GOVERNMENT OF PUERTO RICO
PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO ENERGY BUREAU

IN RE: LUMA INITIAL BUDGETS AND RELATED TERMS OF SERVICE	**CASE NO.:** NEPR-MI-2021-0004 **SUBJECT**: Requirement of Information ("ROI") – Joint Reconciliation Plan.

RESOLUTION AND ORDER

I. Introduction

On April 15, 2026, the Energy Bureau of the Puerto Rico Public Service Regulatory Board (the "Energy Bureau"), acting pursuant to its authority under Act 57-2014,[1] issued the Final Resolution and Order on Electricity Rates in Case No. NEPR-AP-2023-0003 (the "Final Rate Order").[2] Among the determinations issued in the Rate Order, the Energy Bureau directed LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly, "LUMA") to file, no later than May 15, 2026, a joint plan—agreed on by LUMA, Genera PR, LLC ("Genera"), and the Puerto Rico Electric Power Authority ("PREPA")—describing the use, during Fiscal Year 2027 ("FY27"), of the Fiscal Year 2026 ("FY26") reconciliation amount of $98,747,153,[3] in the form of an amendment to the FY27 Budget (the "Joint Reconciliation Plan Amendment").[4]

On May 15, 2026, LUMA filed in Case No. NEPR-AP-2023-0003 a document titled *LUMA's Request for Extension of Time to Submit Joint Reconciliation Plan Amendment in Compliance with Final Rate Order* (the "May 15 Motion"). In the May 15 Motion, LUMA requested a brief extension of time, until May 20, 2026, within which to file the Joint Reconciliation Plan Amendment, and represented that Genera joins in the request and likewise seeks an extension to that same date.[5]

On May 19, 2026, the Energy Bureau issued a Resolution and Order in Case No. NEPR-AP-2023-0003 (i) granting the requested extension and (ii) directing LUMA to file the Joint Reconciliation Plan Amendment, and any subsequent filings concerning that amendment, in this docket, *In Re: LUMA Initial Budgets and Related Terms of Service,* Case No. NEPR-MI-2021-0004.

On May 20, 2026, LUMA filed a document titled *LUMA's Submission of Joint Reconciliation Plan Amendment in Compliance with Final Rate Order* ("May 20 Motion"), through which, LUMA filed the Joint Reconciliation Plan Amendment, distributing the reconciliation amount of $98,641,949 consistent with the approved revenue requirement as follows: sixty two percent (62%) to LUMA, sixteen percent (16%) to Genera and three percent (3%) to PREPA. LUMA provided as Exhibit 1, LUMA's Reconciliation Plan, titled, *FY2027 Joint Reconciliation Plan Amendment* which provided the projects and expenditures proposed by LUMA, Genera, and PREPA for their respective allocations of the reconciliation funds.

---

[1] Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").

[2] Final Resolution and Order on Electricity Rates, *In re: Puerto Rico Electric Power Authority Rate Review*, Case No. NEPR-AP-2023-0003, April 15, 2026 (the "Rate Order").

[3] The FY2026 reconciliation amount is stated as $98,747,153 in Chapter One of the Final Rate Order (the "FY26 Total Reconciliation Amount," at 43–44) and as $98,641,949 in Chapter Two (at 7). The Chapter One figure of $98,747,153 is the controlling amount and supersedes the $98,641,949 figure stated in Chapter Two; the Joint Reconciliation Plan Amendment should be sized to $98,747,153.

[4] Rate Order, Chapter Two, Part VIII.C, at 7.

[5] May 15 Motion ¶ 4.

NEGOCIADO DE ENERGÍA
NEPR
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO
DE PUERTO RICO

II. Requirement of Information

The Energy Bureau **DETERMINES** it requires additional information for its review of the FY 2027 Budget Joint Reconciliation Plan Amendment.

The Energy Bureau **ORDERS** LUMA, GENERA and PREPA (HydroCo, HoldCo) to respond by **June 9, 2026**, to the Requirements of Information ("ROI"s) set forth in the **Attachment** to this Resolution and Order.

The Energy Bureau **WARNS** that in accordance with Article 6.36 of Act 57-2014 noncompliance with this Resolution and Order may carry the imposition of fines and administrative sanctions.

Be it notified and published.

Lillian Mateo Santos
Associate Commissioner

Ferdinand A. Ramos Soegaard
Associate Commissioner

Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on May 27, 2026. Chairman Edison Avilés Deliz did not intervene. I also certify that on May 27, 2026. I have proceeded with the filing of this Resolution and was notified by email to: katiuska.bolanos-lugo@us.dlapiper.com; RegulatoryPREBOrders@lumapr.com; margarita.mercado@us.dlapiper.com, Yahaira.delarosa@us.dlapiper.com; jan.albinolopez@us.dlapiper.com; katiuska.bolanos-lugo@us.dlapiper.com; alexis.rivera@prepa.pr.gov; nzayas@gmlex.net; mvalle@gmlex.net; rcruzfranqui@gmlex.net; sromero@sbgblaw.com, jfr@sbgblaw.com, hrivera@jrsp.pr.gov, Ricardo.pallens@genera-pr.com; rramos@splawpr.com; jfernandez@ecija.com; eramos@ecija.com; gcastrodad@ecija.com; legal@genera-pr.com; regulatory@genera-pr.com.

For the record, I sign this in San Juan, Puerto Rico, today May 27, 2026.

NEGOCIADO DE ENERGÍA DE PUERTO RICO
NEPR
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO

Sonia Seda Gaztambide
Clerk

ATTACHMENT

Respondent: LUMA (GridCo)

1. Identify each provision of the Rate Order on which LUMA relies for the proposition that the reconciliation plan may include projects that were not part of the approved FY2026 Budget. Explain specifically how the five corrective maintenance and

ATTACHMENT

Respondent: LUMA (GridCo)

1. Identify each provision of the Rate Order on which LUMA relies for the proposition that the reconciliation plan may include projects that were not part of the approved FY2026 Budget. Explain specifically how the five corrective maintenance and reliability projects satisfy the Chapter Two description of the reconciliation amount as funding "activities that one or more of the utilities would have carried out [during FY2026] to spend those funds, but which they did not carry out."[6]

2. The Rate Order directs that timing or liquidity gaps on Category Two projects be addressed through non-ratepayer liquidity sources (Working Capital Advances, the FFCIA, the Energy Sector Reserve, HUD cost-share funds, and the State Revolving Fund) or, if necessary, a temporary rate adjustment under Section 6.25(d) of Act 57-2014. For each of the five corrective projects, explain why those mechanisms were not used or pursued and why reconciliation funding is proposed instead.[7]

3. Paragraph 63 states that the five corrective maintenance projects have a combined total cost of $30.93 million, while Exhibit 1 reflects a combined total of $29.88 million for those projects. Confirm the correct figure and correct the record as appropriate.

4. For the Facilities (PBFM1) projects—Generator Acquisitions, Water Cisterns, HVAC Replacement, Caguas Regional Project II, Bayamón Regional Projects, Ponce Regional Projects, Arecibo Regional Projects, Mayagüez Regional Projects, San Juan Regional Projects, and Hormigueros Contact Center Relocation and Consolidation—explain why each proposed reconciliation amount differs from the corresponding amount in the Order's Approved NFC Projects table, and confirm that the proposed scope is a subset of, and not in addition to, the approved scope.[8]

5. Regarding the VDI for Azure Virtual Desktop project: the Rate Order approved this project at the Constrained Budget level ($300,000 for FY26; $0 for FY27). Reconcile the statement in paragraph 48 that the project was "approved ... at the requested spending level," and explain the basis for proposing $300,000 of reconciliation funding for a FY2027 spending window.[9]

6. Regarding the Workforce Management System: the Rate Order approved this project at the Constrained Budget level, not at the petitioned (Optimal) level. Reconcile the statement in paragraph 49 that the project was "approved ... at the requested spending level," and identify the FY2026 and FY2027 approved amounts on which the proposed $1.35 million is based.[10]

7. For each of the 32 approved projects, confirm whether the project also receives funding in the approved FY2027 base-rate revenue requirement, and explain how duplicate recovery is avoided where a project is funded both in FY2027 base rates and through the FY2026 reconciliation amount.

---

[6] Rate Order, Chapter Two, at 7.

[7] *Id.*, Chapter Three, at 22, 62.

[8] *Id.*, Chapter Three, at 227–228.

[9] *Id.*, Chapter Six, at 43; Reconciliation Filing ¶ 48.

[10] *Id.*, Chapter Six, at 43; Reconciliation Filing ¶ 49.

8. Distribution System Improvement (DER) — $4.00 million:

   a. Explain how the $4.00 million figure is derived, including how many of the 335 identified transformers and 158 feeders the $4.00 million will address and the unit cost applied.[11]
   b. Reconcile the $4.00 million request with the unit costs in Attachment 1 (planned replacement of approximately $8,395 per transformer).
   c. The Rate Order noted the position that DER-driven distribution capital may be subject to cost responsibility borne by interconnecting project proponents under Act 114-2007 and stated that load-driven DER upgrades remain "subject to the cost responsibility determination for DER-related expenditures addressed separately in this Order." Explain how funding the DER project through the reconciliation amount, which is collected from all customers, is consistent with that cost-responsibility framework.[12]

9. Out of Service Vacuum Switches — $1.32 million:

   a. Provide the complete cost basis for the $1.32 million, including the per-switch cost for the 24 switches identified in Attachment 2 and the supporting workpapers.
   b. Explain why Attachment 2 contains no cost information and provide the cost detail relied upon.
   c. Confirm that the vacuum switch scope falls within PBUT6 and explain how reconciliation funding for that scope is consistent with the exclusion of PBUT6 from base rates.

10. Line 16800 — $4.10 million:

    a. State the FEMA eligibility status of Line 16800, including whether it is the subject of a FEMA Project Worksheet, and explain how reconciliation funding is consistent with the exclusion of PBUT33 from base rates.
    b. Provide the citation to the FY2026 Second Budget Amendment and Reallocation in which the deferral of Line 16800 from FY2026 to FY2027 was proposed.

11. Transformers On-site Preparation Costs — $15.46 million:

    a. Identify, for each of the 28 transformers, whether it is associated with a project currently active in the FEMA execution pipeline, and provide the status of LUMA's stated plan to submit revised FEMA scopes incorporating the on-site preparation activities.
    b. Explain why the on-site preservation and testing costs cannot be funded through the non-ratepayer liquidity tools or the Section 6.25(d) mechanism identified in the Order for PBUT7, and why reconciliation funding is proposed instead.
    c. Identify the "SPARE" transformer line item in Attachment 3 and the substation to which it will be assigned.

12. Covadonga Temporary Repair — $5.00 million:

    a. Identify any provision of the Rate Order, or any approved FY2026 or FY2027 budget, in which this project or its scope was approved or identified.[13]
    b. Provide the complete cost basis and supporting workpapers for the $5.00 million estimate.

---

[11] Reconciliation Filing ¶¶ 64–66; Attachment 1.

[12] *Id.*, Chapter Three, at 52 and at 63; see also Reconciliation Filing ¶ 73.

[13] Rate Order, Chapter Three, at 302; Reconciliation Filing ¶¶ 107–111.

NEGOCIADO DE ENERGÍA DE PUERTO RICO
NEPR
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO

Respondent: GENERA (GenCo)

1. The FY2026 revenue requirement was set at $1,779,624,259, allocated among system components as shown below.[14]

Component	$	%
LUMA	1,108,203,775	62.27
Genera	288,718,261	16.22
PREPA	52,524,314	2.95
Electric System	119,031,846	6.69
Pension	211,146,063	11.86
Total	1,779,624,259	100.00

The FY2026 reconciliation amount — the FY2026 undercollection that is to be recovered from customers during FY2027 — is $98,747,153.[15] Genera's component represents 16.22% of the FY2026 revenue requirement, as shown in the table above. Applying that 16.22% share to the reconciliation amount, Genera's allocated portion of the $98,747,153 is approximately $16.0 million (16.22% × $98,747,153 = $16,016,788).

Genera's portion of the Joint Reconciliation Plan Amendment instead identifies $26,765,598.[16] That amount exceeds Genera's 16.22% allocation by approximately $10.7 million ($26,765,598 – $16,016,788 = $10,748,810) and represents 27.11% of the reconciliation amount, rather than the allocated 16.22%.

a. reconcile that amount with Genera's allocated share of the reconciliation amount, $16,016,788 (16.22% of $98,747,153); and
b. resubmit Genera's portion of the Joint Reconciliation Plan Amendment sized to Genera's established allocation of $16,016,788, so that Genera's proposed projects conform to its 16.22% allocation of the $98,747,153 reconciliation amount.

2. Auxiliary Equipment for all Plants ($7,000,000)

a. Regarding the available funding under PA-02-PR-4339-PRJ-817248 (Power Plant Repairs & System Restoration): Describe how the $7,000,000 Auxiliary Equipment program can be integrated into this specific federal funding stream?
b. Specifically, how has Genera sought to exhaust federal funding options before proposing an adjustment that would directly impact the electricity rate?

NEGOCIADO DE ENERGÍA
NEPR
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO
DE PUERTO RICO

[14] The FY2026 revenue requirement of $1,779,624,259 is the FY2026 permanent revenue requirement established by the Puerto Rico Energy Bureau in the Rate Order, (Percentages are as stated in the record and may not sum to 100.00 due to rounding).

[15] The FY2026 reconciliation amount is stated as $98,747,153 in Chapter One of the Rate Order (the "FY26 Total Reconciliation Amount," at 43–44) and as $98,641,949 in Chapter Two (at 7). The Chapter One figure of $98,747,153 is the controlling amount and supersedes the $98,641,949 figure stated in Chapter Two; the Joint Reconciliation Plan Amendment should be sized to $98,747,153.

[16] *In re: LUMA's Initial Budget*, Case No. NEPR-MI-2021-0004, *Joint Reconciliation Plan Amendment in Compliance with Rate Order*, filed by LUMA on May 20, 2026, ¶ 126.

3. Plant General Maintenance for all Plants ($11,000,000)

   a. For each activity described in the Plant General Maintenance scope — landscaping, fumigation, waste disposal, janitorial and cleaning, air-conditioning services, technical predictive services, vibration and predictive analysis, plant technical advisory services, and the non-capitalizable expenditures referenced — identify the specific line items, accounts, program briefs, or cost categories of Genera's approved FY2026 revenue requirement under which that activity is funded.
   b. Identify the O&M expense categories in Genera's approved FY2026 revenue requirement under which the activities in question a reside, such as Materials and Supplies; Professional and Technical Outsourced Services (or Outside / Contractor Services); Plant Operations and Maintenance; and any "Other O&M" category.
   c. For each plant covered by the request, provide the FY2026 approved O&M budget for plant facilities services (landscaping, fumigation, waste disposal, janitorial and cleaning, air-conditioning services) and for plant support services (technical predictive services, vibration and predictive analysis, plant technical advisory services), broken down by activity and by plant. Identify the portion of the $11,000,000 that is associated with each plant and each activity.
   d. Provide the complete derivation of the $11,000,000 figure, showing the build-up from the activity-, plant-, and contract-level components in questions a through c. Explain how the $11,000,000 corresponds to (a) the FY2026 approved amounts for these activities and contracts, and (b) the portion of those approved amounts that was not funded during FY2026 as a result of the FY2026 under collection that the reconciliation amount is intended to recover.
   e. For each activity, plant, and contract identified in questions 1 through 4, provide actual FY2026 expenditures and outstanding obligations year-to-date, and reconcile the difference between FY2026 actuals (plus outstanding obligations) and the FY2026 approved amount. Identify the dollar amount of any approved FY2026 line item that was not, and is not expected to be, expended or obligated during FY2026, and confirm that the $11,000,000 corresponds to such unfunded approved amounts.

4. NME for all Plants ($8,765,598)

   a. Provide details for each specific project and its associated costs. Also identify whether any of these projects are currently federally funded or have been planned for federal funding.
   b. Provide the implementation status of each program. Are any of these programs still in the pre-execution phase, or have all projects advanced to the execution stage?

NEGOCIADO DE ENERGÍA DE PUERTO RICO
NEPR
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO

Respondent: PREPA

1. PREPA proposes $2.0M for External Audits for FY2024 and FY2025 Ramp Up.

   a. The Energy Bureau approved funding of $1.108 for PREPA for External Audit Services for FY 24 (see CASE NO.: NEPR-MI-2021-0004 issued December 8, 2023) and $2.2 for FY25 (see CASE NO.: NEPR-MI-2021-0004, RO issued June 26, 2024).

      i. Why did the approved funding not cover the FY 24 and FY 25 External Audit expense?
      ii. What did PREPA use the approved funding for instead?

   b. Why does PREPA consider it necessary to accelerate the completion of its FY24 and FY25 external audits? Explain the analysis PREPA performed to make this determination.

   c. Does PREPA have adequate funds to complete the FY 24 and FY 25 audits on their original timetable? If not, what is PREPA doing to secure the necessary funding.

2. PREPA proposes $0.500M for Settlement of Judicial Claims.

   a. Are these proposed settlements for General Civil Cases or Eminent Domain cases? If for Eminent Domain cases, explain how this comports with the Energy Bureau's denial of funding for Eminent Domain Cases in the 2026 Rate Order.

   b. PREPA requests $0.5M for this settlement and states, The remaining balance would be covered through the reserve previously established by the PREB for the settlement of litigation matters. Why does the entire settlement amount not come from the reserve?

   c. Provide quantitative substantiation for PREPA's funding request.

3. PREPA proposes $0.461M for PROTECO Group Trust Fund.

   a. Did the Energy Bureau approve funding for the PROTECO Consent Decree in prior annual budget reviews?

      i. If not, where has funding for prior payments been obtained?
      ii. Why is funding from any prior sources not available?

   b. What is the status of PREPA's Consent Decree obligation to the EPA? What payments are still required and on what timeframe?

4. What work did PREPA forego due to the unavailability of this base rate funding ($2.961M) during FY 26?

   a. What is the status of work that was not done due to unavailability of these funds?

   b. Is it no longer needed?

   c. Is it being delayed, is it being eliminated?

   d. Was it performed with other funding? If so, what Energy Bureau approved work was not completed in FY 26 as a result?