

Monthly Operations Report on the T&D System

For the Month of September

October 15, 2026



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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 September 2026 as Operator of Puerto Rico's T&D 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.

PROGRESS AT A GLANCE

\$6.177 billion Federal recovery funding obligated	43,000+ Smart meters installed during September	462.87 miles Vegetation miles cleared and maintained
279 Projects out of 385 projects obligated and 238 in construction or completed	\$31.2 million Past due balances collected through proactive efforts in September	4,400+ Customers directly engaged through community events, customer education and service coordination during September

1.1 Key September Accomplishments

- **Federal Recovery.** Advanced 11 of 17 streetlight amendments and submitted 19 additional vegetation projects, representing a significant contribution to ongoing Federal Emergency Management Agency (FEMA) supported recovery work.
- **Grid Modernization.** Completed the energization of 5 breakers withing the Modernization Program, deployed the DOE-funded LiDAR system and received approval to incorporate Worse Performing Feeders into ongoing modernization efforts.
- **Smart Meter Deployment.** Exchanged 43,472 meters during September, bringing FY2027-to-date meter exchanges to more than 112,123.
- **Reliability Improvement.** Completed the Distribution Automation Project with 145 new devices installed in September that have contributed to more than 570 million customer outage minutes avoided since program inception, through September 4 automation groups are above 80% completion.
- **Vegetation Management.** Completed 462.87 miles of vegetation clearing and maintenance, supported by a peak field workforce exceeding 1,200 personnel, while advancing multiple high-density projects nearing completion.
- **Customer and Revenue Support.** Established 6,738 new payment agreements, completed 113,152 outbound collection calls, reduced unbilled accounts to 1.36% and collected more than \$31.2 million past due balances through Revenue Protection efforts.

- **Regulatory and Community Engagement.** Submitted 26 PREB filings, responded to seven PREB requests for information and directly engaged more than 5,400 customers through 14 events across 12 municipalities.

1.2 Cumulative Transformation Progress

- **Federal Recovery Portfolio.** As of September 30, LUMA had initiated approximately 385 FEMA recovery projects, with 279 projects obligated and 238 projects currently in construction or completed, representing continued advancement across streetlighting, substations, vegetation management, automation, telecommunications and transmission.
- **Advanced Metering Infrastructure.** Installed 313,104 smart meters since AMI program launched toward the planned islandwide deployment of 1.5 million meters.

1.3 Performance Metrics

Quarter 4 FY2026 results show measurable improvement in several customer and reliability outcomes: the customer complaint rate decreased 58.5%, Net Energy Metering (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. Note, this information is reported on a quarterly basis, thus updated information will be included in the next Monthly Operations Report in which the metrics are published.

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
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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
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

Metric Name	Unit of Measure	Q4 FY2025	Q4 FY2026	% Change	Desired Direction
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 September, 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.** Personnel from the Department of Natural and Environmental Resources (DNER) provided a continuing education course on environmental sampling methods to the Environmental team.
- **Reconstruction Readiness.** Delivered targeted environmental training to personnel supporting system reconstruction projects, increasing awareness of FEMA guidelines, DOE directives and applicable compliance requirements.
- **Community Trust:** The DNER invited LUMA to participate in the meeting on Light Pollution Control, where they recognized LUMA's commitment to environmental protection.
- **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

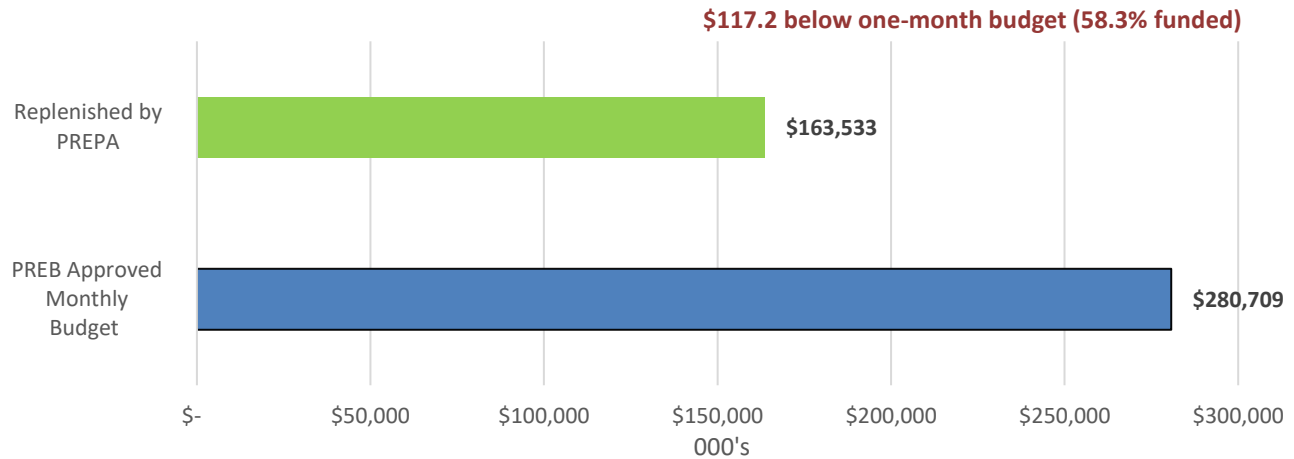
September funding remained below the minimum one-month budget amount. During September, PREPA provided approximately \$163.5 million across the LUMA Service Accounts, compared with \$280.7 million equivalent to one month of PREB-approved budgets. Total September funding was \$117.2 million, or 58.3%,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

This result confirms that total funding provided to LUMA during September 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 September 2026 Funding Compared with One-Month Approved Budget

Funding Scope	One-Month Approved Budget	September 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 September 30, FY2027 funding requirements across the LUMA Service Accounts totaled approximately \$2.19 billion, while replenishments totaled \$486.2 million, or 22.2% 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 Funding	YTD %
Operating Account	\$ 951,792	\$ 234,216	25%
Federally Funded Capital Account	454,868	-	0%
Non-Federally Funded Capital Account	91,445	39,756	43%
Outage Reserve	89,997	-	0%
Purchase Power Account	408,274	208,911	51%
Contingency Reserve Account	162,398	-	0%
Energy Efficiency Account	3,365	3,365	100%
GenCo Operating Account	72,621	55,350	76%
Fuel Account	955,449	487,199	51%
GenCo Reserve Account	89,315	-	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 LUMA's Operating and Non-Federally Funded Capital accounts at the levels required under the April 15, 2026, Final Resolution and Order on Electricity Rates.

4.0 Operating Environment & Management Priorities

During September, 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 13 forced generation outages and 2 generation-related load-shed events underscored the constraints affecting system performance.

4.1 Reliability & System Performance

During September, LUMA continued operating the T&D System amid significant generation-availability constraints. Seventeen baseload generation forced outages occurred during the month. Generation shortfalls also resulted in two 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 Significant Generation Outages by Month

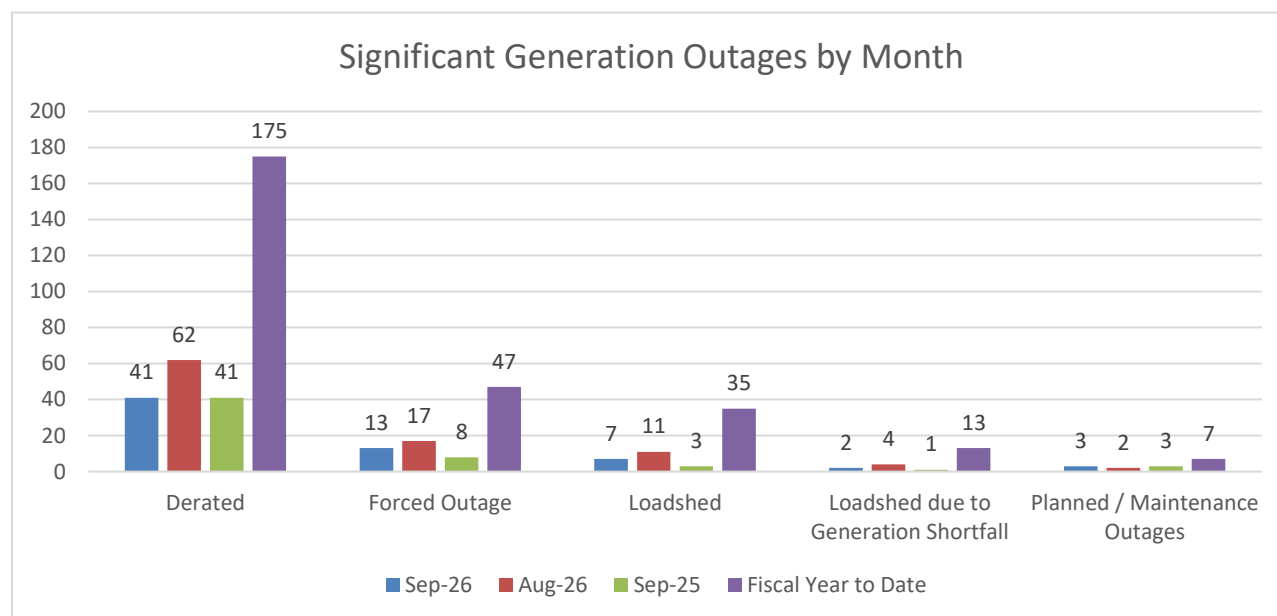


Figure 2 Significant Generation Outages by Site for September 2026

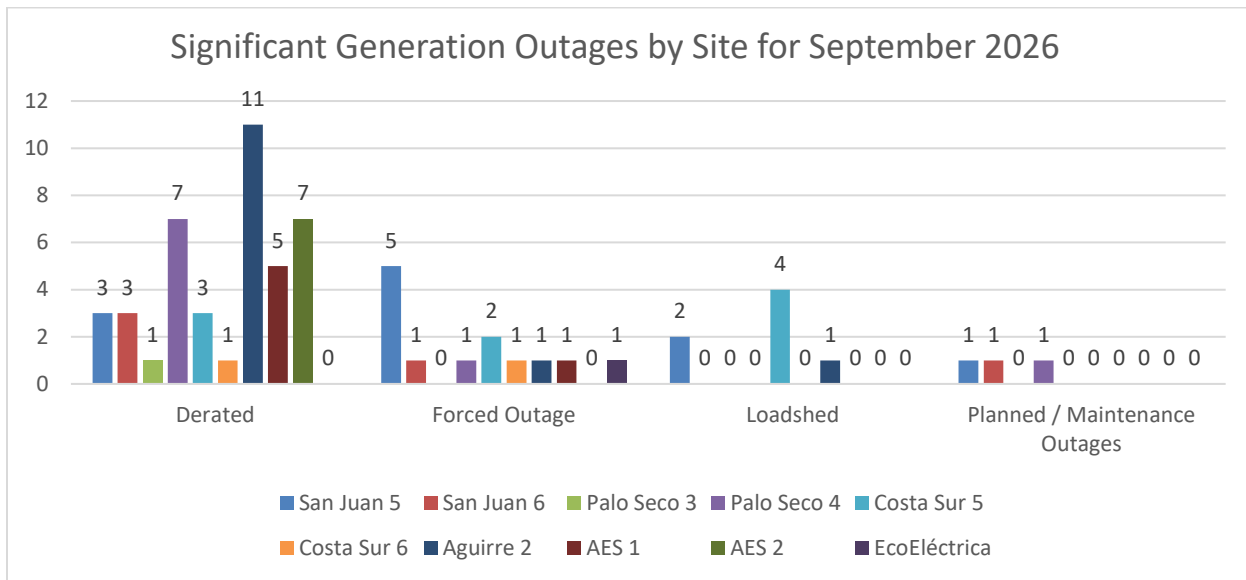
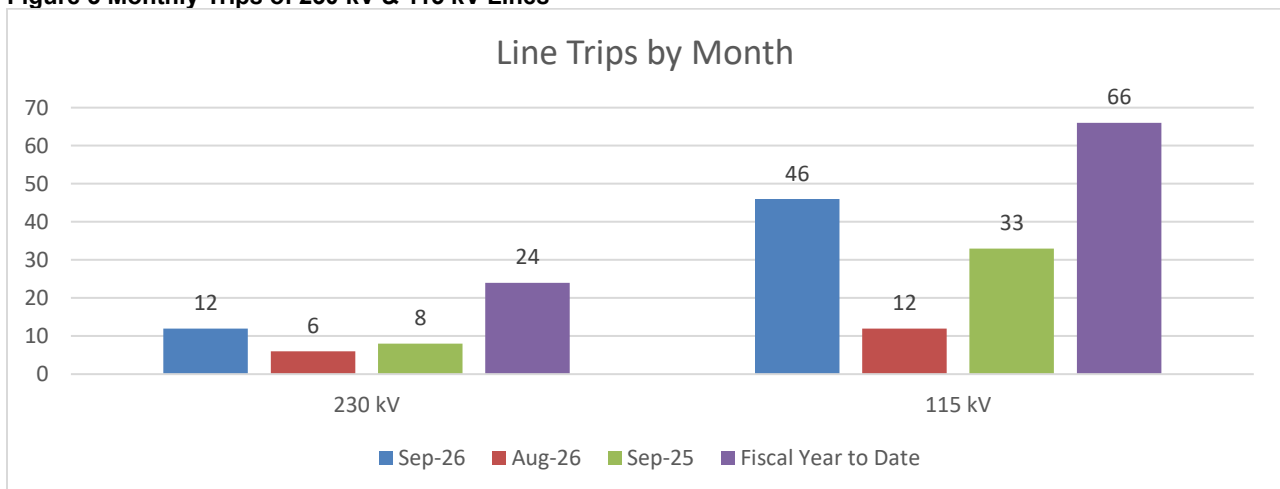
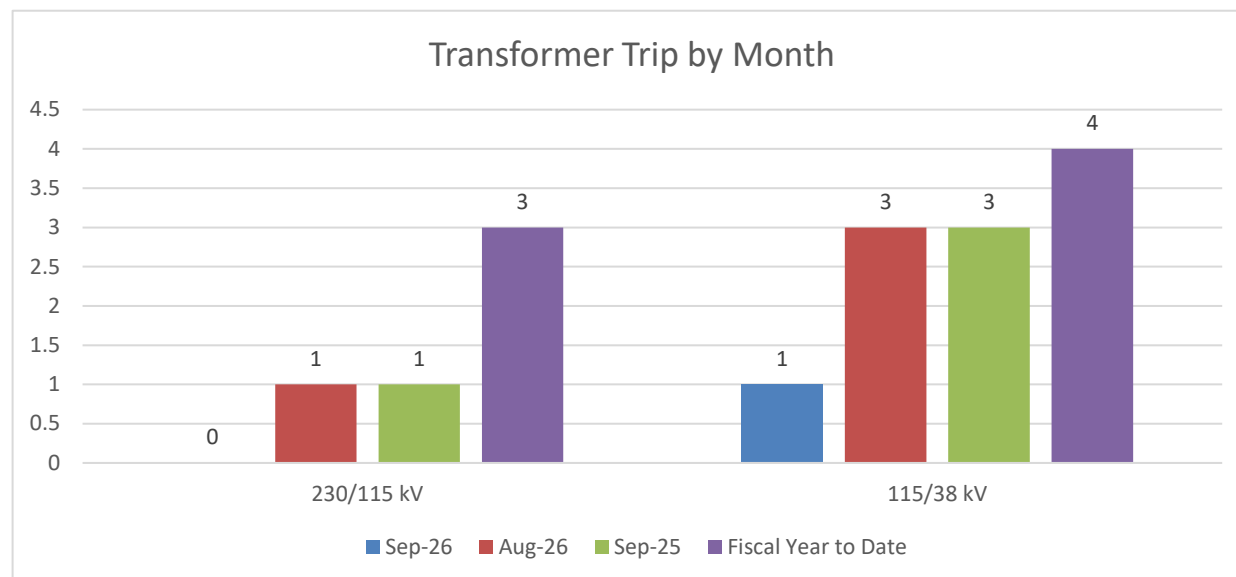


Figure 3 Monthly Trips of 230 kV & 115 kV Lines



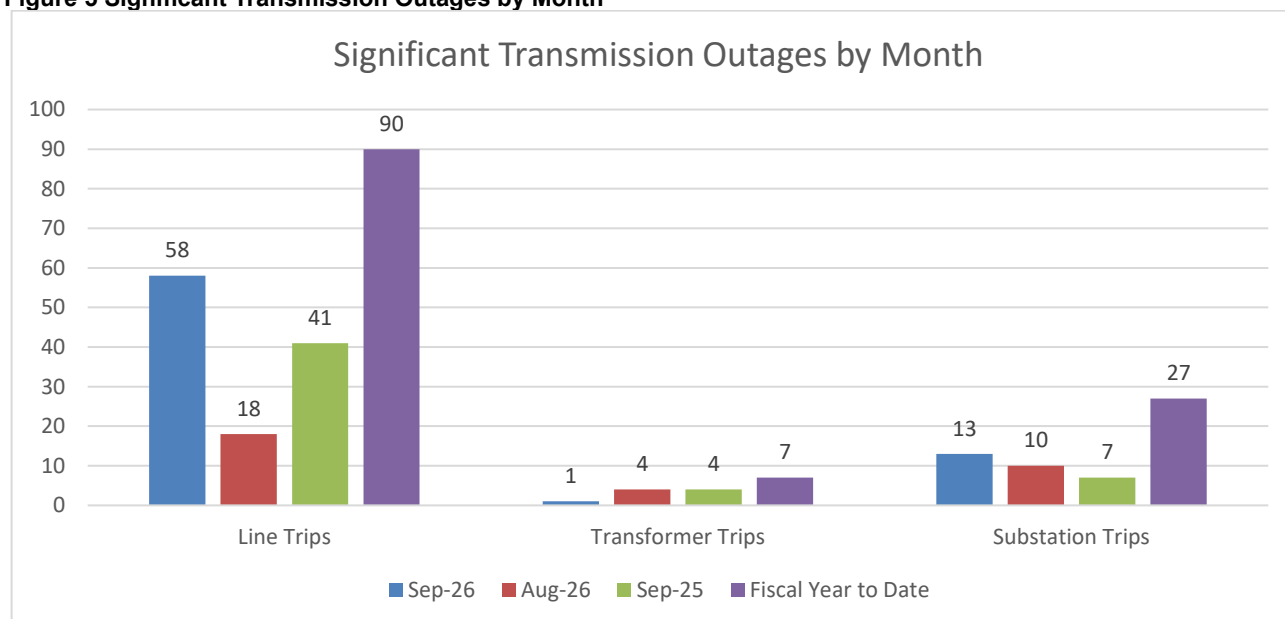
During September, LUMA recorded 58 transmission line trips: twelve involving 230 kV lines and 46 involving 115 kV lines. The service interruptions were attributed to adverse weather conditions, issues with broken conductors, and lightning arrester malfunction.

Figure 4 Monthly Trips of 230/115 kV & 115/38 kV Transformers



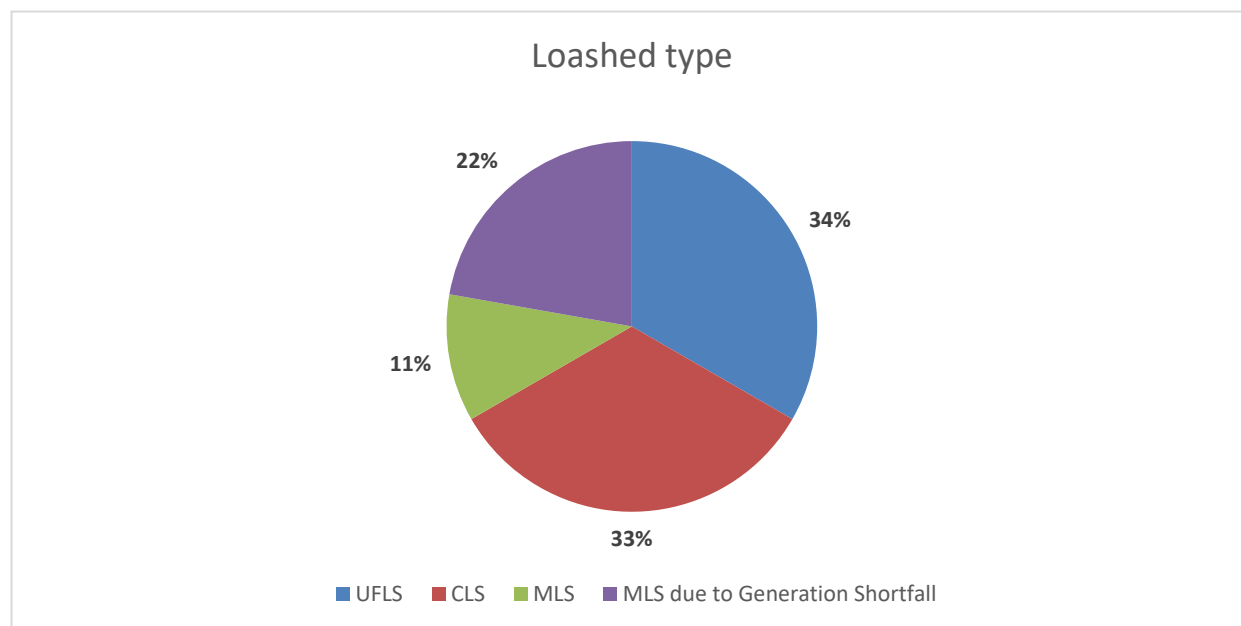
LUMA also recorded one transformer trip during September: none involving a 230/115 kV transformer and one involving 115/38 kV transformers. The contributing events included a trip of the 115/38 kV bank at Sabana Llana on September 19; and two large system events on September 19 and 23 during which multiple banks were affected, although no 230/115 kV or 115/38 kV transformer bank trips were officially recorded for the month.

Figure 5 Significant Transmission Outages by Month



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 6 Loadshed Type for September 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. LUMA reiterates that this information is reported on a quarterly basis; therefore, the updated data will be included in the next Monthly Operations Report in which the metrics are published..

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
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

SAIDI	Q3 FY2026 (min)	Q4 FY2026 (min)	% Change	Desired Direction
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
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

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

SEPTEMBER OPERATIONAL SNAPSHOT

89 New primary customers added	33 Hot spot repairs	261 Poles replaced across Operations and Capital activities
135 Substation maintenance tasks completed	456 Protection relays calibrated	258 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 September 30, 2026 FY2027 Actuals	
		Capital	Operations
Streetlight	Luminaires (Phase 1: Components (including light fixtures and bulbs))	1,051	15
Substation	Total Transformers Energized	0	0
	Total Breakers Energized	5	0
Vegetation*	Total Capital Work & No Work Miles Cleared	2,561.33	616.06
AMI	Total Meters Replaced	112,123	8 10,542
Distribution Automation	Total Reclosers Installed	86	N/A

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	313	—
Distribution poles	89	611
Automation poles	40	—
Transmission poles	12	41

Pole Category	Capital FYTD	Operations FYTD
Total	454	652

Table 9 Pole Replacement by Category September 2026

Pole Category	Capital September 2026	Operations September 2026
Streetlight poles	17	-
Distribution poles	56	159
Automation poles	1	—
Transmission poles	6	22
Total	80	181

Operational Highlights

- **Distribution Execution.** Completed 43 electric certifications, 129 customer connections and disconnections, 33 hot-spot repairs, 34 maintenance activities and 61 DOE-funded P12 projects while adding 89 new primary customers.
- **Asset Modernization.** Replaced 261 poles during September across capital and operational activities. Capital work included 80 pole replacements: 17 streetlight poles, 56 distribution poles, 1 distribution automation poles and 6 transmission poles. Operations replaced an additional 159 poles, consisting of 156 distribution poles and 22 transmission poles. LUMA also inspected 34 primary metering devices and replaced 8 where needed.
- **Substation and Transmission Reliability.** Completed 135 substation maintenance tasks, calibrated 456 protection relays and performed 258 preventive and corrective transmission-line activities.
- **Advanced Metering Infrastructure.** Exchanged 43,472 meters during September, bringing FY2027 year-to-date meter exchanges to 112,123,

4.3.2 RECOVERY CONSTRUCTION PROGRAM COMPLETION HIGHLIGHTS

- **Distribution**
 - Feeder Rebuild #1303-02 reached **95% construction completion**.
 - Feeder Rebuild #8101-03 progressed to **66% completion**.
- **Grid Automation**
 - Several automation groups are nearing completion:
 - Group 26: **95% complete**
 - Group 15: **94% complete**
 - Group 18: **85% 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 September, LUMA completed 462.87 miles of vegetation clearing and maintenance, supported by more than 1,200 full-time-equivalent vegetation field personnel 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

- **September Execution.** Completed **462.87** miles of vegetation clearing and maintenance to improve system reliability and reduce vegetation-related risks, including wildfire risk.
- **Field Capacity.** Deployed more than 1,200 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, and 10000 and submitted additional 38 kV lines to FEMA for obligation.
- **LiDAR Deployment.** LiDAR equipment was installed, and the flight for Transmission Line 6500 was successfully completed. The resulting data is currently being finalized to support a project amendment request. In parallel, a flight plan is being developed and executed to conduct LiDAR flights across all obligated 38 kV transmission lines.
- **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 as new vegetation contracts are implemented and safe execution ramps up with successful vendors.

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	35	35	0	7
115 kV*	10	10	0	10
230 kV	1	1	0	1
Total	71	65	6	36

FEMA Obligated Miles and Funding

Voltage	Miles Submitted	Miles Pending	Miles Obligated	Miles Denied	% Obligated	Funds Obligated (millions)
Distribution	5,181.86	7,325.04	5,092.22	89.64	98%	\$549.8
38 kV	1,368.54	0	60.52	1,308.02	4%	\$5.4
115 kV*	567.81	0.00	115.35	452.46	20%	\$38.1
230 kV	402.54	0.00	38.21	364.33	9%	\$12.9
Total	7,520.75	7,325.04	5,606.30	2,214.45		\$606.3

*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.

September 2026 Vegetation Management Miles

Voltage	Federally Funded Clearing*	OpEx Maintenance	Total Miles
Distribution	289.75	106.87	390.62
38 kV	5.68	32.69	38.37
115 kV	1.27	16.49	17.76
230 kV	0.00	16.11	16.11
Total	290.70	172.17	462.87

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
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	311.51	180.79	492.30
FY2027 - To date	Federally Funded	537.57	23.81	561.38

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

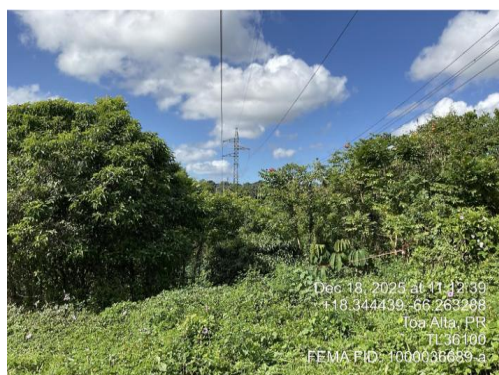
Image 1Toa Alta



Image 2 Caguas Line 3007-03



Image 3 Transmission Line 36100



4.4.3 RECOVERY ACCOMPLISHMENTS HIGHLIGHTS

- FEMA-funded vegetation activities now encompass more than **5,260 obligated miles** islandwide.
- As of September 30, 2026, the federally funded vegetation portfolio has resulted in approximately **1,682 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 September, LUMA assisted multiple private renewable energy and battery-storage projects by supporting their technical studies, design steps, and interconnection milestones. Yabucoa Solar reached 100% construction completion and is scheduled for energization in October 2026; Ciro Sectionalizer reached 99% construction completion; Peñuelas Energy Storage achieved its 60% point-of-interconnection (POI) design milestone; Barceloneta Battery Energy Storage System (BESS) achieved its 30% POI design milestone; and Santa Isabel BESS's design scope is undergoing internal validation. All of these projects are privately owned, and LUMA's participation has been limited to assisting with their interconnection requirements and regulatory coordination.

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 energization in October 2026.
Peñuelas Energy Storage	Convergent	The 60% POI design milestone was achieved.	Reach 90% design completion in November 2026.
Barceloneta BESS	Pattern	The 30% POI design milestone was achieved.	Complete the 60% design milestone in October 2026.
Hostos	Hostos	System impact studies are underway for capacity scenarios of 645 MW and 700 MW.	Complete both studies by January 2027.
Energiza Combined Cycle	Energiza	The Power Purchase and Operating Agreement (PPOA) has been executed between the developer and PREPA.	Complete the System Impact Study and 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.

5.0 Federal Funding & Recovery Programs

LUMA continued advancing DOE- and FEMA-supported grid modernization during September. 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.

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 September, LUMA completed the Distribution Automation Project with 145 devices installed, submitted the second tranche report for transformers, deployed the DOE-funded LiDAR system and received SOPO Mod 4 to include P12, Worse Performing Feeders and for the Covadonga Temporary Project. The following table summarizes current program status, September progress, upcoming milestones and reported funding activity.

Table 14 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.	Second tranche report is completed and submitted. This project is complete.	RFR received: \$17.75 million; budget: \$18.1 million.
P-3 Transmission Line Restoration	Multiple transmission lines, including TL 2100, 4500, 9100, 12600 and 13600, have been restored and energized.	Energize the remaining transmission-line segment and complete FY2027 milestones.	RFR received: \$12.85 million; budget: \$15.7 million.
P-4 Priority Switchgear Modernization	Llorens Torres is progressing toward energization. The projects are expected to improve reliability for more than 14,000 customers.	We received the approved SOPO for Covadonga. Team is working on civil works for the station.	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 to be submitted by October 7, 2026.	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.	Pending delivery of Gimbal is expected by December 2026.	RFR received: \$700,000; 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: \$14400,000; budget: \$12 million, pending reduction.
P-11 Telecommunications Network Hardening	OPGW replacement, microwave-link development and LMR network modernization are underway. The LMR program includes restoration of 13 sites,	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.

Program	Current Status and Progress	Next Milestone or Dependency	Funding Status
	approximately five new sites and deployment of 100 radios.		
P-12 Work Planning Framework	2 of the 19 feeders are constructed	Complete engineering on final feeders and perform a majority of the field construction in October 2026.	RFR received: \$0; budget: \$6.6 million.

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 15 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
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



Image 6 System Stabilization & Modernization

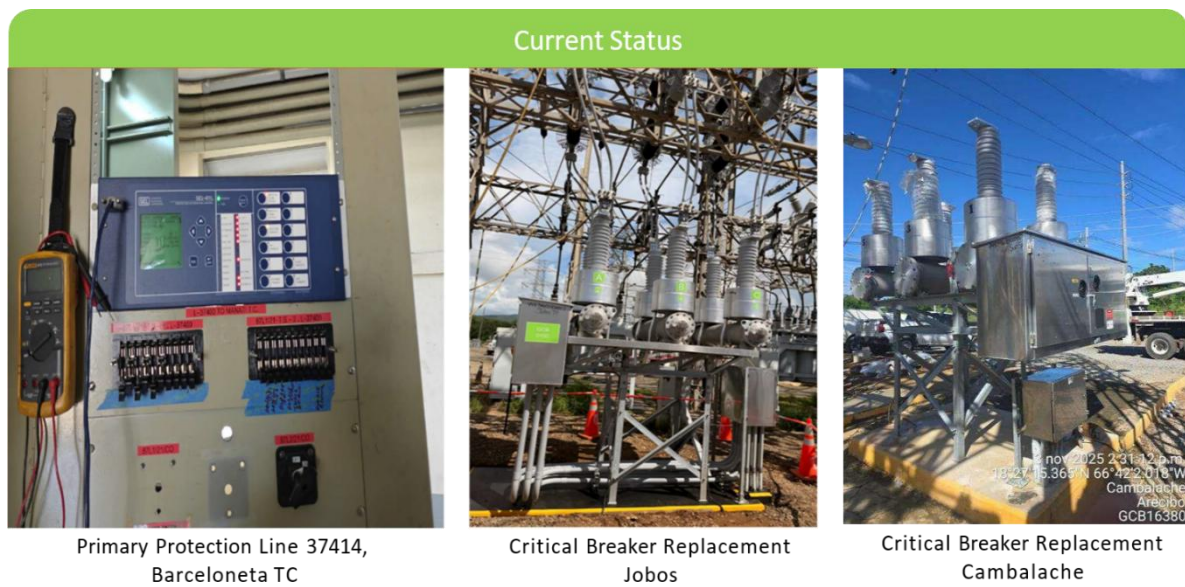
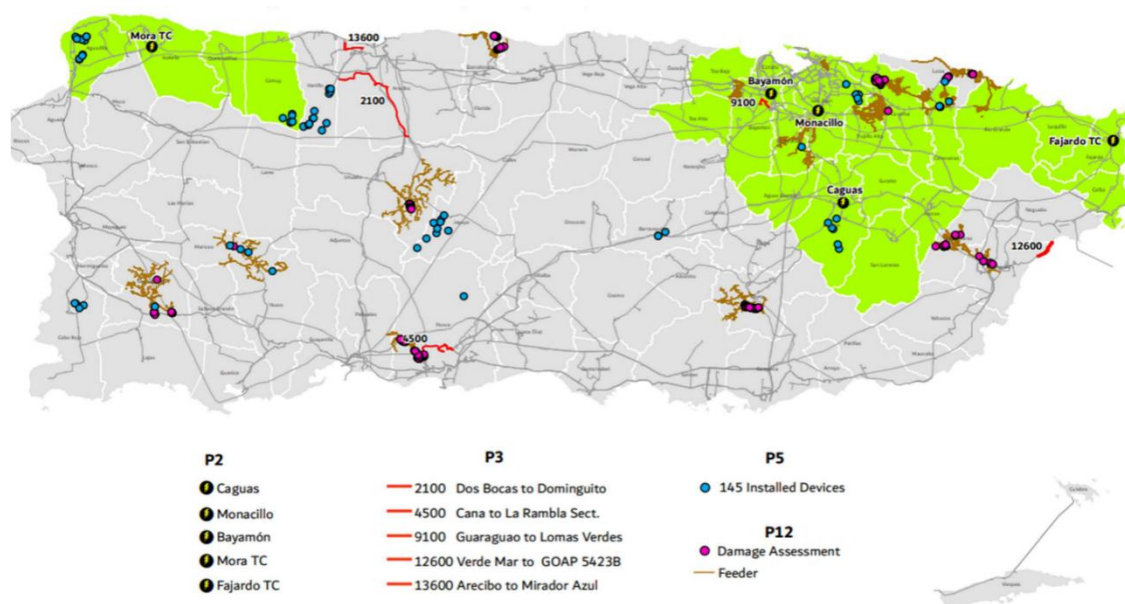


Image 7 DOE Grant Projects for P2, P3, P5, and P12 Feeders



5.2 FEMA Grant Key Milestones

During September, 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 11 out of 17 Streetlight amendments is underway, unlocking approximately \$133.2 million for new projects. In addition, 19 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 September, LUMA requested \$3.3 million and received \$8.8 million in advances. This supports strong financial controls across the full project cycle, including spending, advance requests and reimbursement submissions.

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 106 Hurricane Maria projects moving through their workflow processes, representing a total estimated value of \$2.13 billion.

5.3 Portfolio Status

Recovery execution continues to accelerate with approximately 385 FEMA projects initiated, including 238 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 September.

FEDERAL RECOVERY PORTFOLIO

385 Projects initiated	279 Projects obligated	238 Projects in construction or completed	\$6.177 billion Federal recovery funding obligated
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6.0 Load & Revenue

September consumption and revenue exceeded both prior-year and forecast levels. Consumption, including the net-metering credit, was 8.1% higher than September 2025 and 11.9% above forecast. Total revenue was 28.3% higher than September 2025 and 10.0% above forecast. The revenue comparison is affected by the incorporation of previously separate riders into the FY2027 base rate.

Table 16 Consumption and Revenue

Metric	Compared with September 2025	Compared with Forecast	Primary Driver or Consideration
Consumption, including net-metering credit	8.1% higher	11.9% higher	Elevated cooling demand
Consumption from the LUMA grid, excluding net-metering credit	7.9% higher	Not reported	Elevated cooling demand
Total revenue	16.0% higher	3.0% higher	Consumption growth and 16% higher FCA, PPCA and annual riders
Base revenue	14.3% higher	2.7% higher	Consumption growth

6.1 Consumption Performance

September 2026 consumption, including the net-metering credit, increased 8.1% compared with September 2025 and was 11.9% above forecast. Consumption supplied from the LUMA grid, excluding the net-metering credit, was 7.9% higher than the same month of the prior fiscal year. The primary driver was that September registered 51 additional cooling degree days relative to September 2025, representing a material deviation in weather-normalized load conditions.

Figure 7 exhibits the energy supplied from the LUMA grid by customer class compared with September 2025. Figure 9 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.

Table 17 September 2026 consumption, including the net-metering credit

	Forecast* Sep-26	Actual Sep-26	Variance Absolute	%	Actual Sep-25	Variance Absolute	%
Class							
Residential	619.7	729.5	109.9	17.7%	669.8	59.7	8.9%
Commercial	680.3	730.8	50.5	7.4%	666.4	64.4	9.7%
Industrial	121.0	121.6	0.6	0.5%	136.2	-14.6	-10.7%
Others***	28.5	39.9	11.4	40.0%	27.7	12.2	44.0%
Total	1,449.5	1,621.9	172.4	11.9%	1,500.2	121.7	8.1%

Figure 7 Actual vs Forecast Consumption

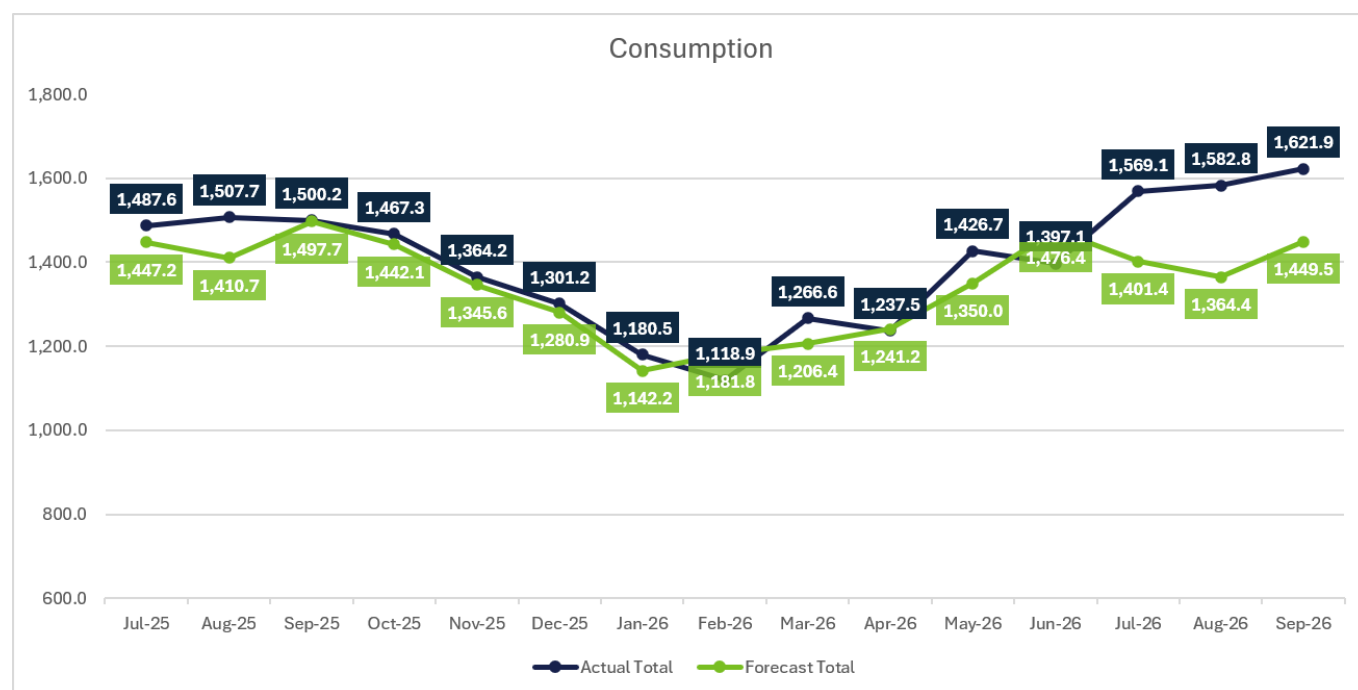
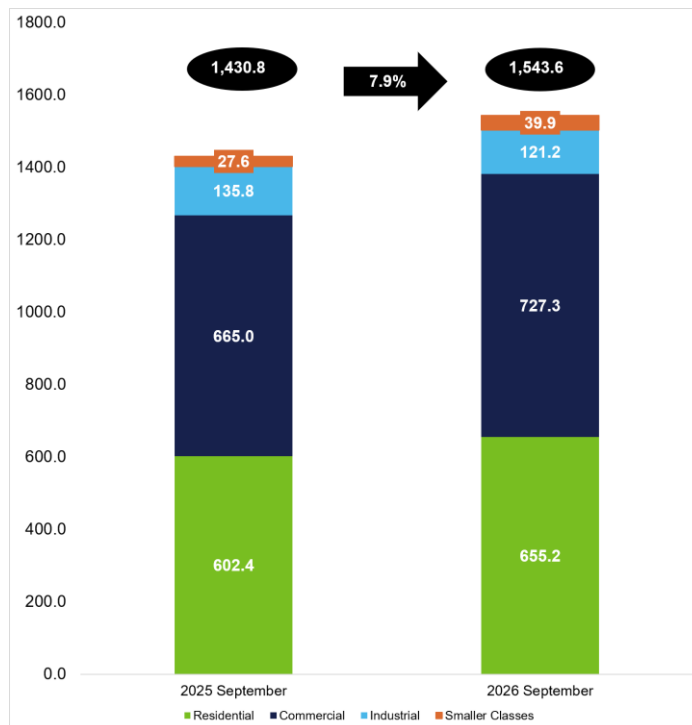
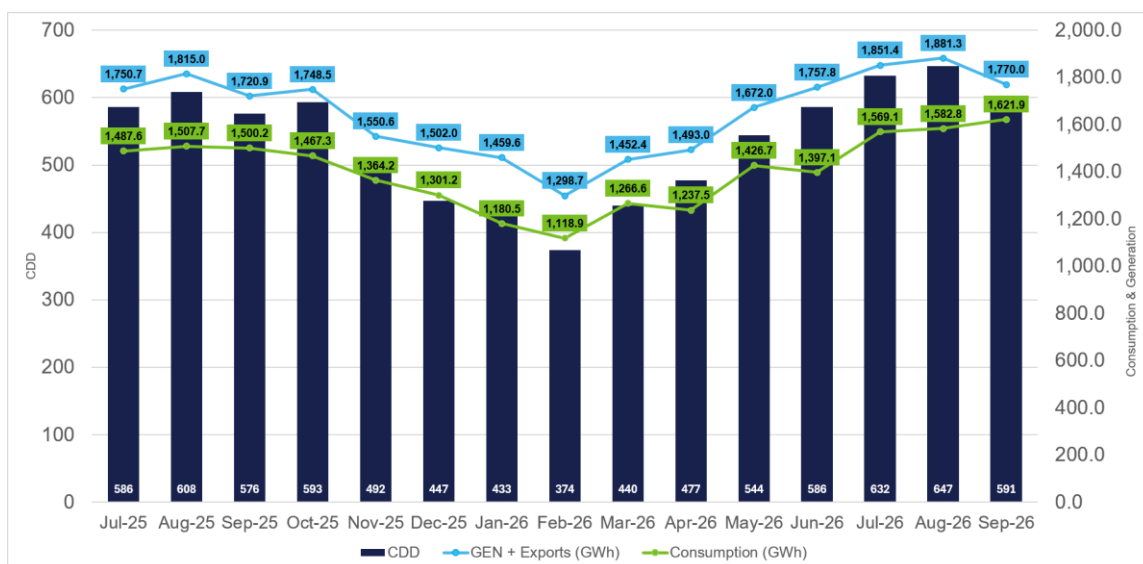


Figure 8 Consumption from LUMA Grid



This figure presents the total energy supplied from the LUMA grid by customer class relative to September 2025. It illustrates how grid-supplied demand rose despite contributions from net-metered customers.

Figure 9 CDD, Gross Generation plus Exports, Consumption from the Grid (excluding PREPA energy usage)



This figure shows the relationship between weather conditions, total system generation, and consumption from the grid. It highlights how elevated cooling degree days led to a substantial increase in energy demand.

6.2 Total Revenue Performance

Total revenue in September 2026 was 16.0% higher than in September 2025 and 3.0% above forecast. The primary drivers of the year-over-year increase were higher consumption and a 16% increase in the adjustments clause and annual riders.

Table 18 September 2026 Total Revenue

	Forecast*	Actual	Variance		Actual	Variance	
	Sep-26	Sep-26	Absolute	%	Sep-25	Absolute	%
Type							
Base Rate	161.1	165.4	4.3	2.7%	144.7	20.7	14.3%
FCA	170.1	167.2	-2.9	-1.7%	152.2	15.0	9.8%
PPCA	66.9	75.8	8.8	13.2%	63.4	12.4	19.6%
Riders**	31.7	34.3	2.6	8.1%	21.2	13.1	61.5%
Class							
Residential	177.1	179.1	2.0	1.1%	158.3	20.7	13.1%
Commercial	207.9	216.5	8.5	4.1%	179.2	37.3	20.8%
Industrial	33.2	31.9	-1.2	-3.8%	33.5	-1.6	-4.7%
Others***	11.7	15.3	3.6	30.8%	10.5	4.8	45.2%
Total	429.8	442.7	12.9	3.0%	381.5	61.2	16.0%

*Budget FY2027 (April 2026)

**CILT, SUBA-HH, SUBA-NHH and EE

***Agriculture, Public Lighting and Other Authorities

6.3 Base Revenue Performance

September 2026 base revenue was 14.3% higher than September 2025 and 2.7% above forecast. The increase relative to the prior year reflects higher consumption.

Table 19 September 2026 Base Revenue

	Forecast*	Actual	Variance		Actual	Variance	
	Sep-26	Sep-26	Absolute	%	Sep-25	Absolute	%
Class							
Residential	62.2	63.1	0.9	1.4%	57.7	5.3	9.2%
Commercial	81.8	84.5	2.7	3.3%	68.7	15.8	23.0%
Industrial	10.7	10.0	-0.7	-6.7%	12.3	-2.3	-19.0%
Others**	6.4	7.8	1.4	22.2%	5.9	1.9	32.6%
Total	161.1	165.4	4.3	2.7%	144.7	20.7	14.3%

*Budget FY2027 (April 2026)

**Agriculture, Public Lighting and Other Authorities

7.0 Billing & Collections

During September, LUMA reduced unbilled accounts to 1.11% of approximately 1.53 million billed accounts, established 6,738 new payment agreements, completed 113,152 outbound collection calls and collected more than \$31.2 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

1.11% Unbilled accounts	6,738 New payment agreements	113,152 Outbound collection calls	\$31.2 million Collected through active efforts
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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 September due to errors in the test. The remaining billing cycles will be addressed in the coming months. Cycles 7-8 were corrected in September. Backlog with external vendor for IT CCB implementation has delayed further cycles.
- Customers will be encouraged to verify their mailing information to support accurate delivery.

7.2 Billing Accuracy & Unbilled Accounts

- Unbilled accounts decreased to 1.11% from a total of 1,527,495 billed customers. Last September 2025 unbilled accounts were 1.25%.

7.3 Customer Assistance Programs & Collections Activity

- LUMA began receiving Low Income Home Energy Assistance Program (LIHEAP) funds in April, applying more than \$15.2 million to qualified customer accounts during September.
- In September, LUMA established 6,738 new payment arrangements, reaching a total of over 192,287 agreements since August 2021.
- LUMA completed 113,152 outbound collection calls in September, totaling over 6.9 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 September, these efforts resulted in more than \$31.2 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

- 14,338 Industrial and Commercial calls
- 98,637 Residential calls.
- Automated Efforts:
 - Bill Reminder Automated Calls: 12,454
 - 48-Hour Call Automated Calls: 3,982
 - Revenue Protection Team Results
 - 16,799 letters sent
 - 2,429 completed disconnections
 - \$163,302.04 collected revenue on disconnections
- 702 cases identified for account legalization

7.5 Energy Irregularities – Operational Summary

Revenue Recovery and Customer Notifications

- Issued 54 customer notifications in September,
- These notifications represent \$9.58 million in billed charges associated with energy irregularities

Field Investigations and Case Management

- Initiated 424 field activities in September to investigate potential unauthorized electricity use and metering irregularities.
- Reviewed 238 reports of suspected electricity misuse, resulting in 200 field investigation requests. An additional 23 reports lacked sufficient information for further action.

Energy Losses and Revenue Recovery

- Reported a 17.36% non-technical energy loss rate for September, as measured under the Puerto Rico Energy Bureau's regulatory reporting framework.
- Recovered \$212,803 in electricity theft-related charges during September.
- Managed 6,243 irregular energy consumption cases, including 5,484 residential and 759 commercial cases, generating \$1.45 million in billed charges.

Customer Engagement and Collections

- Conducted 88 customer outreach calls related to outstanding energy irregularity charges, successfully reaching 27 customers.
- Secured seven payment arrangements representing \$37,546 in scheduled initial payments.

8.0 Regulatory, T&D OMA & Audit Matters

During September, 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 September 2026, we submitted 25 filings and responded to seven RFIs.

Table 17 Activity by Docket September 2026 Activity

Docket	Docket Name	Filings Submitted	Hearings Attended	RFIs Responded
NEPR-MI-2020-0001	Permanent Rate	5	1	4
NEPR-MI-2026-0005	2026 Permanent Rate	2	0	0
NEPR-MI-2019-0007	Legacy Performance Metrics	1	0	0
NEPR-MI-2021-0002	Federal Funding	7	0	1
NEPR-MI-2024-005	Priority Stabilization Plan	5	0	0
NEPR-MI-2019-0006	Emergency Response Plan	0	0	0
NEPR-IN-2025-0003	April 16 th Island-wide Outage Event	1	0	0
NEPR-MI-2020-0004	Initial Budgets	3	0	0
NEPR-MI-2020-0019	System Remediation Plan	0	0	0
NEPR-MI-2024-0001	PREB Approved Investments	0	0	0
NEPR-MI-2022-0001	Energy Efficiency and Demand Response Transition Period Plan	0	0	0
NEPR-MI-2026-0002	Energy Efficiency and Demand Response Three Year Plan	0	0	1

Docket	Docket Name	Filings Submitted	Hearings Attended	RFIs Responded
NEPR-MI-2021-0013	Electric Vehicles	0	0	0
NEPR-AP-2025-0003	Energiza PPOA	1	0	1
Total		25	1	7

Table 21 Fiscal Year-to-Date Activity

Docket	Docket Name	Filings Submitted	Hearings Attended	RFIs Responded
NEPR-MI-2020-0001	Permanent Rate	6	1	4
NEPR-MI-2026-0005	2026 Permanent Rate	5	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-2020-0004	Initial Budgets	6	0	0
NEPR-MI-2021-0002	Federal Funding	21	0	3
NEPR-MI-2024-005	Priority Stabilization Plan	9	0	0
NEPR-MI-2019-0005	Vegetation Management Plan	9	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
NEPR-AP-2025-0003	Energiza PPOA	1	0	1
NEPR-MI-2024-0002	LUMA's Accelerated Storage Addition Program	3	0	0
Total		75	1	15

9.1.1 REGULATORY PRIORITY HIGHLIGHTS

- [NEPR-MI-2021-0004](#) | **Initial Budgets** - On September 4, 2026, LUMA submitted a motion stating an explanation of its bottom-up reconstruction of the FY2027 GridCo budget based on the Energy Bureau's Final Rate Order, identifying a persistent \$7.6 million discrepancy between the order's individual determinations and the consolidated amounts presented in the Energy Bureau's Appendix A. On September 9, 2026, LUMA requests approval to amend its FY2027 budget by reallocating existing funds, without increasing total approved expenditures, to cover legally required PREPA Title III support activities and essential meter replacement work needed to meet statutory Net Energy Metering obligations.
- [NEPR-MI-2026-0005](#) | **Implementation of 2026's Approved Permanent Rate** - On September 1, 2026, LUMA filed the Joint Remediation Plan and the Decoupling Mechanism, as required by the April 15, 2026, Final Order on Electricity Rates in the Rate Case. The Joint Remediation Plan, developed collaboratively with PREPA, GeneraPR, and LUMA, outlines the status and timeline for implementing the FTI recommendations and completing the accounting remediation.
- [NEPR-MI-2020-0001](#) | **Approved Permanent Rate** - On September 15, 2026, LUMA submitted its proposed Fuel Charge Adjustment (FCA), Purchased Power Charge Adjustment (PPCA), and Fuel Oil Subsidy (FOS) factors for the October–December 2026 quarter.

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 United States Department of Energy's (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. Companies continue performing partial corrective work on poles as part of the program requirements.
- On September 25, 2026, LUMA held a meeting with the Region Supervisor and personnel from the permits office of the Municipality of Bayamón to discuss and find alternatives to expedite the permitting process in relation with works performed by carriers for the corrective actions of the DOE Utility Pole Abatement Program.
- On September 30, 2026, LUMA, as agent of the Puerto Rico Electric Power Authority ("PREPA"), Liberty Mobile Puerto Rico Inc. and Liberty Communications of Puerto Rico LLC (collectively, "Liberty") executed a Settlement and Release Agreement resolving all matters related to pole attachment fees corresponding to fiscal years 2022 through 2025. Under the Settlement Agreement, Liberty will make a single payment directly to a PREPA account, within 30 days of contract execution, in full satisfaction of all obligations for the covered period.

- The Parties also executed a Pole Attachment Rate Agreement establishing final pole attachment rates for fiscal years 2026, 2027, and 2028. Rates are set on a per-attachment basis and will be invoiced annually. Payments under the agreement are required to be made directly to PREPA.

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

- September 2026 is the forty-fifth (45th) consecutive month in which PREPA did not fully fund one or more of the Service Accounts and failed to comply with its contractual obligations, in breach of the T&D OMA.
- September 2026 is the thirty-second (32nd) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account.
- September 2026 is the twenty-fourth (24th) consecutive month in which PREPA did not provide the required funding to replenish the Contingency Reserve Account.
- LUMA has issued forty-five (45) non-compliance notices to PREPA and notified P3A as Administrator of the T&D OMA.
- LUMA has issued fifty-three (53) 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.

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 September 2026, LUMA responded to seven (7) Requests for Information (RFIs), attended one (1) Public Hearing and three (3) meetings from the House of Representatives, and received two (2) new RFIs and one (1) Public Hearing summons. LUMA also responded to four (4) RFIs, attended one (1) Public Hearing and one (1) meeting from the Senate, and received one (1) additional Public Hearing summons. Additionally, LUMA responded to five (5) Requests for Comments from the Governor's Office regarding legislative measures.

- On September 17, 2026, LUMA attended a meeting coordinated by the Speaker of the House of Representatives, through the Government Committee, as part of the preparations for the 2nd Energy Summit. The mayors of San Juan, Guayama, Cabo Rojo, Fajardo, Cayey, Vieques, and Culebra also participated, along with representatives from PREB and COR3. The Energy Summit was cancelled on September 18, 2026. However, LUMA was instructed by the House Speaker to send invitation and a copy of the draft IGA to all 78 municipalities for discussion. This was completed in coordination with the Customer Experience & Key Accounts team. In October, LUMA will submit its first response to the PREB's R&O, providing the requested information regarding current action items and the next steps related to agreements with municipalities.
- On September 11, 2026, LUMA participated in the Expo Level Up 2026, organized by the Senate of Puerto Rico, an event aimed at twelfth-grade students from 13 municipalities, including students from public and private schools. The purpose of the event was to provide these students with the opportunity to learn about various academic, technical, professional, and service-oriented pathways they may consider upon completing their high school studies. Over 900 students participated during the event.
- On September 28, 2026, LUMA participated in a meeting with the Puerto Rico Industrial Development Company (PRIDCO) to continue discussions regarding the establishment of a Collaboration Agreement with the agency associated to future projects.

During LUMA's recurring weekly meetings with the Department of Housing regarding the ER1 program, held on September 25, 2026, it was agreed to invite COR3 to clarify how the waiver granted by COR3 is reflected in its system and to confirm to the Department of Housing (DOH) that the cost-share provided by ER1 program

is needed for the specific RFRs currently under review by the DOH. A meeting with COR3 representatives was scheduled for October 2026.

During the month of September 2026, LUMA participated in three (3) **Legislative Service Fairs** organized by the Senate and three (3) Legislative Service Fair organized by the House of Representatives, impacting the Arecibo and Ponce Senatorial Districts as well as the Representative Districts 8, 12 and 21.

9.4 External Audit Matters Highlights

During the month of September 2026, LUMA continued to support the OCPR requests. In addition, LUMA continues to provide PREPA key information regarding the PREPA FY2024 financial statements audit.

9.0 Community Engagement Initiatives

LUMA's September community engagement activities reached 12 municipalities through 14 events and directly engaged more than 5,400 customers. The team also supported projects representing more than 75,600 customers, including vegetation management education, infrastructure improvements, AMI initiatives and community service coordination.

10.1 Generation and System Stability

Limited reserve capacity. Puerto Rico continued to face an estimated 700-850 MW structural generation shortfall, driven by aging thermal units, forced outages, and deferred maintenance. Peak demand reached approximately 3,234 MW, leaving little reserve capacity when generating units became unavailable.

Impact on customers. Limited generation required multiple load-shedding events to maintain grid stability. Forced outages, including those at Costa Sur, affected between 89,000 and 175,000 customers at different times. The 15 load-shedding events recorded across July and August show the frequency of these disruptions entering September; only two of those events were directly attributable to transmission and distribution. We continued operating the grid as generation became available and completed transmission work to support the reintegration of EcoEléctrica's units.

10.2 Response to System Events

Sabana Llana. An incident at the substation in Carolina interrupted service to approximately 200,000 customers. Our crews and Control Center stabilized the system within two hours and restored service in phases. Preliminary findings indicate that the incident also caused multiple generating units to shut down. The root cause remains under investigation.

Weather and other events. We activated regional coordination centers and deployed crews during Dolly's remnants. We also responded to an operational event affecting customers primarily in Ponce, Arecibo, Caguas, and San Juan. These responses tested our ability to stabilize the system, restore service safely, and keep customers informed during changing conditions.

10.3 Customer Experience and Trust

Explaining system conditions. We engaged directly with media to explain the generation shortfall, why load shedding was necessary, and our role as the transmission and distribution operator. During Sabana Llana, we

provided updates from the Control Center through our official channels. Clear information remained essential as customers experienced repeated service disruptions.

Making information easier to access. We launched a redesigned website incorporating accessibility standards and operating agreement requirements. We also shared information about available discounts to help eligible customers understand their options.

Direct engagement with customers. Our WhatsApp channel grew to more than 25,000 subscribers this month, giving customers another way to receive timely updates on service and system conditions.

Tracking customer sentiment. Our quarterly reputation survey showed perceptions remained relatively unchanged from the prior quarter. Load shedding continued to weigh on customer confidence, reinforcing the need for measurable service improvements and consistent communication.

10.4 Stakeholders, Safety and Workforce

Connecting improvements to local needs. We met with municipal leaders and residents in Comerio, Arecibo, and Naguabo about streetlights, vegetation, infrastructure, and service concerns. At business forums, we discussed grid improvements and the capacity needed to support new connections and economic growth.

Strengthening the workforce. Fourteen lineworker apprentices graduated from LUMA College's ninth class after demonstrating their skills at the ULP Rodeo. We also introduced students to career opportunities and prepared electrical safety education with the Puerto Rico Department of Education.

10.3 Community Engagement Activities

This month's Community Engagement efforts continue to deliver strong, measurable community impact, with 12 municipalities reached, 14 community events and more than 5,400 customers directly engaged.

In parallel, LUMA supported projects representing more than 75,600 customers, while completing key initiatives such as the Community Dashboard demo, Vegetation Management education and collaborative service support in Arecibo.

Image 1 Community Impact



LUMA's engagement has extended across communities including Arecibo, Barceloneta, Yauco, Bayamón, Vega Baja, Dorado, Fajardo, Vega Alta, Naguabo, Manatí, once, and Carolina, supporting critical Vegetation Management, substation improvements, distribution upgrades, AMI initiatives and customer education.