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.	
House of Representatives of Puerto Rico - Northern Region Committee	Request for Input regarding House Resolution 474 (R.C. 474) to conduct an investigation into the recurring problems of operation, maintenance, and repair of the traffic lights located in Representative District 13, composed of the municipalities of Arecibo, Manatí, Barceloneta, and Florida, the response and management of the Department of Transportation and Public Works and the Highway and Transportation Authority to such deficiencies, and the effects of this problem on road safety, vehicular flow and the quality of life of residents and passers-by of these municipalities.	On June 5, 2026, LUMA received a Request for Input regarding House Resolution 474. On June 12, 2026, LUMA submitted its comments to the Committee.
Senate & House of Representatives of Puerto Rico	Submit amendments to the Enrolled House Bill 1004 (P.C. 1004) 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	On June 6, 2026, LUMA submitted its deposition paper and recommended amendments to the legislature regarding House Bill 1004.

Committee	Act, Bill or Resolution	LUMA Response
	administers Puerto Rico's electric system shall establish and maintain a complaint processing system that prevents the unjustified closure of claims without effective resolution; to provide for consumer notification; and for other related purposes.	
Senate of Puerto Rico - Government Committee	Request for Input regarding Senate Joint Resolution 187 (R.C.S. 187) 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 June 10, 2026, LUMA submitted its comments to the Committee regarding Senate Joint Resolution 187.
Senate of Puerto Rico - Municipal Affairs Committee	Request for Input regarding Senate Resolution 281 (R.S. 281) to conduct an investigation into the processes, protocols, and response plans of the company LUMA Energy to interruptions in the electric service in the municipalities of Puerto Rico; examine the effectiveness of the measures adopted, response times, coordination with government agencies and municipalities, as well as the consequences for subscribers.	On June 10, 2026, LUMA received a Request for Input regarding Senate Resolution 281. On June 22, 2026, LUMA submitted its comments to the Committee.
House of Representatives of Puerto Rico - Government Committee	Public Hearing summoning regarding House Resolution 42 (R.C. 42) to request information on the construction of a new LUMA	On June 12, 2026, LUMA received a Public Hearing summoning regarding House Resolution 42. On June 30,

Committee	Act, Bill or Resolution	LUMA Response
	Energy Operations Center in the Monacillo neighborhood of San Juan, Puerto Rico.	2026, LUMA submitted its comments to the Committee.
Senate of Puerto Rico - Government Committee	Request for Input regarding Senate Bill 1277 (P.S. 1277) 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 Reintegration into the Free Community", for the purpose of creating the Emergency Response and Community Recovery Correctional Brigades.	On June 16, 2026, LUMA submitted its comments to the Committee regarding Senate Bill 1277.
House of Representatives of Puerto Rico - Government Committee	Meeting at the Representative's District Office regarding alleged recurrent service interruptions in El Señorial, El Remanso and Quintas de Cupey in San Juan.	On June 5, 2026, LUMA received a meeting request from the president of the Government Committee.
House of Representatives of Puerto Rico - Government Committee	Oversight Hearing - Summit Hills Urbanization, Belen Street, with the president of the Government Committee regarding alleged recurrent service interruptions and vegetation.	On June 16, 2026, LUMA received an Oversight Hearing summoning from the president of the Government Committee.
House of Representatives of Puerto Rico - District 15 Representative	Request for Information (RFI) related to various issues that impact the communities of District No. 15, which include the municipalities of Quebradillas, Camuy, and Hatillo.	On June 22, 2026, LUMA received a Request for Information from the District 15 Representative.

Table 9–2: Material Litigation Update¹⁴

Case No. & Parties	Description	Updates
Civil Case No. SJ2025CV11093/ CT-2025-0006- P3A v. LUMA Energy LLC; LUMA Energy Servco, LLC/ Adv. Proc. 25-00061	Declaratory Judgment Complaint and Injunction filed by P3A seeking the nullification of the OMA.	On June 1 st , 2026, the Title III Court denied LUMA's Motion to Stay Pending Appeal. On June 3, 2026, LUMA filed an Emergency Motion for Stay Pending Appeal and an Immediate Administrative Stay or Expedited Briefing. On June 4, 2026, FOMB filed a Notice of Appeal of the Title III remand order. On June 8, 2026, the bondholders, FOMB and P3A filed their response to LUMA's Emergency Motion for Stay. On June 11, 2026, LUMA filed its Reply in support of the Stay Motion. On June 19, 2026, the First Circuit denied LUMA's Motion to Stay. On June 23, 2026, LUMA filed a motion to reopen the case in the Commonwealth Court of First Instance, motion for consolidation with the Governor's case, answer to complaint and counterclaim. On June 29, 2026, LUMA filed an Opposition to the Writ for Intra-jurisdictional Certification.
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	Complaint filed by the Government of Puerto Rico against LUMA seeking the nullification of the T&D OMA.	On June 1 st , 2026, the Title III Court denied LUMA's Motion to Stay Pending Appeal. On June 3, 2026, LUMA filed an Emergency Motion for Stay Pending Appeal and an Immediate Administrative Stay or Expedited Briefing. On June 4, 2026, FOMB filed a Notice of Appeal of the Title III remand order. On June 8,

¹⁴ 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
		2026, the bondholders, FOMB, the Government and P3A filed their response to LUMA's Emergency Motion for Stay. On June 11, 2026, LUMA filed its Reply in support of the Stay Motion. On June 19, 2026, the First Circuit denied LUMA's Motion to Stay. On June 23, 2026, LUMA filed a motion to reopen the case in the Commonwealth Court of First Instance, motion informing the consolidation request with P3A and PREPA's case, answer to complaint and counterclaim. On June 25, 2026, the Government opposed to LUMA's motion for consolidation. On June 29, 2026, LUMA filed an Opposition to the Writ for Intra-jurisdictional Certification. .
Civil Case No. SJ2025CV06607/ CT-2025-0003/ USCA No. 25-2077- Departamento de Asuntos del Consumidor v. LUMA Energy LLC, et. als.	Declaratory judgment action challenging the Liability Waiver on constitutional grounds	On June 2, 2026, Appellees, DACO and ICSE filed their respective replies to the FOMB's submission in compliance with court's order. Oral argument before the Court of Appeals for the First Circuit was heard on June 4, 2026.
LUMA v. P3A, Adv. Proc. Case No. 25-00043/ USCA No. 26-1081	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 June 17, 2026, P3A filed its response brief in the First Circuit Appeal over Judge's Swain threshold dispute abstention decision. On June 30, 2026, LUMA requested an extension to the briefing schedule for its reply brief.

Case No. & Parties	Description	Updates
Civil Case No. SJ2025CV03310 – WendCo of Puerto Rico Inc. et al. v. LUMA Energy LLC	Class action complaint claiming damages from April 16, 2025, event that caused an island-wide blackout.	On June 30, 2026, Plaintiff moved to voluntarily dismiss without prejudice.

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

Civil Case No. 22–CV–01357 – CADFI Corp. v. PREPA, LUMA and Municipality of San Juan	Plaintiff alleges that pole placement in sidewalks violates ADA
Domingo Marrero v. Mun. de Guánica, Civil Case No. PO2021CV00963	Plaintiff alleged that pole placement in sidewalks violates the Americans with Disabilities Act (“ADA”).
Civil Cases No. SJ2023CV01793, No. SJ2023CV02513 (consolidated) – LUMA Energy ServCo, LLC v. Municipio Autónomo de Manatí	Challenge to Manatí Municipality’s construction excise tax determinations for LUMA.
Notice of Dispute issued by P3A against LUMA under the T&D OMA; Demand of Mediation issued by LUMA against P3A under the T&D OMA	On July 22, 2025, P3A issued a Notice of Dispute identifying six categories of purported Technical Disputes. See update on previous section “Material Litigation Update” for LUMA v. P3A, Adv. Proc. Case No. 25-00043 / USCA No. 26-1081.
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	Consolidated class actions claiming damages from the April 6, 2022, event at Costa Sur that caused an island-wide blackout.
Eduardo Horrutinier, et. al. v. LUMA, SJ2025CV11155/ Case No. 17-03283	Class action; declaratory judgment and injunction challenging the imposition and collection of the Pension Charge
Multicom Group Corporation v. LUMA Energy LLC, SJ2025CV08258.	Complaint for collection of \$1.5M under a contract with LUMA as agent of PREPA
Case No. 17-BK-04780	LUMA’s request for payment for administrative expenses

10.0 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
Comptroller’s Office of Puerto Rico (“OCPR”), No. 15592 (PREPA)	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.
Comptroller’s Office of Puerto Rico (“OCPR”), No. 15720 (LUMA)	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.
OCPR, No. 15671 (PREPA)	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.	LUMA is working with submitting the document Plan de Accion Correctiva (“PAC”) with the compliance to OCPR’s recommendations. The PAC is due on August 29, 2026.
OCPR, No. 15794 (LUMA)	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.
OCPR, No. OC-25-39 (Puerto Rico Fiscal Agency and Financial Authority [“AAFAF”] Audit Report)	This audit pertains to AAFAF and the report was issued on December 15, 2024.	At this moment, there are no pending requests.

Government Entity	Audit Description	Significant Updates
OCPR, Carta Circular OC-25-20	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.
PREPA FY2023 Audit	KPMG Audit of PREPA Financial Statements (FY2023)	LUMA continued to support PREPA's ongoing audit and provided all responses to Klynveld Peat Marwick Goerdeler ("KPMG") and PREPA requests. the audit was completed on June 30, 2026.
PR Treasury Department & Municipalities by Pricewaterhouse Coopers ("PwC")	PwC Audit of LUMA Energy, LLC 2023 and 2024 (Consolidated: ManageCo & ServCo and Standalone: ServCo) – Financial Statements	The 2023 was completed on June 24, 2026. The 2024 audit is estimated to be completed by October 2026.
P3A FY2022 Audit – by Vázquez & Vilanova	First Year ("FY2022") T&D OMA Compliance – audit for the first full year of LUMA operations.	No pending actions from LUMA.
P3A FY2023 Audit – by Vázquez & Vilanova	Second Year ("FY2023") T&D OMA Compliance – audit for the second year of LUMA operations.	No pending actions from LUMA.
P3A FY2024 Audit – by Vázquez & Vilanova	Third Year ("FY2024") T&D OMA Compliance – audit for the third year of LUMA operations.	No pending actions from LUMA.
P3A FY2024 and 2025 Audit – by Affinity Consulting Group, LLC and Global Consultas Asociados, LLC ("Affinity-Global")	Third and Fourth Year ("FY2024 & 2025") T&D OMA Compliance – audit for the third and fourth year of LUMA operations.	As communicated on June 3 and June 26, 2026, LUMA is ready to provide detailed response packages to P3A's April 9 and June 16, 2026, FY2024 and FY2025 requests as soon as LUMA receives written confirmation P3A is declaring this an Audit under the T&D OMA.
Union Pension Plan Compliance ("NEBF") 2023 (Calendar) Audit – by Withum	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	No pending actions from LUMA.

Government Entity	Audit Description	Significant Updates
	established a Payroll Audit Program.	
Central Office for Recovery, Reconstruction and Resiliency (“COR3”) Monitoring by Deloitte	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.

11.0 Material T&D OMA Items

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

- June 2026 is the forty-third (43rd) 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.
- June 2026 is the thirtieth (30th) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account.
- June 2026 is the twenty-second (22nd) consecutive month in which PREPA did not provide the required funding to replenish the Contingency Reserve Account.
- LUMA has issued forty-three (43) non-compliance notices to PREPA and notified P3A as Administrator of the T&D OMA.
- LUMA has issued thirty-six (36) 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.
- **FEMA FFAST Project List for the T&D System:** PREB approved LUMA’s Attachment A with modifications, resulting in a list of **101 projects** totaling approximately \$1.5 billion in federal funding. The modifications include adding four streetlight projects from Attachment B, 20 vegetation projects from Attachment C, and removing Fleet acquisition projects. PREB authorized these projects to proceed under FEMA’s FFAST process, directed their inclusion in the Consolidated Project List, and ordered LUMA and PREPA to complete all necessary FEMA-related actions. LUMA must submit all required reconciliation and documentation by July 15, 2026, to make funding available for the full portfolio.
- 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.
- As communicated on June 3 and June 26, 2026, LUMA is ready to immediately provide detailed response packages to P3A’s April 9 and June 16, 2026, FY2024 and FY2025 requests as soon as P3A confirms this exercise as an Audit under the terms of T&D OMA.
- On June 11, LUMA entered into an agreement with PREPA to help expedite vegetation clearing work from key transmission lines in response to U.S. Department of Energy 202(c) Emergency Orders. These 202(c) orders declared an emergency on the Puerto Rico Electrical System and mandated, among other things, vegetation management on key Transmission and Distribution assets. The June 11 agreement will allow for the U.S. Army Core of Engineers to support these efforts on specific transmission assets in strict coordination with LUMA and PREPA.

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 June 30, 2026, for an additional year until June 30, 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 75 feeder cluster studies, that include 4,450 individual Distributed Energy Resources ("DERs") that require study, in June 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 June 30, 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. Additionally, LUMA activated approximately 1,282 customers under the Net Energy Metering ("NEM") tariff in June, further contributing to distributed generation growth across the island.

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.
- On June 29, 2026, LUMA received payment from Osnet Corp. regarding unauthorized use of PREPA poles.
- 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 June 2026 LUMA held individual meetings with the telecommunication carriers, regarding the Joint Pilot program for collaboration alternatives for DOE Pole Utility Program. Companies have responded and made partial corrective actions on poles.
- On June 25, 2026, LUMA sent a letter to the PR Office of Management and Budget requesting an update on the funds available under the Puerto Rico Broadband Program ("PRBP") for the transfer of attachments to the replaced poles.