Monthly Operations Report on the T&D System

For the Month of August

September 18, 2026

Contents

1.0 Executive Performance Overview

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 summarizes LUMA's operating performance and progress during August 2026 as operator of Puerto Rico's Transmission and Distribution System. The results below highlight progress across federal recovery, grid modernization, reliability, vegetation management, revenue support and community engagement. LUMA achieved these results while continuing to manage generation constraints, Service Account funding shortfalls, safety performance and customer-service challenges.

PROGRES AT A GLANCE

$321 million FEMA Funding identified and submitted for approval	**36,000+** Smart meters installed during August	**236.5 miles** Vegetation miles cleared in August
572 million Customer outage minutes avoided through Grid Automation initiatives	**$25 million** Past due balances collected through proactive efforts in August	**4,260+** Customers directly engaged through community events, customer education and service coordination during August

1.1 Key August Accomplishments

- **Federal Recovery**. Advanced 13 of 17 streetlight amendments and submitted 20 vegetation projects, representing approximately $321 million in potential FEMA-supported recovery work.
- **Grid Modernization**. LUMA completed the Distribution Automation Project with 145 devices installed and fully energized the Transformer Modernization Program. Together, these completed milestones represent $37.6 million in total program budgets. LUMA also deployed a DOE-funded LiDAR system. Separately, three FEMA-supported priority transformer projects were approved and activated.
- **Smart Meter Deployment**. Exchanged 36,180 meters during August and more than 68,700 during FY2027 to date, bringing total meter installations since program launch to more than 269,900. The AMI program has approximately $877 million in obligated funding and approximately $740 million in current contracts.
- **Reliability Improvement**. Continued automation deployments (145 devices in August) that have contributed to more than 570 million customer outage minutes avoided since program inception, through August 4 automation groups are above 80% completion.
- **Vegetation Management.** Completed 236.5 miles of vegetation work in August, supported by a field workforce that peaked at more than 1,100 vegetation-management field personnel and multiple high-density projects nearing completion.

- **Customer and Revenue Support**. Established 5,890 new payment agreements, completed 79,243 outbound collection calls, reduced unbilled accounts to 1.36% and collected more than $25 million past due balances through Revenue Protection efforts.
- **Regulatory and Community Execution**. Submitted 25 PREB filings, responded to seven PREB requests for information and directly engaged more than 4,260 customers through 15 events across 15 municipalities.

1.2 Cumulative Transformation Progress

- **Federal Recovery Portfolio.** As of August 31, LUMA had initiated approximately 385 FEMA recovery projects. FEMA had obligated 269 projects totaling approximately $6.7 billion. Within the portfolio, LUMA deployed approximately $2.9 billion across 227 projects completed or in progress.
- **Advanced Metering Infrastructure.** Installed more than 269,900 smart meters since program launch toward the planned islandwide deployment of 1.5 million meters.
- **Customer Assistance.** Supported more than $190 million in financial assistance for customers since program inception.
- **Distributed Energy Growth.** Connected more than 207,000 customers to solar generation representing more than 1,634 MW of renewable energy capacity.

1.3 Performance Metrics

Quarter 4 FY2026 results show measurable improvement in several customer and reliability outcomes: the customer complaint rate decreased 58.5%, NEM activation duration improved 19.2%, SAIFI improved 0.5%, and LUMA reported zero fatalities. District-level results were mixed. SAIDI improved in Guayama, Aguadilla, Toa Baja, Yauco, Vega Baja and Ponce, while SAIFI improved in Mayagüez, Yauco, Aguadilla and Vega Baja. Detailed district results are provided in section 4.2. Safety incident rates, inspection volumes, SAIDI, call abandonment and speed to answer remain areas requiring continued management attention. Footnotes identify metrics that are preliminary, reported on a different schedule, or not comparable across periods.

SELECTED Q4 IMPROVEMENTS

58.5% Reduction in customer complaint rate	**19.2%** Improvement in NEM activation duration	**0.5%** Improvement in SAIFI	**Zero** Fatalities reported

Table 1 Quarter 4 Performance Metrics

Metric Name	Unit of Measure	Q4 FY2025	Q4 FY2026	% Change	Desired Direction
OSHA Dart Rate	Rate	1.04	1.41	35.6%	Lower
OSHA Severity Rate	Rate	10.51	18.38	74.9%	Lower
OSHA Fatalities	Number	1	0	-100%	Lower
OSHA Recordable Incident Rate	Rate	1.42	1.81	27.5%	Lower
Distribution Line Inspections	Number of Inspections	1,014	39	-96.2%	Higher
Transmission Line Inspections	Number of Inspections	146	204	39.7%	Higher
T&D Substation Inspections	Number of Inspections	801	327	-59.2%	Higher

Metric Name	Unit of Measure	Q4 FY2025	Q4 FY2026	% Change	Desired Direction
Vegetation Maintenance Miles Completed	Miles	1,627	1,376	-15.4%	Higher
SAIDI[1]	Minutes	1,580	1,706	8.0%	Lower
SAIFI[1]	Interruptions per Customer	8.02	7.98	-0.5%	Lower
Overtime[2]	Percent	24.0%	N/A	N/A	Lower
Call Abandonment Rate	Percent	12.6%	30.8%	18.2%	Lower
Average Speed to Answer	Minutes	1.82	6.75	270.8%	Lower
Customer Complaint Rate	Rate	21.24	8.82	-58.5%	Lower
First Call Resolution[3]	Percent	N/A	61.2%	N/A	Higher
JD Power Customer Satisfaction Survey – Residential[4]	Points	438	226	N/A	Higher
JD Power Customer Satisfaction Survey – Business[2,4]	Points	405	N/A	N/A	Higher
NEM Project Activation Duration[1]	Days	23.0	18.6	-19.2%	Lower

[1] Preliminary value.
[2] Q4 FY2026 data to be included in the next Quarterly Report on System Data.
[3] Data for this metric is available from FY2026 onward.
[4] Effective FY2026 JD Power has changed methodology used for surveys, values not comparable to past reporting.

2.0 Safety & Workforce

During August, LUMA strengthened workforce readiness by expanding emergency response, electrical safety, confined-space rescue and environmental compliance training. LUMA recorded 10 OSHA-recordable injuries and no fatalities during the month.

- **Environmental Safeguards.** Reviewed and strengthened Health, Safety and Environmental Policy 0335, Wildlife and Historic Resources Protection, to reinforce requirements and reduce environmental compliance risks.
- **Environmental Compliance Training.** Trained LUMA College personnel on the Spill Prevention, Control and Countermeasure Plan and Resource Conservation and Recovery Act requirements, strengthening waste-management and incident-response practices.
- **Reconstruction Readiness.** Delivered targeted environmental training to personnel supporting system reconstruction projects, increasing awareness of FEMA guidelines, DOE directives and applicable compliance requirements.
- **Emergency and Electrical Safety.** Expanded First Aid, CPR, AED and electrical safety standards training—including EPZ, PSWS, and I&I—to strengthen emergency response and promote safe execution of energized work.
- **Confined-Space and Rescue Preparedness.** Conducted multiple confined-space and rescue training sessions to reinforce regulatory compliance and improve the operational readiness of teams performing high-risk work.

3.0 Funding & Financial Performance

3.1 Funding Requirement

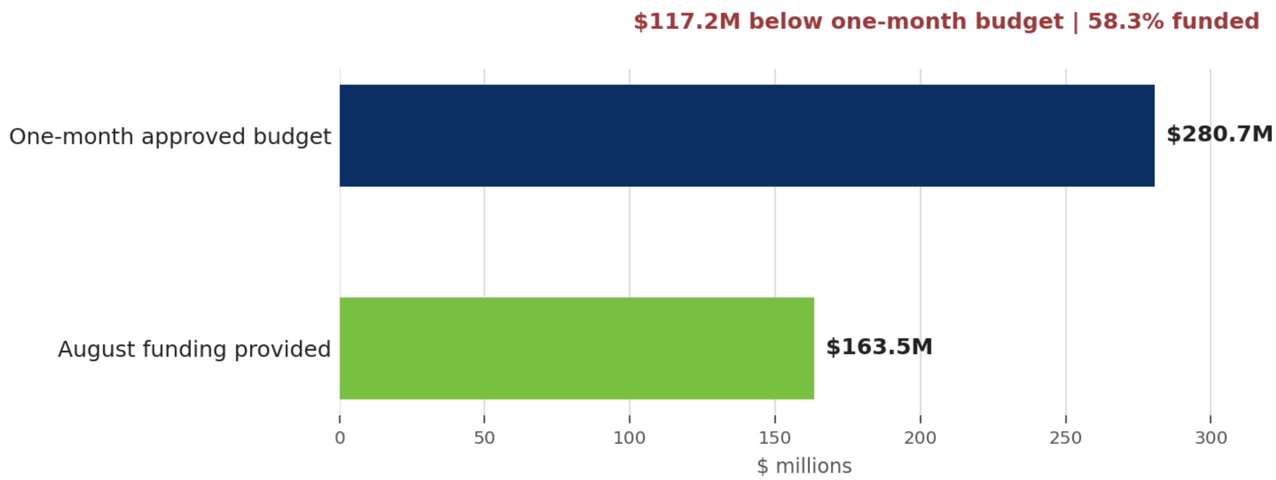
August funding remained below the minimum one-month budget amount. During August, PREPA provided approximately $163.5 million across the LUMA Service Accounts, compared with $280.7 million equivalent to one month of PREB-approved budgets. Total August funding was $117.2 million below this benchmark and covered 58.3% of the one-month amount.

This result confirms that total funding provided to LUMA during August did not reach the minimum one-month budget amount. The shortfall affected multiple Service Accounts and added to the broader FY2027 funding gaps summarized below.

Table 2 August 2026 Funding Compared with One-Month Approved Budget

Funding Scope	One-Month Approved Budget	August Funding Provided	Shortfall	Percent Funded
LUMA Service Accounts	**$280.7M**	**$163.5M**	**$117.2M**	**58.3%**

Note: Amounts are shown in millions. The one-month amount reflects the PREB-approved monthly budgets reported for the LUMA Service Accounts. Figures may not add due to rounding.



FY2027 Year-to-Date Funding

Through August 31, FY2027 funding requirements across the LUMA Service Accounts totaled approximately $1.41 billion, while replenishments totaled $322.7 million, or 22.9% of the required amount. Six of the seven accounts remained below required funding levels, and the Energy Efficiency Account was the only account fully funded.

Table 3 FY2027 YTD Service Account Funding (000's)

Service Account	YTD Required	YTD Replenished	YTD %
Operating Account	$ 634,899	$ 156,144	25%
Federally Funded Capital Account	294,020	-	0%
Non-Federally Funded Capital Account	42,082	26,504	63%
Outage Reserve	59,998	-	0%
Purchase Power Account	270,441	137,806	51%
Contingency Reserve Account	108,323	-	0%
Energy Efficiency Account	2,261	2,261	100%
GenCo Operating Account	38,797	36,900	95%
Fuel Account	634,997	322,351	51%
GenCo Reserve Account	59,544	-	0%
PREB Contingency Account	30,000	-	0%

The Operating Account received 25% of its FY2027 year-to-date requirement, while the Federally Funded Capital, Outage Reserve and Contingency Reserve accounts received no replenishment. The Purchase Power Account received approximately 51% of its required funding. These results show that PREPA has not funded the LUMA Service Accounts at the levels required under the April 15, 2026 Final Resolution and Order on Electricity Rates.

3.2 Finance Highlights

- **1+11 Forecast** – Completed development of the 1+11 Forecast, integrating updated operational and financial inputs. The deliverable aligns early-year performance with established budget baselines, strengthening visibility into full-year expectations and supporting proactive performance management.
- **FY2027 Budget Lessons Learned** – Launched the Fiscal Year (FY) 2027 Budget Lessons Learned initiative to inform enhancements ahead of the FY2028 cycle. The effort focuses on improving planning methodology, templates, tools, governance, and cross-functional coordination.
- **Accounting Remediation Roadmap** – Reached a coordinated, multi-party agreement among PREPA, Genera, and LUMA to submit to the NEPR a unified plan encompassing the accounting remediation roadmap, balance sheet segregation approach and FTI recommendations. This milestone strengthens cross-operator financial governance and advances long-term balance sheet segregation objectives.

4.0 Operating Environment & Management Priorities

During August, LUMA advanced grid reconstruction and modernization through feeder rebuilds, automation deployments, smart-meter installations, vegetation management and preventive maintenance across the T&D system. These efforts continued to improve system visibility and resilience, while 17 forced generation outages and four generation-related load-shed events underscored the constraints affecting system performance.

4.1 Reliability & System Performance

During August, LUMA continued operating the Transmission and Distribution System amid significant generation-availability constraints. Seventeen baseload generation forced outages occurred during the month. Generation shortfalls also resulted in four load-shed events that activated Under Frequency Load Shed (UFLS) protocols.

Figures 1 through 6 summarize transmission-line and transformer trips, significant transmission and generation outages and generation outages by site.

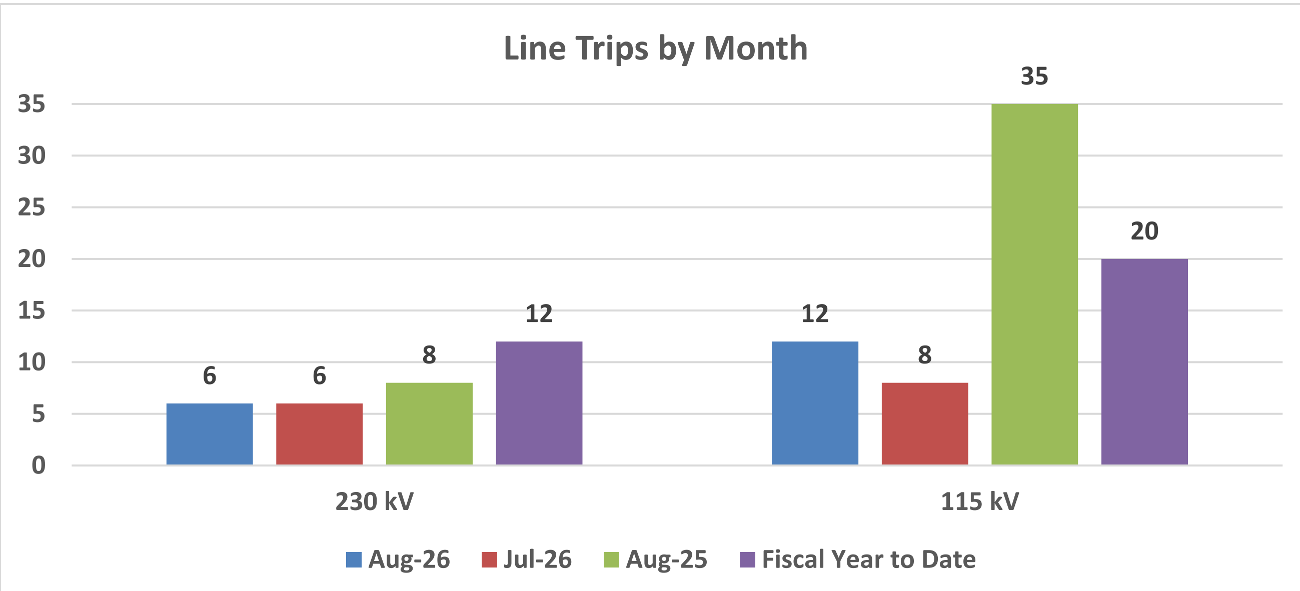


Figure 1 Monthly Trips of 230 kV & 115 kV Lines

During August, LUMA recorded 18 transmission line trips: six involving 230 kV lines and 12 involving 115 kV lines. Fourteen trips were attributed to adverse weather, three to broken conductors, and one to a lightning arrester fault.

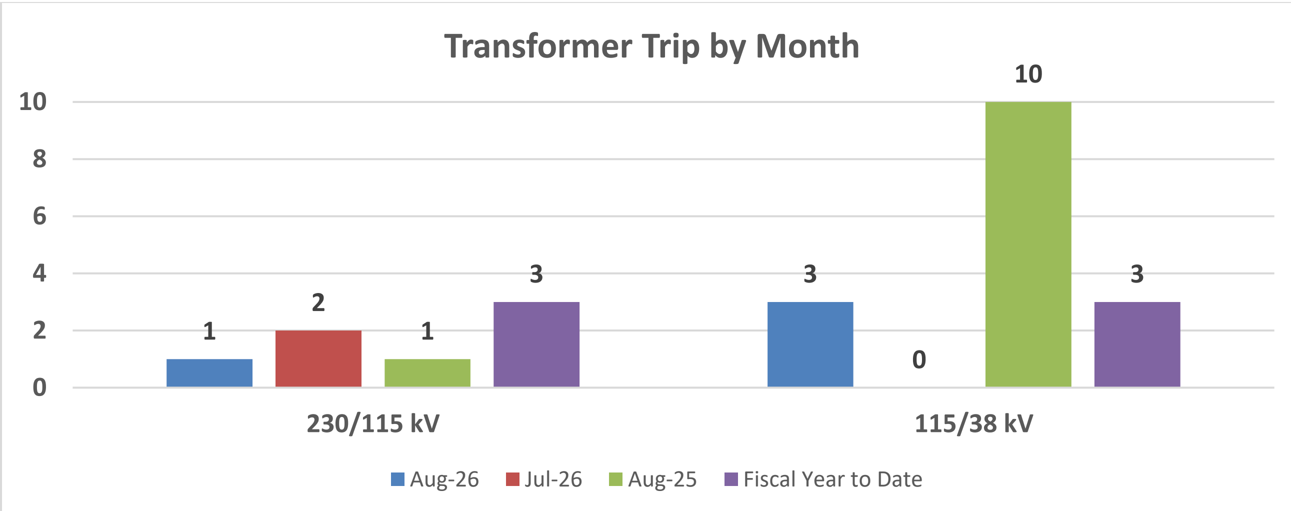
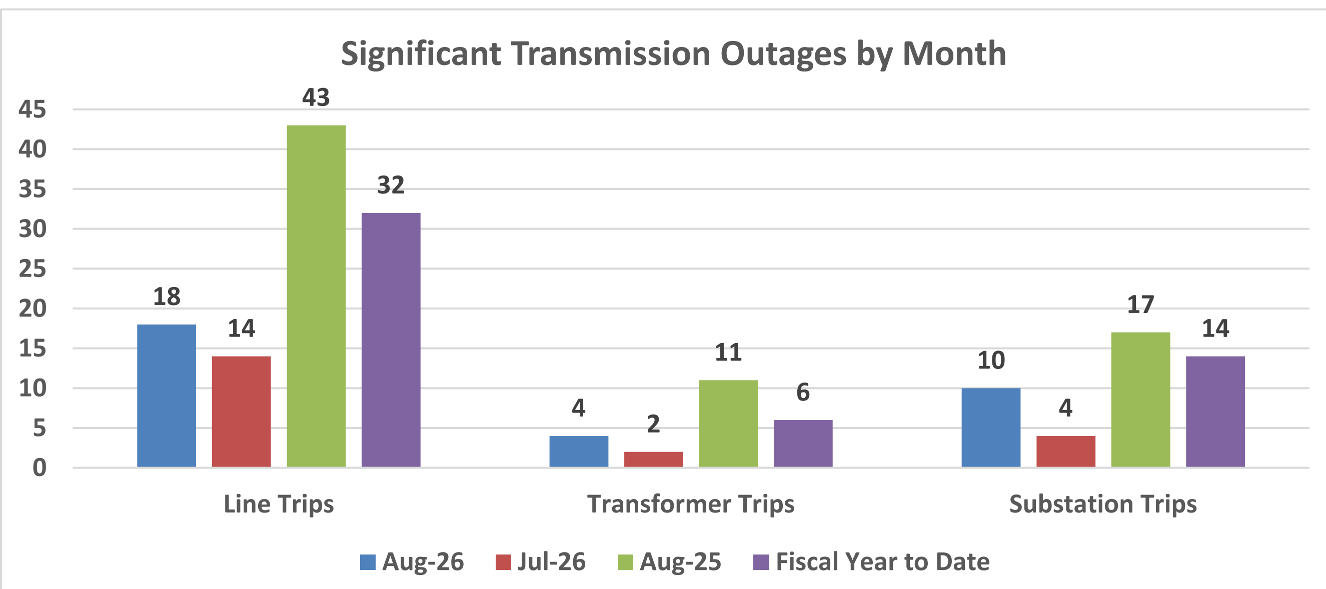


Figure 2 Monthly Trips of 230/115 kV & 115/38 kV Transformers

LUMA also recorded four transformer trips during August: one involving a 230/115 kV transformer and three involving 115/38 kV transformers. The contributing events included a 115 kV line trip; the Mayagüez TC bank event, which caused a 115 kV line to go out of service; a damaged lightning arrester; and an event in which a breaker opened and the associated bank subsequently failed to operate.



Note: For purposes of this report, a "significant transmission outage" is an unplanned interruption or loss of service involving transmission system equipment that affects, or has the potential to affect, the reliability, stability, or continuity of the electric power system.

Figure 3 Significant Transmission Outages by Month

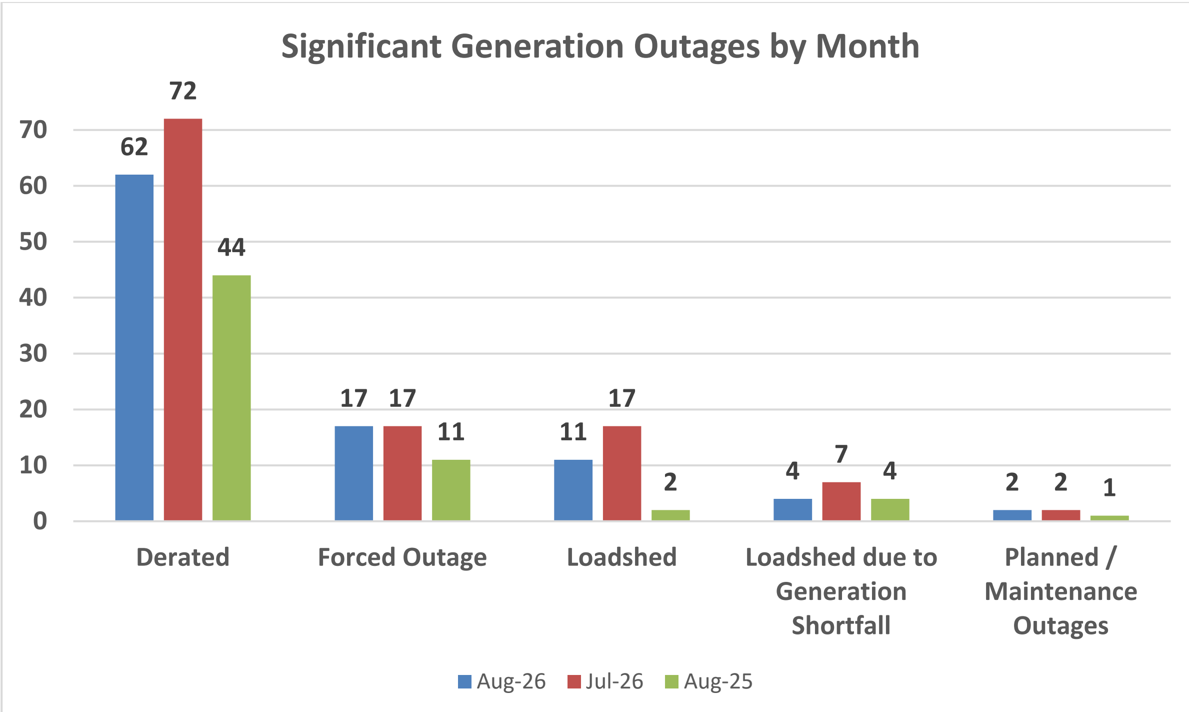


Figure 4 Significant Generation Outages by Month

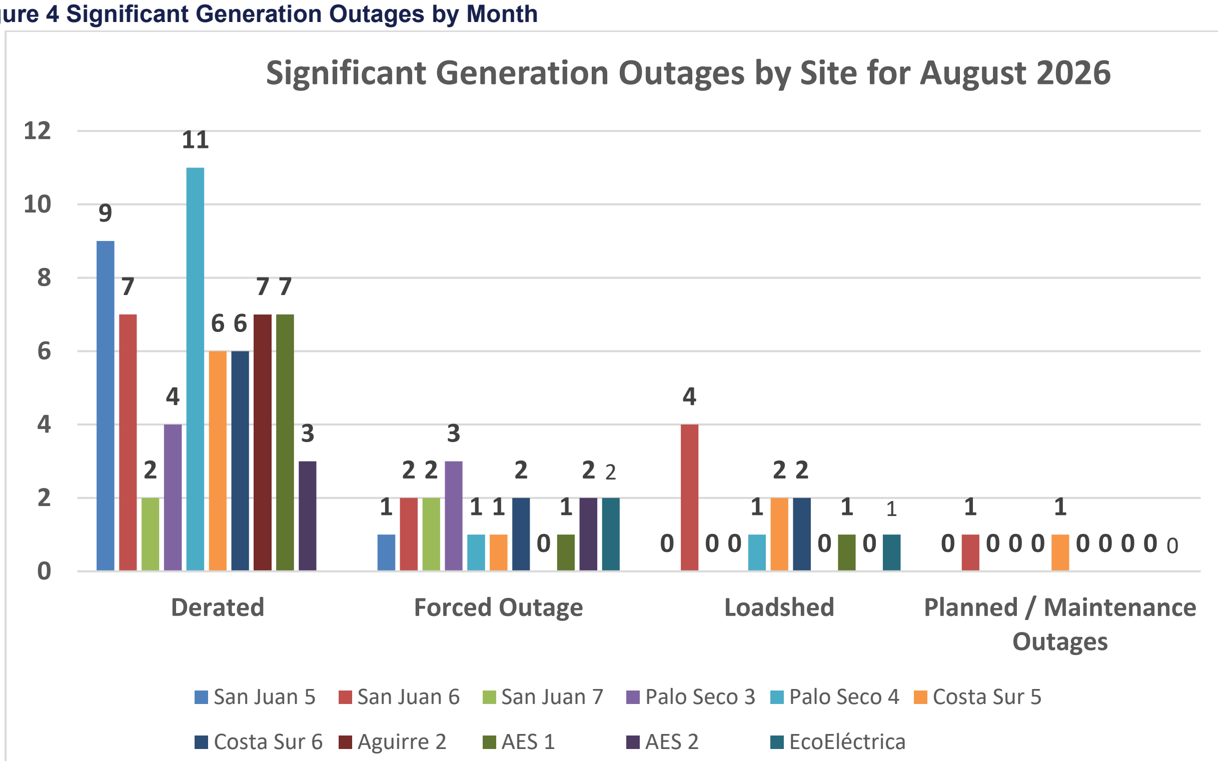


Figure 5 Significant Generation Outages by Site for August 2026

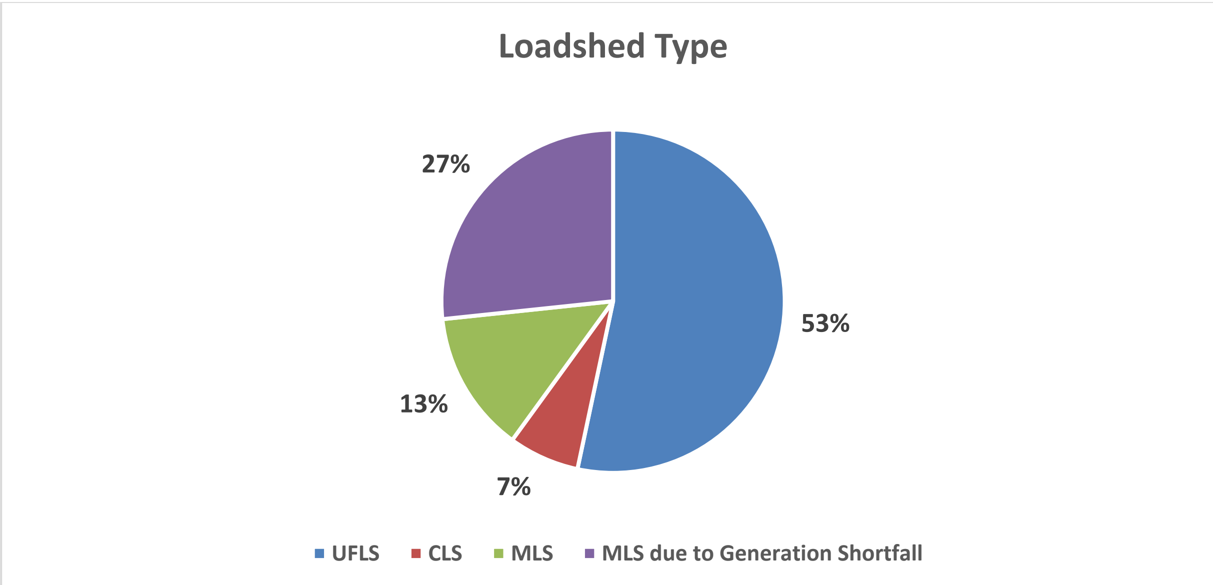


Figure 6 Loadshed Type for August 2026

4.2 District Performance

Quarter 4 FY2026 district-level reliability results were mixed. Six districts improved their System Average Interruption Duration Index (SAIDI) compared with Quarter 3, while one remained generally stable. The largest SAIDI improvements occurred in Guayama, Aguadilla, Toa Baja and Yauco.

Four districts improved their System Average Interruption Frequency Index (SAIFI). The largest improvements occurred in Mayagüez, Yauco and Aguadilla. Results in the remaining districts demonstrate the need for continued operational focus on outage frequency and duration.

Table 4 District Performance

Performance Area	Districts Showing the Greatest Improvement	Districts Requiring Continued Focus
SAIDI	Guayama: 22% improvement; Aguadilla: 20%; Toa Baja: 8%; Yauco: 8%	Humacao: 90% increase; Fajardo: 78%; Arecibo: 77%
SAIFI	Mayagüez: 19% improvement; Yauco: 12%; Aguadilla: 10%; Vega Baja: 1%	Arecibo: 111% increase; Humacao: 65%; Bayamón: 59%

Tables 5 and 6 provide the complete Quarter 3 and Quarter 4 district-level SAIDI and SAIFI results.

Table 5 Quarter (Q) 4 FY2026 System Average Interruption Duration Index (SAIDI) Transmission and Distribution (T&D) per Operational Districts

SAIDI	Q3 FY2026 (min)	Q4 FY2026 (min)	% Change	Desired Direction
Aguadilla	498.90	399.04	-20%	Lower

SAIDI	Q3 FY2026 (min)	Q4 FY2026 (min)	% Change	Desired Direction
Arecibo	384.85	680.44	77%	Lower
Barranquitas	321.31	490.04	53%	Lower
Bayamón	357.86	448.84	25%	Lower
Caguas	422.32	563.00	33%	Lower
Canóvanas	264.86	318.57	20%	Lower
Fajardo	164.21	292.04	78%	Lower
Guayama	156.06	121.89	-22%	Lower
Humacao	193.68	367.48	90%	Lower
Mayagüez	708.03	709.71	0%	Lower
Ponce	269.69	261.90	-3%	Lower
San Juan	406.29	487.94	20%	Lower
Toa Baja	418.38	383.12	-8%	Lower
Utuado	709.60	906.53	28%	Lower
Vega Baja	407.66	391.49	-4%	Lower
Yauco	387.57	355.94	-8%	Lower

Table 6 Q4 FY2026 System Average Interruption Frequency Index (SAIFI) T&D per Operational District

SAIFI	Q3 FY2026 (interruptions per customer)	Q4 FY2026 (interruptions per customer)	% Change	Desired Direction
Aguadilla	1.66	1.49	-10%	Lower
Arecibo	1.42	2.99	111%	Lower
Barranquitas	1.76	2.33	32%	Lower
Bayamón	1.70	2.70	59%	Lower
Caguas	1.61	1.80	12%	Lower
Canóvanas	1.81	2.12	17%	Lower
Fajardo	1.50	2.20	47%	Lower
Guayama	0.82	1.15	40%	Lower

SAIFI	Q3 FY2026 (interruptions per customer)	Q4 FY2026 (interruptions per customer)	% Change	Desired Direction
Humacao	1.19	1.96	65%	Lower
Mayagüez	2.36	1.90	-19%	Lower
Ponce	1.12	1.50	34%	Lower
San Juan	1.76	2.21	26%	Lower
Toa Baja	2.63	3.00	14%	Lower
Utuado	3.01	3.31	10%	Lower
Vega Baja	2.37	2.34	-1%	Lower
Yauco	1.89	1.67	-12%	Lower

4.3 Transmission, Substations & Distribution

August field execution included feeder reconstruction, automation, pole replacement, customer connections, planned outage support, protection-relay calibration and preventive and corrective transmission work.

AUGUST OPERATIONAL SNAPSHOT

118 New primary customers added	**20** Planned outages supported	**300** Total Poles replaced across Operations and Capital activities
143 Substation maintenance tasks completed	**290** Protection relays calibrated	**315** Transmission preventive and corrective transmission-line maintenance activities performed

4.3.1 RECOVERY CONSTRUCTION PROGRAM PROGRESS

Table 7 Operational Work Performed

Program Name	Description	As of August 31, 2026 FY2027 Actuals	
		Capital	Operations
Streetlight	Luminaires (Phase 1: Components (including light fixtures and bulbs))	728	11
Substation	Total Transformers Energized	0	0

Program Name	Description	As of August 31, 2026 FY2027 Actuals	
		Capital	Operations
	Total Breakers Energized	4	1
Vegetation*	Total Capital Work & No Work Miles Cleared	265.53	354.94
AMI	Total Meters Replaced	60,704	8,008
Distribution Automation	Total Reclosers Installed	85	N/A
Pole Replacements	Total Streetlight, Distribution, Automation and Transmission Pole Replacements	374	431

Note: All numbers represented above refer to units installed, replaced, and energized depending on program.
Note: Work miles cleared, along with miles assessed as not needing work and marked as "clear," are measured against the total obligation.

Table 8 Pole Replacement by Category Fiscal Year-to-Date

Pole Category	Capital FYTD	Operations FYTD
Streetlight poles	297	—
Distribution poles	33	414
Automation poles	38	—
Transmission poles	6	17
Total	374	431

Table 9 Pole Replacement by Category August 2026

Pole Category	Capital August 2026	Operations August 2026
Streetlight poles	100	-
Distribution poles	17	162
Automation poles	11	—
Transmission poles	6	4
Total	134	166

Operational Highlights

- **Distribution Execution.** Completed 44 electric certifications, 122 customer connections and disconnections, eight hot-spot repairs, 57 maintenance activities and 71 DOE-funded P12 projects while adding 118 new primary customers.

- **Asset Modernization.** Replaced 300 poles during August across capital and operational activities. Capital work included 134 pole replacements: 100 streetlight poles, 17 distribution poles, 11 distribution automation poles and six transmission poles. Operations replaced an additional 166 poles, consisting of 162 distribution poles and four transmission poles. LUMA also inspected 25 primary metering devices and replaced eight where needed.

- **Substation and Transmission Reliability.** Completed 143 substation maintenance tasks, calibrated 290 protection relays and performed 315 preventive and corrective transmission-line activities.

- **Advanced Metering Infrastructure.** Exchanged 36,180 meters during August, bringing FY2027 year-to-date meter exchanges to 68,712, including 60,704 through capital programs and 8,008 through operations. The AMI program has approximately $877 million in obligated funding, with current contracts totaling approximately $740 million.

4.3.2 RECOVERY CONSTRUCTION PROGRAM COMPLETION HIGHLIGHTS

- **Distribution**
  - Feeder Rebuild #1303-02 reached **100% construction completion**.
  - Feeder Rebuild #8101-03 progressed to **66% completion**.
- **Grid Automation**
  - Several automation groups are nearing completion:
  - Group 26: **98% complete**
  - Group 15: **94% complete**
  - Group 18: **91% complete**
  - Group 19: **83% complete**
- **SCADA / Telecommunications**
  - SCADA Remote Access & RTU Replacement Group 1 advanced to **92% completion**, continuing modernization of grid visibility and control capabilities.
- **Substations**
  - Bayamón TC Breaker Replacement project reached **94% completion**.
  - High Voltage Equipment Replacement Group 1 reached **73% completion**.

4.4 Vegetation Management & Right-of-Way Performance

During August, LUMA completed 236.5 miles of vegetation clearing and maintenance, supported by more than 1,100 full-time-equivalent arborists at peak deployment. LUMA also advanced federally funded work across priority distribution and transmission corridors, strengthened program controls and expanded its remote-sensing capabilities to improve planning, project scoping and FEMA documentation.

4.4.1 VEGETATION MANAGEMENT PROGRESS

- **August Execution.** Completed 236.5 miles of vegetation clearing and maintenance to improve system reliability and reduce vegetation-related risks, including wildfire risk.

- **Field Capacity.** Deployed more than 1,100 full-time-equivalent vegetation field personnel at peak staffing, supporting the continued ramp-up of field execution.

- **Federally Funded Distribution Work.** Continued federally funded vegetation work in Bayamón A HD/LD, Arecibo A LD, Caguas A LD, Mayagüez A LD and across single-line distribution obligations.

- **Transmission Corridor Planning.** Advanced clearing and execution planning for 38 kV Lines 1900, 2400 and 10000 and submitted additional 38 kV lines to FEMA for obligation.

- **Program Controls.** Strengthened reliability-based work planning, standardized reporting, remote-sensing analysis and unified work-assignment and data-tracking practices across federally and ratepayer-funded activities.
- **LiDAR Deployment.** Began installing a DOE-funded LiDAR sensor and training personnel on its use. This capability will improve line-corridor data collection and support more accurate project scoping and FEMA obligation packages.
- **Expanded Drone Capability.** Received a DOE-funded drone that will allow LUMA to survey additional line corridors and improve the efficiency and quality of field-data collection.
- **Contracting Outlook.** Continued ramping up federally and ratepayer-funded vegetation work. Output may level off in the coming weeks and months pending FOMB review and finalization of new contracts. LUMA remains actively engaged with FOMB to facilitate the review process and minimize potential impacts on clearing progress.

Table 10 Federal and O&M Vegetation Management: Summary 2026

Project Status

Voltage	Total Projects	Submitted to FEMA	Pending FEMA Submission	Projects Obligated
Distribution	25	19	6	18
38 kV	36	10	26	4
115 kV*	10	10	0	9
230 kV	1	1	0	1
Total	**72**	**40**	**32**	**32**

FEMA Obligated Miles and Funding

Voltage	Miles Submitted	Miles Pending	Miles Obligated	Miles Denied	% Obligated	Funds Obligated (millions)
Distribution	5,323.71	7,325.04	5,092.22	231.49	96%	$555.1
38 kV	220.44	1,165.42	26.49	193.95	12%	$4.9
115 kV*	567.81	0.00	108.76	459.05	19%	$37.3
230 kV	402.54	0.00	38.21	364.33	9%	$12.9
Total	**6,514.50**	**8,490.46**	**5,265.68**	**1,248.82**		**$610.2**

*One 115 kV project is pending obligation of Version 1 by FEMA. FEMA obligated Version 0 in September 2025. Additional miles were submitted by LUMA and remain under FEMA review.

August 2026 Vegetation Management Miles

Voltage	Federally Funded Clearing*	OpEx Maintenance	Total Miles
Distribution	149.24	140.69	289.93
38 kV	6.44	28.10	34.54
115 kV	0.29	22.44	22.74
230 kV	0.00	10.72	10.72
Total	**155.98**	**201.95**	**357.93**

Note: Figures may not add up due to rounding.

*For federally funded miles, reported figures include completed work and, for certain circuits, miles assessed as clear spans. All reported circuits have undergone physical vegetation clearing activities.

Table 11 Vegetation Management Miles

Fiscal Year	Funding Source	Distribution (miles)	Transmission (miles)	Total (miles)
FY2022	Operational Budget	423.7	493.1	916.8
FY2023	Operational Budget	1232	1214	2446

Fiscal Year	Funding Source	Distribution (miles)	Transmission (miles)	Total (miles)
FY2024	Operational Budget	980.8	552.8	1501.6
FY2025	Operational Budget	730.5	893.3	1623.8
FY2025	Federally Funded	684.16	0	684.16
FY2026	Operational Budget	464.36	843.46	1307.82
FY2026	Federally Funded	476.98	14.97	491.95
FY2027 - To date	Operational Budget	244.77	149.47	394.24
FY2027 - To date	Federally Funded	253.37	12.38	265.75

Note: Operational-budget miles include rights-of-way clearing or maintenance. Federally funded miles include rights-of-way clearing

4.4.2 HIGHLIGHTED VEGETATION WORK

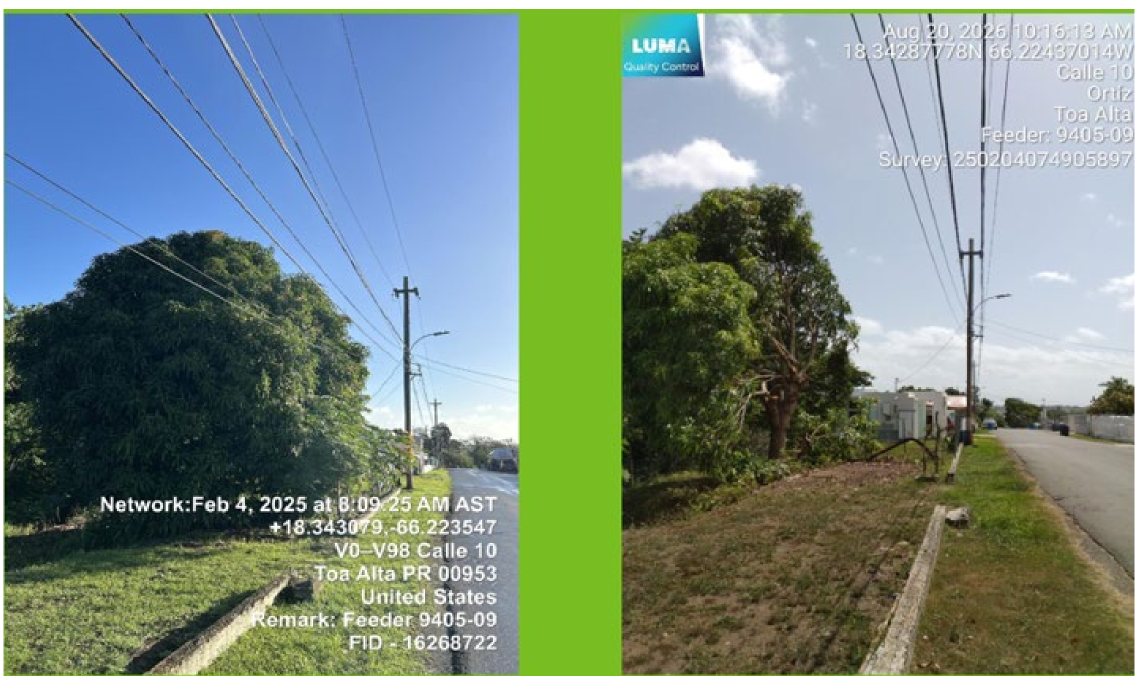


Image 1 Bayamon Feeder

Image 2 San Juan Line 2401

Image 3 Transmission Line 1900

4.4.3 RECOVERY ACCOMPLISHMENTS HIGHLIGHTS

- FEMA-funded vegetation activities now encompass more than **5,260 obligated miles** islandwide.

- As of August 31, 2026, the federally funded vegetation portfolio has resulted in approximately **1,380 miles cleared, assessed as clear, or otherwise addressed**, representing significant progress toward long-term reliability improvements.
- High-density vegetation projects in Arecibo, Caguas, Mayagüez and Ponce have advanced to between **83% and 98% completion.**

Near-Completed Projects

- **Arecibo High Density:** 98% complete
- **Mayagüez High Density:** 97% complete
- **Caguas High Density:** 89% complete
- **Ponce High Density:** 83% complete

4.5 Renewable, DER, Storage & Generation Integration

4.5.1 INTERCONNECTION OF APPROVED UTILITY-SCALE RENEWABLE SOLAR AND ENERGY STORAGE PROJECTS

During August, LUMA advanced multiple renewable-energy and battery-storage projects through construction, design, financing and interconnection milestones. Yabucoa Solar reached **100% construction completion** and is scheduled for initial synchronization in September 2026; Ciro Sectionalizer **reached 99% construction completion;** Peñuelas Energy Storage achieved its **30% point-of-interconnection (POI) design milestone**; and the Barceloneta and Santa Isabel Battery Energy Storage System (BESS) **projects received financing from the U.S. Department of Energy (DOE) Loan Programs Office**. LUMA also continued supporting the technical studies, agreements and regulatory coordination required to advance the remaining projects.

Table 12 Project Milestones

Project	Developer	Current Status	Next Milestone and Timing
Ciro One	Putnam	Minimum Technical Requirement (MTR) compliance activities are underway.	Complete MTR compliance by February 2027.
Ciro Sectionalizer	Putnam	Construction is 99% complete.	Complete remaining TL40100 work by December 2026.
Yabucoa Solar	Infinigen	Construction is 100% complete.	Begin initial synchronization in September 2026.
Peñuelas Energy Storage	Convergent	The 30% POI design milestone was achieved.	Reach 60% design completion in September 2026.
Barceloneta and Santa Isabel BESS	Pattern	Both projects received financing from the DOE Loan Programs Office in August 2026.	Complete the Barceloneta BESS 30% design in September 2026.
Hostos	Hostos	System impact studies are underway for capacity scenarios of 645 MW and 700 MW.	Complete both studies by January 2027.

Project	Developer	Current Status	Next Milestone and Timing
Energiza Combined Cycle	Energiza	The Power Purchase and Operating Agreement (PPOA) has been executed between the developer and PREPA.	Define the POI and complete the Large Generator Interconnection Agreement (LGIA).
Xzerta	Xzerta	The project schedule has been updated.	Revised Commercial Operation Date is December 2028.

Table 13 Near-Term Actions and Dependencies

Project or Project Group	Required Action
Guayama Solar	Issue the Notice to Proceed (NTP).
Tetris Power	Confirm the NTP date required to maintain the project schedule.
Caguas and Ponce Energy Storage	Confirm NTP dates and close comments on the collector-substation 30% design.
Yabucoa Energy Park	Execute the outstanding agreements required to begin implementation.
Naguabo Energy Park	Execute outstanding agreements and provide an updated PSS®E model following completion of the system impact and facility site assessments. The model is required to determine potential network upgrades, associated costs and system impacts.
San Germán BESS	Provide an updated PSS®E model.
San Juan Solar	Complete execution of the PPOA and Energy Storage Services Agreement between the developer and PREPA.
Marisol Power	Complete the PPOA amendment supporting the proposed capacity increase from 40 MW to 58 MW.
CS-UR Vega Baja	Complete the 30% design review for the 60 MW project.
Tranche 4 Projects	Satisfy all conditions required for contract execution by PREPA, P3A and the Financial Oversight and Management Board.

Table 14 Interconnection Activity Summary

Activity	August Progress
Large-scale interconnection studies completed	2
Capacity represented by completed studies	110 MW and 40 MW
MTR evaluations completed	2
Capacity represented by completed MTR evaluations	20 MW each
Requests for Information closed	4
Feeder cluster studies completed	48
Distributed Energy Resources evaluated through feeder cluster studies	2,062

LUMA also continued drafting MTR documentation for grid-forming inverter-based resources and conducted a grid-forming MTR workshop with project developers.

4.6 Transmission Planning

During August, Transmission Planning completed six load evaluations and four breaker-replacement analyses and continued review of preliminary power-purchase invoices.

- Load Evaluations – 6 completed
- Breaker replacement analysis - 4 completed

Table 15 PPOA Thermal Preliminary Invoices for Power Purchase Cost Adjustment (PPCA)

Resource	Capacity MW	MWh	Power Purchase Payment (million)
Coal	454.3	267,339	$31.9
LNG	561	271,485	$18.9
Total	**1015.3**	**538,824**	**$50.8**

Table 16 PPOA Renewables Preliminary Invoices for PPCA

Resource	Capacity MW	MWh	Distribution	Power Purchase Payment ($ million)	REC Payments ($)	PPOA Total Payment ($ million)	Cost per MWh
Solar	237.1	26,699	50%	$4.1	$432,838.10	$4.5	$152.63
Wind	121	25,919	48%	$4.2	$0.00	$4.3	$163.78
Landfill	4.8	1,312	2%	$0.1	$13.12	$0.1	$100.00
Total	**362.9**	**53,930**	**100%**	**$8.5**	**$432,851.22**	**$8.9**	**$156.71**

Note: Power Purchase and PPOA Total Payments are reported in millions of dollars. REC Payments are reported in actual dollars.

5.0 Federal Funding & Recovery Programs

LUMA continued advancing DOE- and FEMA-supported grid modernization during August. Key milestones included completing the Distribution Automation Project with 145 devices installed, fully energizing the Transformer Modernization Program, deploying a DOE-funded LiDAR system and advancing streetlight and vegetation submissions representing approximately $321 million in potential recovery work.

5.1 DOE Grant Key Milestones

DOE-funded programs continued advancing field execution and technology deployment across metering, transformers, transmission, switchgear, distribution automation, system intelligence, telecommunications and work planning. During August, LUMA completed the Distribution Automation Project with 145 devices installed, maintained full energization of the Transformer Modernization Program, deployed the DOE-funded LiDAR system and received a DOE-funded drone platform for operational deployment.

The following table summarizes current program status, August progress, upcoming milestones and reported funding activity.

Table 17 Program Status and Upcoming Milestones

Program	Current Status and Progress	Next Milestone or Dependency	Funding Status
P-1 Behind-the-Meter Repairs for AMI	Program underway, with 96 repairs completed. Phase 1 targets 2,500 high-risk locations with damaged jaws, corrosion, missing brackets and other conditions that prevent code-compliant AMI installation.	Continue assessments and repairs supporting AMI deployment.	RFR received: $0; budget pending reduction.
P-2 Transformer Modernization	All transformers are energized. Sites in Caguas, Monacillos, Fajardo, Bayamón and Mora were completed between November 2025 and June 2026.	Finalize the second-tranche report and remaining closeout actions.	RFR received: $17.75 million; budget: $18.1 million.
P-3 Transmission Line Restoration	Multiple transmission lines, including TL 2100, 4500, 9100,	Energize the remaining transmission-line segment and complete FY2027 milestones.	RFR received: $12.85 million;

Program	Current Status and Progress	Next Milestone or Dependency	Funding Status
	12600 and 13600, have been restored and energized.		budget: $15.7 million.
P-4 Priority Switchgear Modernization	Llorens Torres is progressing toward energization. Covadonga remains on hold. The projects are expected to improve reliability for more than 14,000 customers.	Obtain Statement of Project Objectives Mod 4 and Master Service Agreement approvals, receive required materials and complete civil-work sequencing. Llorens Torres energization is targeted for December 14, 2026.	RFR received: $1.57 million; budget: $11.8 million.
P-5 Distribution Automation Devices	Project complete, with 135 Distribution Automation devices and 10 additional devices installed, meeting DOE installation requirements.	Complete remaining project closeout and reporting activities.	RFR received: $17.50 million; budget: $19.5 million.
P-6 System Stabilization and Modernization	Critical upgrades and transmission-structure replacements are complete. Modernization of breakers, protection systems, fiber, SCADA, RTUs and LTCs continues. Nine relay-maintenance sites remain.	Complete non-critical upgrades, cleanup work, PAC testing and UFLS replacement and assessment activities by December 31, 2026.	RFR received: $12.71 million; budget: $19.4 million.
P-7 System Stabilization Intelligence Enhancement	Deliverable D7.1 is complete and deliverables D7.2 through D7.4 remain on track. The LiDAR system was deployed on August 20.	Deploy aerial-inspection technology by October 20, complete training by November 20 and achieve the technology-enhancement milestone by November 30, 2026.	RFR received: $67,000; budget: $1.4 million.
P-8 Utility Pole Attachments	Phase 1 Standards and Guidelines are complete. Field identification of abandoned and unused attachments and removal activities are underway.	Continue coordination with telecommunications attachers on removal and compliance verification.	RFR received: $100,000; budget: $12 million, pending reduction.

Program	Current Status and Progress	Next Milestone or Dependency	Funding Status
P-11 Telecommunications Network Hardening	OPGW replacement, microwave-link development and LMR network modernization are underway. The LMR program includes restoration of 13 sites, approximately five new sites and deployment of 100 radios.	Target commissioning dates are November 9 for OPGW, November 18 for microwave and November 30, 2026, for LMR.	RFR received: $0; budget: $12.4 million.
P-12 Work Planning Framework	Construction has not yet started.	Obtain approval of Statement of Project Objectives Mod 4 before beginning construction.	Not reported.

These programs are expanding LUMA's capabilities in grid automation, equipment modernization, aerial inspection, vegetation-encroachment monitoring, telecommunications and system planning. Several projects remain dependent on external approvals, material delivery, contract actions and closeout documentation.

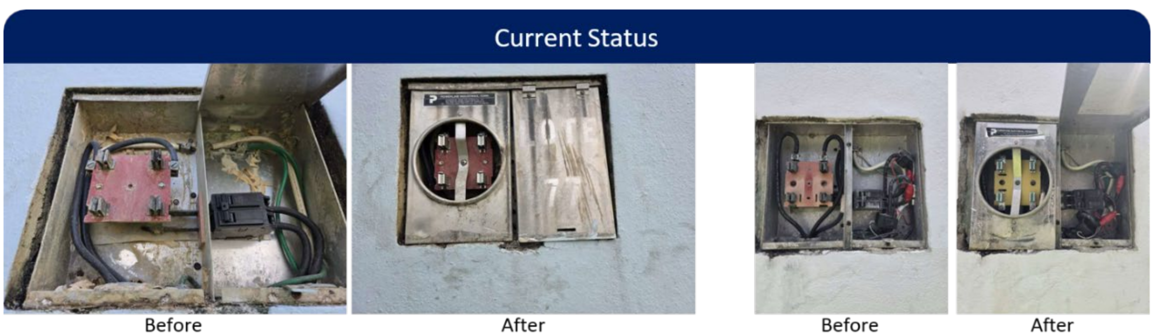


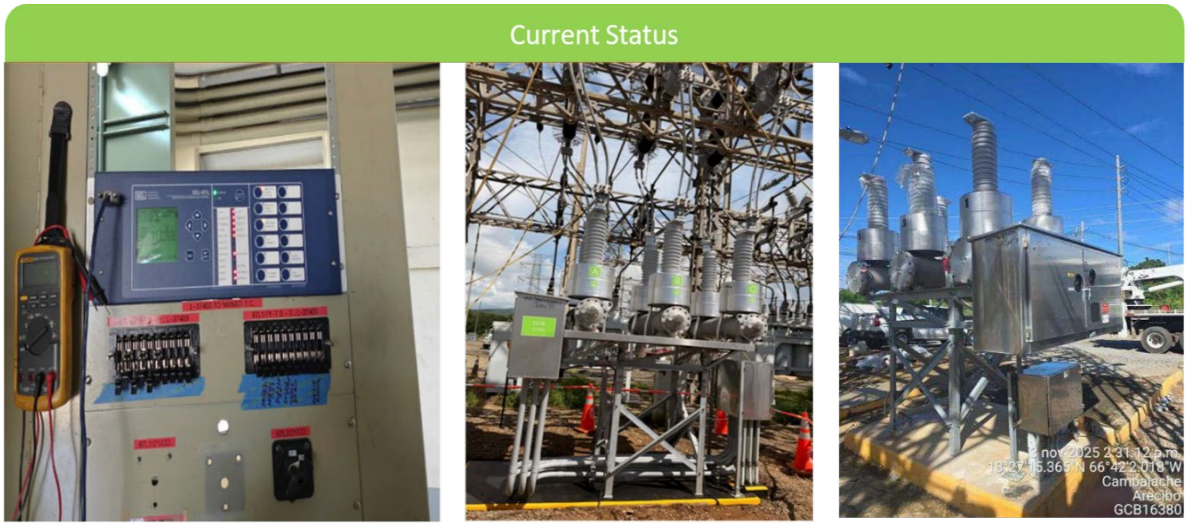
Image 4 Meters Repair

Table 18 Transformer Modernization Summary

Equipment	Capacity	Clients Impacted	Energization Date	Previous Transformer Manufacture Year
Caguas TC (115/38 kV)	112 MVA	60,000	November 2025	1980
Monacillos Bank 1 (115/38 kV)	112 MVA	200,000	December 2025	1959
Monacillos Bank 3 (115/38 kV)	112 MVA		December 2025	1984

Equipment	Capacity	Clients Impacted	Energization Date	Previous Transformer Manufacture Year
Fajardo (38/13.2 kV)	22.4 MVA	10,396	March 2026	1972
Bayamón TC Bank 1 (115/38 kV)	112 MVA	72,000	May 2026	1959
Mora (115/38 kV)	56 MVA	6,439	June 2026	1968
Total / Average		**348,835**		**Average age: 55 years**

Image 5 Transmission Line Restoration



Primary Protection Line 37414, Barceloneta TC | Critical Breaker Replacement Jobos | Critical Breaker Replacement Cambalache

Image 6 System Stabilization & Modernization

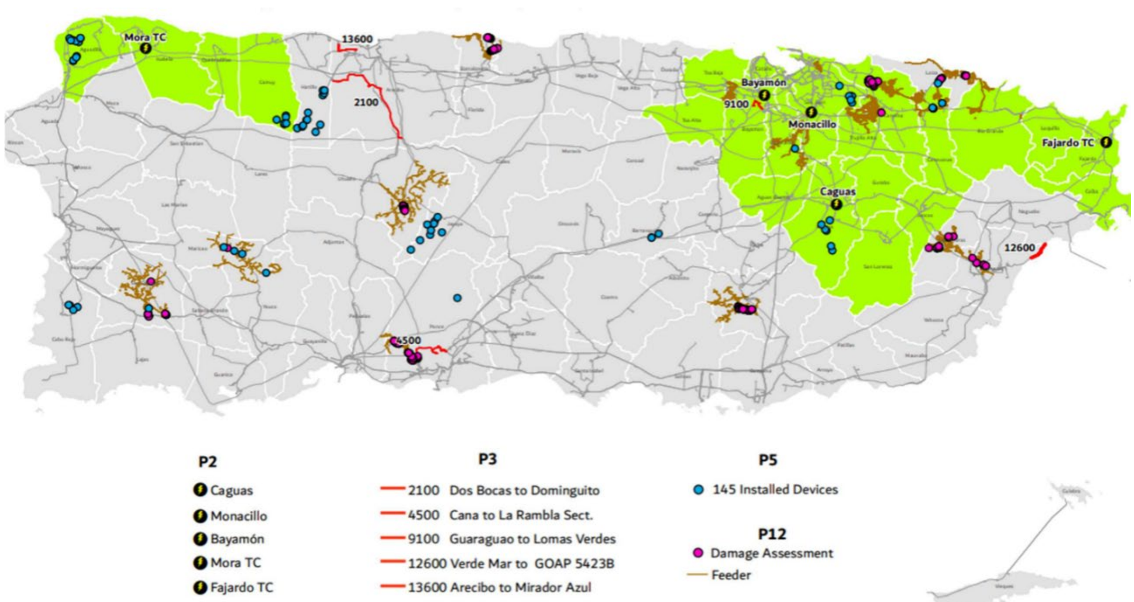


Image 7 DOE Grant Projects for P2, P3, P5 and P12 Feeders

5.1.1 TECHNOLOGY MODERNIZATION MILESTONES

- DOE-funded LiDAR system deployed August 20.
- DOE-funded drone platform received and entering operational deployment.
- Distribution Automation Project completed with 145 devices installed.
- Transformer Modernization Program fully energized.

5.2 FEMA Grant Key Milestones

During August, LUMA advanced streetlight and vegetation projects through FEMA processes and continued disciplined tracking of advances, expenditures and reimbursement activity across the recovery portfolio.

5.2.1 ADVANCEMENT OF PROJECT OBLIGATIONS

Submission of 13 out of 17 Streetlight amendments is underway, unlocking approximately $178 million for new projects. In addition, 20 new vegetation projects have been submitted to FEMA with an expected cost of $143 million. Furthermore, three priority transformer projects have been approved and activated, advancing critical infrastructure needs.

5.2.2 STRUCTURED FINANCIAL TRACKING OF RECOVERY ACTIVITIES

In August, LUMA requested $36.8 million and received $13.2 million in advances. This supports strong financial controls across the full project cycle, including spending, advance requests and reimbursement submissions. As part of this effort, we also successfully submitted $23.5 million in reimbursements for projects with existing advances and reconciled $12.8 million against those advances.

5.2.3 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 117 Hurricane Maria projects moving through their workflow processes, representing a total estimated value of $2.4 billion.

5.3 Portfolio Status

Recovery execution continues to accelerate with approximately 385 FEMA projects initiated, including 222 projects currently under construction or completed. Multiple streetlighting, substation, vegetation, automation, telecommunications and transmission projects are progressing through construction, with several entering final completion stages during August.

FEDERAL RECOVERY PORTFOLIO

385 Projects initiated	**269** Projects obligated	**227** Projects in construction or completed	**$6.7 billion** Federal recovery funding obligated

6.0 Load & Revenue

August consumption and revenue exceeded both prior-year and forecast levels. Consumption, including the net-metering credit, was 5.0% higher than August 2025 and 16.0% above forecast. Total revenue was 28.3% higher than August 2025 and 10.0% above forecast. The revenue comparison is affected by the incorporation of previously separate riders into the FY2027 base rate.

Table 19 Consumption and Revenue

Metric	Compared with August 2025	Compared with Forecast	Primary Driver or Consideration
Consumption, including net-metering credit	5.0% higher	16.0% higher	Elevated cooling demand
Consumption from the LUMA grid, excluding net-metering credit	4.4% higher	Not reported	Elevated cooling demand
Total revenue	28.3% higher	10.0% higher	Consumption growth and rate-structure changes
Base revenue	59.4% higher	5.5% higher	Increased consumption and FY2027 rate treatment

6.1 Consumption Performance

August 2026 consumption, including the net-metering credit, increased 5.0% compared with August 2025 and was 16.0% above forecast. Consumption supplied from the LUMA grid, excluding the net-metering credit, was 4.4% higher than the same month of the prior fiscal year.

The primary driver was the second-highest level of cooling degree days recorded in Puerto Rico during the period presented. Figures 7 and 8 show consumption by customer class and consumption supplied from the LUMA grid. Figure 10 illustrates the relationship among cooling degree days, gross generation and grid consumption.

The “Smaller Classes” category presented in the figures includes Agriculture, Public Lighting and Other Authorities.

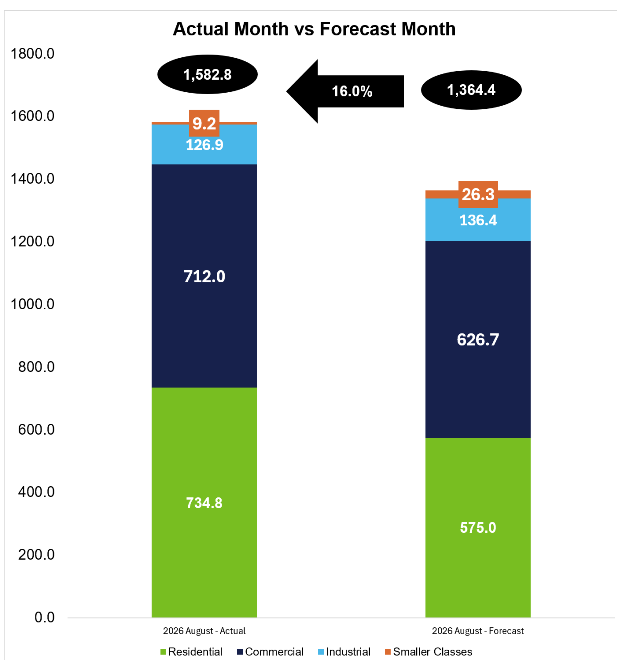


Figure 7 Consumption (GWh) by customer class (net metering applied) Actual Month vs Forecast Month

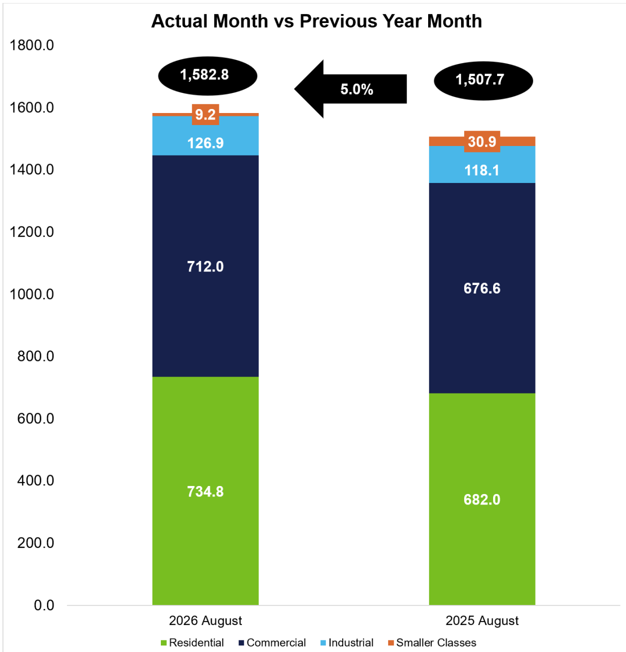


Figure 8 Consumption (GWh) by customer class (net metering applied) Actual Month vs Previous Year Month

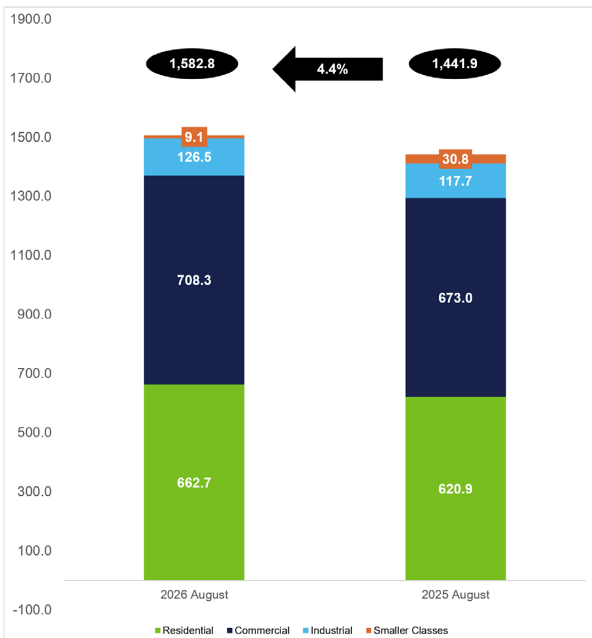


Figure 9 Consumption from LUMA Grid

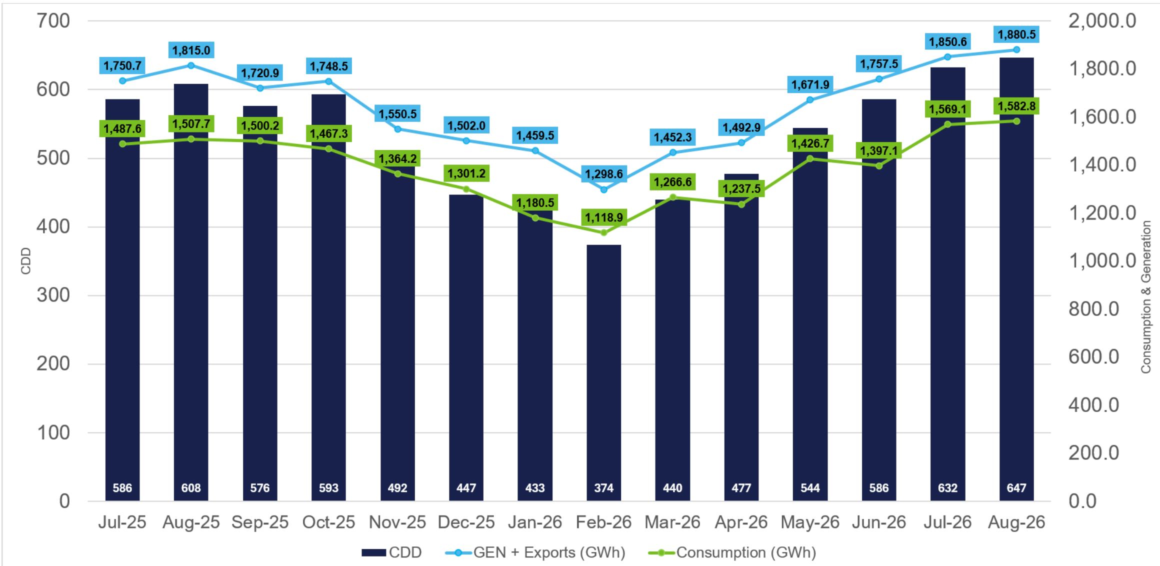


Figure 10 CDD, Gross Generation plus Exports, Consumption from the Grid (excluding PREPA energy usage)

6.2 Total Revenue Performance

Total revenue in August 2026 was 28.3% higher than August 2025 and 10.0% above forecast. The year-over-year increase should not be interpreted as a direct comparison between equivalent rate structures.

The Energy Bureau did not approve the Provisional FY2026 and Pension riders for July and August 2025. In FY2027, the Energy Bureau incorporated these riders into the base rate, affecting the comparability of reported revenue between the two periods. Figures 11-14 present revenue by type and customer class.

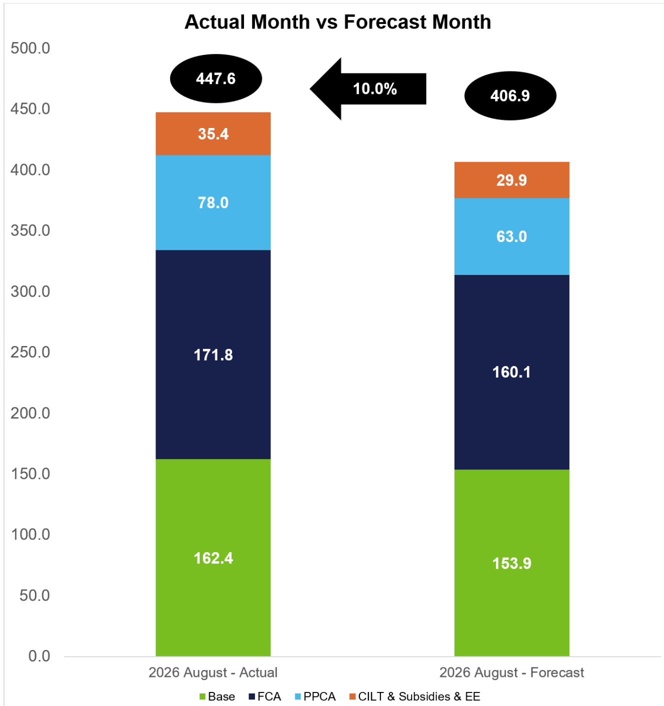


Figure 11 Sales by Type of Revenue ($ million) Actual Month vs Forecast Month

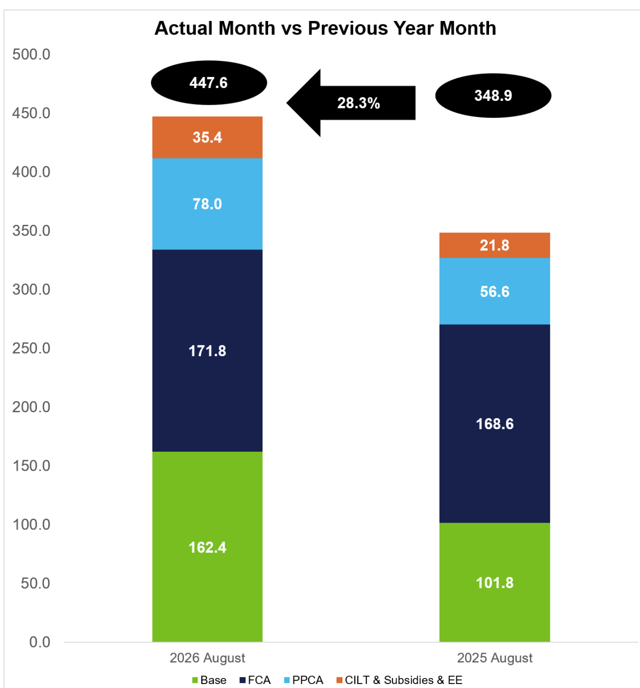


Figure 12 Sales by Type of Revenue ($ million) Actual Month vs Previous Year Month

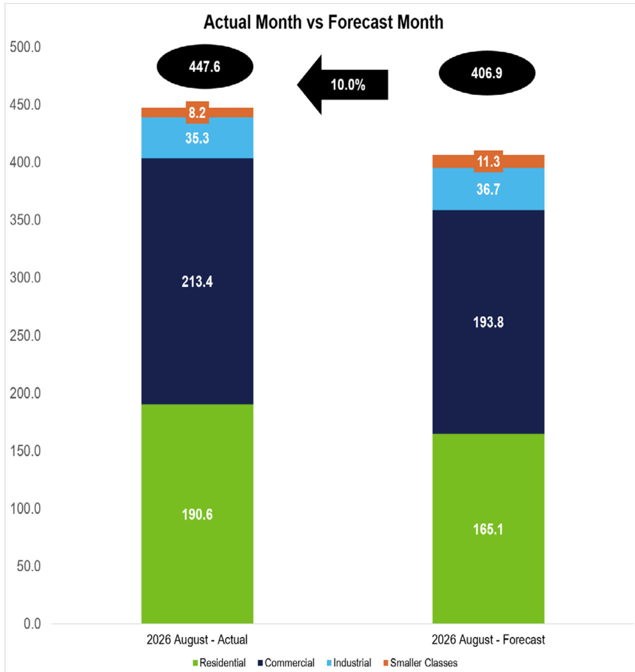


Figure 13 Sales by Customer Class ($ million) Actual Month vs Forecast Month

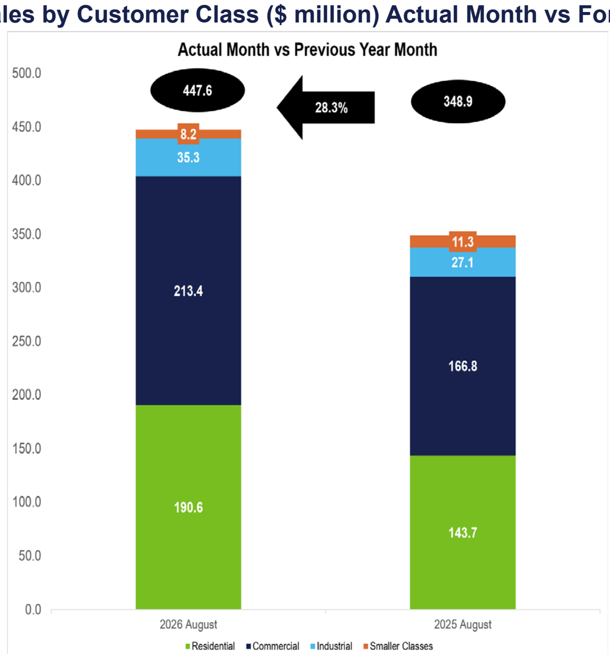


Figure 14 Sales by Customer Class ($ million) Actual Month vs Previous Year Month

6.3 Base Revenue Performance

August 2026 base revenue was 59.4% higher than August 2025 and 5.5% above forecast. The increase relative to the prior year reflects higher consumption and the FY2027 treatment of amounts previously recovered through separate riders. Figures 15 and 16 presents base revenue by customer class.

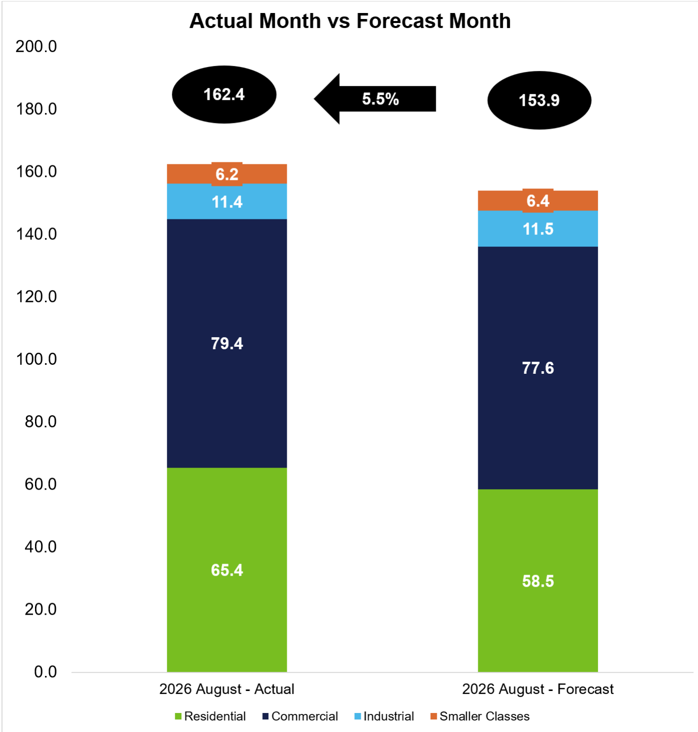


Figure 15 Sales by customer class ($ million) - Base Revenue Actual Month vs Forecast Month

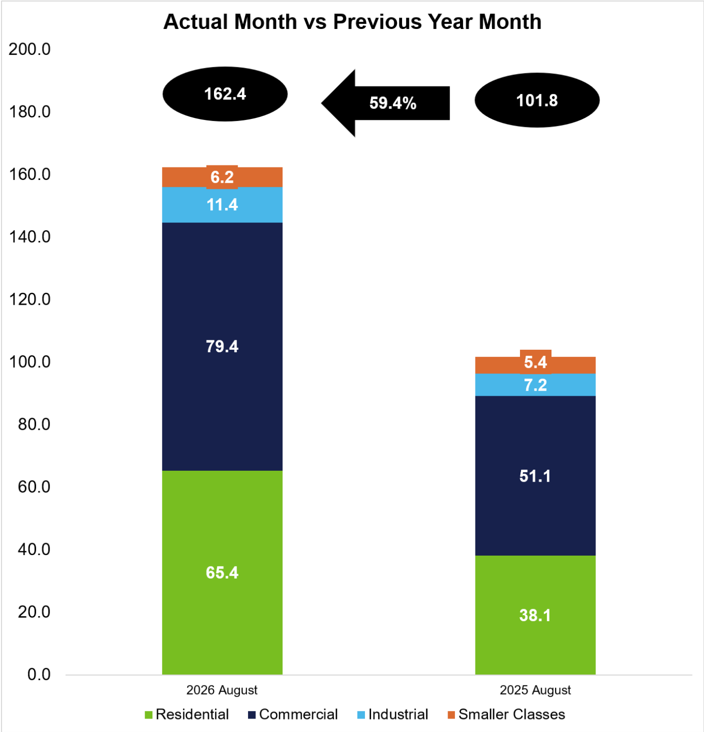


Figure 16 Sales by customer class ($ millions) - Base Revenue Actual Month vs Previous Year Month

7.0 Billing & Collections

During August, LUMA reduced unbilled accounts to 1.36% of approximately 1.53 million billed accounts, established 5,890 new payment agreements, completed 79,243 outbound collection calls and collected more than $25 million through active collection efforts. Address standardization and invoice-delivery improvements also continued, with additional billing cycles scheduled for correction and validation.

BILLING AND COLLECTIONS SNAPSHOT

1.36% Unbilled accounts	**5,890** New payment agreements	**79,243** Outbound collection calls	**$25 million** Collected through active efforts

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.

7.1 Address Standardization & Invoice Delivery

- LUMA launched Address Standardization initiative with its bill-print vendor to reduce returned mail and improved on-time invoice delivery
- Customer addresses are being cleansed and validated using USPS-compliant standards.
- Cycles 7-8 were re-evaluated in August due to errors in the test. The remaining billing cycles will be addressed in the coming months. Cycles 7-8 are being corrected in September.
- Customers will be encouraged to verify their mailing information to support accurate delivery.

7.2 Billing Accuracy & Unbilled Accounts

- Unbilled accounts decreased to 1.36% from a total of 1,527,292 billed customers.

7.3 Customer Assistance Programs & Collections Activity

- LUMA began receiving Low Income Home Energy Assistance Program (LIHEAP) funds in April, applying more than $12.9 million to qualified customer accounts.
- In August, LUMA established 5,890 new payment agreements, reaching a total of over 185,549 agreements since August 2021.
- LUMA completed 79,243 outbound collection calls in August, totaling over 6.8 million outbound collection calls since August 2021.
- The Revenue Protection team oversees collection efforts across all customer classes for accounts with past-due balances. During August, these efforts resulted in more than $25 million in collections, which contributed to LUMA's overall monthly collections. Collection efforts included outbound calls, letters, emails and inbound call support.

7.4 Outbound Call Center Efforts & Results

- 12,369 Industrial and Commercial calls exceed Monthly Target of 5,000
- LUMA performed 66,656 Residential calls
- Automated Efforts:
  - Bill Reminder Automated Calls: 3,113
  - 48-Hour Call Automated Calls: 4,599
- Revenue Protection Team Results
  - 14,272 letters sent
  - 2,238 completed disconnections
  - $33,213.78 collected revenue on disconnections
- Identified Increased Bonds Requirements
  - 51 accounts for $693,728.87 risk mitigation
  - 1,774 bonds received for $22.6 million risk mitigation
  - 43 bonds executed for expected payments of $709,579.14.
  - Payments of $56,625.26 received from 22 bonds executions
  - 557 cases identified for account legalization

8.0 Customer Experience

During August, LUMA continued supporting customers through financial-assistance programs, renewable-energy interconnections, account services, revenue-protection activities and targeted outreach. Since program inception, LUMA has supported more than $191 million in customer financial assistance, while more than 207,000 customers are connected to approximately 1,634 MW of solar-generation capacity.

Quarter 4 FY2026 results also reflect a 58.5% year-over-year improvement in the customer complaint rate and a 19.2% improvement in Net Energy Metering (NEM) project activation duration. Call abandonment and speed to answer remain areas requiring continued management attention.

8.1 Customer Experience Key Metrics

During August, LUMA processed more than $61.6 million in customer payments, served 177,135 customers through its commercial offices and answered 154,206 customer calls. Quarter 4 FY2026 results also showed meaningful improvements in the customer complaint rate and Net Energy Metering (NEM) project activation duration. Call abandonment and average speed to answer remain areas of continued management focus.

8.1.1 CUSTOMER EXPERIENCE PERFORMANCE SNAPSHOT

Table 20 Customer Experience Performance Snapshot

Metric	Current Result	Comparison or Context
Customer complaint rate	8.82	Improved 58.5% from 21.24 in Q4 FY2025
NEM project activation duration	18.6 days	Improved 19.2% from 23.0 days in Q4 FY2025

Metric	Current Result	Comparison or Context
Customer payments processed	$61.6 million	Increased approximately $2.39 million, or 4%, from July
Customers served through commercial offices	177,135	Remained generally stable, increasing by approximately 117 customers from July
Claims activity	17 completed; 95 pending	August 2026 activity
Customer calls answered	154,206	August 2026 activity

8.1.2 PERFORMANCE HIGHLIGHTS

- **Improved Customer Outcomes.** The customer complaint rate improved by 58.5% year over year, while NEM project activation duration improved by 19.2%.
- **Customer Payment Activity.** LUMA processed approximately $61.6 million in customer payments during August, an increase of approximately $2.39 million compared with July.
- **In-Person Customer Service.** Commercial offices served 177,135 customers during August, with overall customer volume remaining stable compared with the prior month.
- **Contact Center Activity.** LUMA answered 154,206 customer calls during August. Continued attention is being directed toward improving call abandonment and average speed to answer.
- **Claims Management.** During August, 17 claims were completed and 95 remained pending. LUMA continues monitoring claim activity and resolution progress.

8.2 Energy Irregularity Notifications

LUMA sent 57 energy-irregularity notification letters during August, bringing the cumulative total to 1,444 since the notification process began. These notifications represent approximately $7.8 million in billed charges, of which approximately $2.2 million has been recovered.

8.3 Field Activities – Meter Tampering Field Activity (M-TAMP)

LUMA created 477 field activities related to Meter Tampering Field Activity (M-TAMP) during August.

8.4 Confidences Received & Processing Results

LUMA received and evaluated 256 confidences during August. Reported outcomes included:

- 214 field activities created for misuse.
- 25 confidences had insufficient information.

- 14 confidences were referred to by OIE for client communication regarding ICEE charges.

8.5 Customer Notifications & Communication Efforts

LUMA completed 39 customer-notification calls. Seven customers answered, resulting in two payment agreements and $5,945 in prompt payments.

8.6 Customer Impact Highlights

- **Customer assistance**. More than $191 million in financial assistance has been supported since program inception.
- **Distributed energy growth**. More than 207,000 customers are connected to solar generation, representing approximately 1,634 MW of renewable-energy capacity.
- **Complaint performance**. The customer complaint rate improved 58.5% year over year.
- **NEM activation**. NEM project activation duration improved 19.2%.

9.0 Regulatory, T&D OMA & Audit Matters

During August, LUMA submitted 25 filings and responded to seven PREB requests for information, advanced priority federal funding and third-party attachment matters and continued engagement with legislative and executive-branch stakeholders. LUMA also supported ongoing external audit activity and continued documenting PREPA's outstanding obligations under the T&D OMA.

9.1 Regulatory Highlights

LUMA participated in and supported discussions with the PREB across a broad range of topics during the month. For the month of August 2026, we submitted 25 filings and responded to seven RFIs.

Table 21 Activity by Docket August 2026 Activity

Docket	Docket Name	Filings Submitted	Hearings Attended	RFIs Responded
NEPR-MI-2020-0001	Permanent Rate	1	0	0
NEPR-MI-2026-0005	2026 Permanent Rate	1	0	0
NEPR-MI-2021-0001	System Operation Principles	1	0	4
NEPR-MI-2019-0007	Legacy Performance Metrics	1	0	0
NEPR-MI-2020-0001	Streetlights	1	0	0
NEPR-MI-2021-0002	Federal Funding	5	0	0
NEPR-MI-2024-005	Priority Stabilization Plan	3	0	0
NEPR-MI-2019-0005	Vegetation Management Plan	2	0	0
NEPR-MI-2019-0006	Emergency Response Plan	1	0	0
NEPR-AP-2021-0001	CIRO ONE PPOA	3	0	1
NEPR-MI-2020-0019	System Remediation Plan	1	0	0
NEPR-MI-2024-0001	PREB Approved Investments	1	0	0
NEPR-MI-2022-0001	Energy Efficiency and Demand Response Transition Period Plan	1	0	0
NEPR-MI-2026-0002	Energy Efficiency and Demand Response Three Year Plan	1	0	1
NEPR-MI-2021-0013	Electric Vehicles	1	0	0
NEPR-AP-2021-0002	Xzerta Tec Solar PPOA	2	0	1
Total		**25**	**0**	**7**

Fiscal Year-to-Date Activity

Docket	Docket Name	Filings Submitted	Hearings Attended	RFIs Responded
NEPR-MI-2020-0001	Permanent Rate	2	0	0
NEPR-MI-2026-0005	2026 Permanent Rate	3	0	0
NEPR-MI-2021-0001	System Operation Principles	1	0	4
NEPR-MI-2019-0007	Legacy Performance Metrics	2	0	0
NEPR-MI-2020-0001	Streetlights	1	0	0
NEPR-MI-2021-0002	Federal Funding	11	0	0
NEPR-MI-2024-005	Priority Stabilization Plan	4	0	0
NEPR-MI-2019-0005	Vegetation Management Plan	2	0	0
NEPR-MI-2019-0006	Emergency Response Plan	1	0	0
NEPR-AP-2021-0001	CIRO ONE PPOA	3	0	1
NEPR-MI-2020-0019	System Remediation Plan	1	0	0
NEPR-MI-2024-0001	PREB Approved Investments	1	0	0
NEPR-MI-2022-0001	Energy Efficiency and Demand Response Transition Period Plan	1	0	0
NEPR-MI-2026-0002	Energy Efficiency and Demand Response Three Year Plan	1	0	1
NEPR-MI-2021-0013	Electric Vehicles	1	0	0
NEPR-AP-2021-0002	Xzerta Tec Solar PPOA	2	0	1
Total		**37**	**0**	**7**

9.1.1 REGULATORY PRIORITY HIGHLIGHTS

- **NEPR-MI-2021-0001 | System Operation Principles** – On July 28, 2026, the Energy Bureau issued a Request for Information (RFI) regarding LUMA's Manual Load Shedding (MLS) practices and compliance with the block-rotation requirements in Section 3.1.7 and Appendix C of the Load Shedding Procedure. The RFI requested a description of how MLS is executed and how rotation timelines are met; a detailed account of block rotations during the July 22, 2026 MLS event, including supervisory decisions and manual actions; copies of control room logbook entries showing the time each block was shed and restored and the total outage duration; identification of any block out of service for more than two hours with an explanation; and an update on the operational status of SCADA's automatic rotation functionality, including interim measures and the estimated restoration date. On August 17, 2026, LUMA provided the requested information and explanations related to the July 22 MLS event and its implementation of the Load Shedding Procedure.

- **NEPR-MI-2021-0002 | Federal Funding** - On August 12, 2026, the Energy Bureau approved three federally funded substation component replacement projects: the Juncos TC Substation Component Replacement, the Aguas Buenas Substation Component Replacement and the Veredas Sector Substation Component Replacement. With these approvals, the FEMA Consolidated Project List increases from 383 to 386.

- **NEPR-MI-2026-0002 | Energy Efficiency and Demand Response Three-Year Plan -** On August 24, 2026, LUMA Energy submitted its responses to the 2026–2028 Energy Efficiency and Demand Response Three-Year Plan. The filing includes detailed clarifications on the Customer Battery Energy Sharing (CBES) contract ceiling, the status of the SunStrong dispute and historical non-payment instances, as well as validations of CBES performance and LUMA's position on SunStrong's recommended measures.

- **NEPR-MI-2026-0005 | Implementation of 2026's Approved Permanent Rate -** On August 13, 2026, LUMA submitted an updated TPA Framework outlining revised procedures for third-party use of land and electrical infrastructure. The updated framework details significant progress in addressing historical gaps, advancing negotiations with telecommunications companies and executing DOE-funded activities under the Utility Pole Abatement Program, while establishing a more robust regulatory and operational foundation for future TPA oversight.

9.1.2 TPA ACTIVITIES

- LUMA continues engagement with telecommunications carriers regarding the proposed Pole License Agreement. Initial discussions with three carriers have been completed and LUMA is now waiting for updated comments and suggestions. Engagement with the remaining carriers is ongoing to support finalization of the agreement.

- LUMA continues to perform activities associated with the DOE Utility Pole Abatement Program, including pre-surveys, field surveys, notifications regarding abandoned cables and non-compliant attachments, removal of abandoned attachments and asset tagging. Telecommunications companies continue performing partial corrective work on poles as part of the DOE program requirements.

- LUMA held a meeting with the Carriers, the Department of Transportation and Public Works (DTOP) San Juan Region Supervisor and personnel from the permits office of the Municipality of San Juan to discuss and find alternatives to expedite the permitting process for work performed by carriers for the corrective actions of the DOE Utility Pole Abatement Program. LUMA will be scheduling meetings with other municipalities such as Carolina, Trujillo Alto and Cataño.

- LUMA met with a government contractor providing security services to the Department of Public Security (DSP), municipalities, as well as private residential developments. During the meeting, LUMA provided information regarding the joint-use pole attachment process and guidance on the process for legalizing security cameras installed without a permit on PREPA poles with energy irregularities.

9.2 T&D OMA Highlights

LUMA continued documenting and addressing outstanding funding, governance, federal recovery, accounting and shared services matters under the T&D OMA.

9.2.1 PREPA'S NON-COMPLIANCE WITH T&D OMA OBLIGATIONS

- August 2026 is the forty-fourth (44th) 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.
- August 2026 is the thirty-first (31st) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account.
- August 2026 is the twenty-third (23rd) consecutive month in which PREPA did not provide the required funding to replenish the Contingency Reserve Account.
- LUMA has issued forty-four (44) non–compliance notices to PREPA and notified P3A as Administrator of the T&D OMA.
- LUMA has issued thirty-seven (37) 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.

9.2.2 CASH PRIORITIZATION

- **LUMA's Cash Position and Management Actions**
    - LUMA has issued a formal notice outlining its current cash-management posture and the steps being taken to ensure financial stability. Formally communicated to PREPA and other

key stakeholders on August 12, after months of collaborative efforts between FOMB, PREPA, LUMA, Genera and other stakeholders, that LUMA is operating under tight liquidity conditions (refer to August System Wide Funding Position graph below), prompting a prioritized approach to deploying available cash.

- **Why LUMA Is Prioritizing Cash**
  - LUMA must ensure that limited cash resources are directed first toward essential operational obligations, including employee payroll, critical vendor payments, and core system operations required to maintain reliable electric-grid performance. This prioritization is intended to safeguard uninterrupted service for customers and compliance with regulatory and contractual commitments.
- **Current Cash Position**
  - LUMA's cash reserves are constrained and under active monitoring. LUMA is evaluating and sequencing payments to ensure that its most critical obligations are fully covered and demonstrate a heightened level of financial discipline and caution.
- **Operational & Financial Adjustments**
  - To navigate this environment, LUMA is implementing several measures:
    - **Strict expenditure controls**: Non-essential or discretionary spending is being slowed or deferred.
    - **Enhanced cash-flow review cycles**: LUMA is monitoring inflows and outflows more frequently.
    - **Protection of critical functions**: Funds are being reserved for operational continuity and safety-related activities.
    - These measures are necessary to maintain reliability of the electrical system while the company manages liquidity pressures.

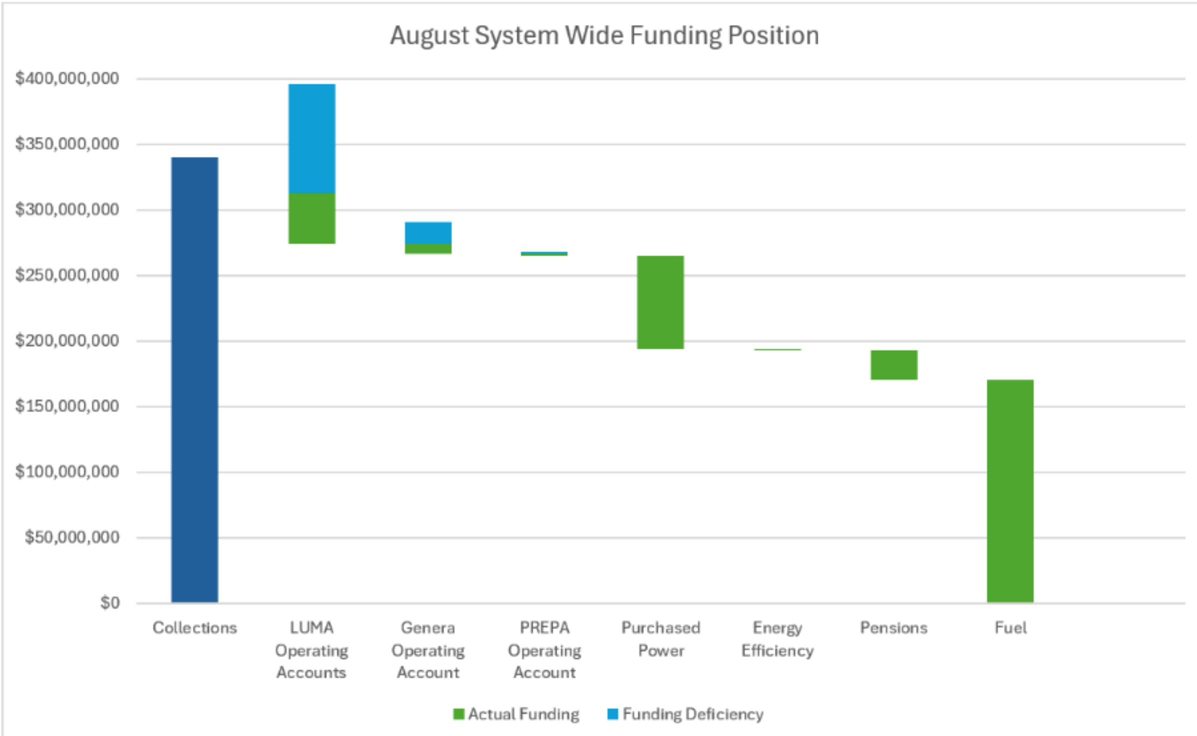


Figure 17 August System Wide Funding Position

9.2.3 PREPA REORGANIZATION AND SHARED SERVICES

The T&D OMA contemplated that Shared Services would continue for an initial six-month period following commencement of the GenCo Operator and would not extend beyond three years. Since the original period ended, the Shared Services Agreement has been extended six times. The most recent extension was executed on June 30, 2026 and continues through June 30, 2027.

LUMA continues providing Shared Services to support PREPA while the parties work toward separation. The amended and restated Shared Services Agreement establishes conditions intended to align expectations and demonstrate progress during the current extension period. However, the biweekly reports submitted by PREPA have not met the reporting requirements established in the agreement.

Several structural matters also remain unresolved:

- PREPA has not established a comprehensive financial-governance framework to standardize and consolidate reporting across PREPA, LUMA and Genera.
- PREPA has not established the GridCo legal entity required to support segregation of Transmission and Distribution assets.
- PREPA continues to rely on extensions of the Shared Services Agreement rather than completing its planned exit.
- The absence of coordinated governance and segregated financial information continues to impede accurate and consolidated financial reporting.

LUMA will continue supporting the transition while documenting progress against the conditions established in the current Shared Services extension.

9.3 Legislative & Governor's Office Highlights

During the month of August 2026, LUMA responded to four (4) RFIs from the House of Representatives and received three (3) new RFIs, three (3) meeting summonings and one (1) Public Hearing summoning. LUMA also responded to two (2) RFIs from the Senate and received one (1) meeting summoning. Additionally, LUMA submitted one (1) technical investigation report to both the Senate and the House of Representatives. LUMA also responded to one (1) Request for Comments from the Governor's Office regarding a legislative measure.

- On August 17, 2026, marking the start of the 4th Ordinary Legislative Session, LUMA held a Legislative Blitz as part of its initiative to brief legislators on recent activities and initiatives as well as provide points of contact for any official matters they may require. As part of the Legislative Blitz, LUMA personnel held a meeting with the Speaker of the House and the Representative for District 9 regarding several cases of the R3 Program in the community of Villa Esperanza, Toa Alta.
- In August 2026, LUMA held a meeting with the president of the Senate's Government Committee regarding San Jorge Hospital to address their needs regarding electrical infrastructure to prevent damage to medical equipment.
- During the month of August 2026, LUMA participated in three (3) Legislative Service Fairs organized by the Senate and one (1) Legislative Service Fair organized by the House of Representatives, impacting the Ponce and Humacao Senatorial Districts as well as the Representative District # 21.

9.4 External Audit Matters Highlights

During the month of August 2026, LUMA received a letter announcing the continuance of audit 15592 from the Office of the Comptroller of Puerto Rico (OCPR). In addition, LUMA has provided PREPA key information regarding the PREPA FY2024 financial statements audit.

10.0 Community Engagement Initiatives

LUMA's August community engagement activities reached 15 municipalities through 15 events and directly engaged more than 4,260 customers. The team also supported projects representing more than 72,200 customers, including vegetation management education, infrastructure improvements, AMI initiatives and community service coordination.

10.1 Trains Aerospace & Defense Employees on Electrical Safety and Energy Efficiency

LUMA trained aerospace and defense employees at Honeywell Aguadilla on electrical safety and energy efficiency during their Safety Week. The session covered electrical fundamentals, the 7 Steps to Electrical Safety and practical tips for reducing energy consumption at home, including guidance on efficient equipment and available residential rebates. This initiative reinforced our commitment to promoting safety awareness and responsible energy use across Puerto Rico.

10.2 Strengthening Reliability Along PR-2 Before Peak Hurricane Season

LUMA accelerated preventive vegetation management work along PR-2 between Arecibo and Dorado, completing 40 percent of the project to reinforce service reliability for thousands of customers ahead of the peak hurricane period. Covering roughly 50 miles of infrastructure, our field personnel cleared incompatible vegetation around critical 38 kV lines, directly benefiting about 10 substations and improving conditions for approximately 25 distribution feeders. These efforts reduced risks associated with rapid vegetation growth and demonstrated our commitment to protecting the grid, implementing industry best practices and enhancing resilience for the communities we serve.

10.3 Community Engagement Activities

This month's Community Engagement efforts continue to deliver strong, measurable community impact, with 15 municipalities reached, 15 community events and more than 4,260 customers directly engaged.

In parallel, LUMA supported projects representing more than 72,200 customers, while completing key initiatives such as the Community Dashboard demo, Vegetation Management education and collaborative service support in Aibonito.

Image 8 Community Impact

LUMA's engagement has extended across communities including Arecibo, Dorado, Aibonito, Cidra, Villalba, Culebra, Bayamón, Manatí, Ponce, Carolina, Naguabo and others, supporting critical Vegetation Management, substation improvements, distribution upgrades, AMI initiatives and customer education.