GOVERNMENT OF PUERTO RICO
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:** FY26 Budget Amendment

RESOLUTION AND ORDER

I. Background

On June 24, 2026, LUMA[1] filed a document titled *Motion Submitting Third Amendment to Fiscal Year 2026 Budget* ("LUMA June 24 Motion"), through which LUMA seeks authorization to amend and reallocate funds within its Fiscal Year 2026 ("FY2026") Non-Federally Funded Capital ("NFC") Budget for Necessary Maintenance Expenses ("NME"). As described in the LUMA June 24 Motion, the requested amendment is a zero-sum reallocation of approximately $32.0 million across six Program Briefs—Meter Replacement & Maintenance, Grid Automation, OT Telecom System & Network, Substation Rebuilds, Substation Reliability, and Substation Physical Security—drawing on available balances within the Facilities Development & Implementation Program. According to LUMA, the reallocation does not increase the total NFC amount approved for FY2026 and does not request any increase or change to customer rates; rather, it is intended to align budget allocations with expenditures and commitments that LUMA represents were incurred under the FY2026 Provisional Budget.

II. Discussion

The Energy Bureau has reviewed the LUMA June 24 Motion and its supporting Exhibit and approves LUMA's request to amend and reallocate funds within the FY2026 NFC Budget as requested. The requested reallocation is a zero-sum adjustment that does not increase the total approved NFC amount for FY2026 and does not modify customer rates. On that basis, and to afford LUMA a reasonable degree of flexibility to align its FY2026 budget allocations with expenditures and commitments that LUMA represents were already incurred during the FY2026, the Energy Bureau approves the requested reallocation.

In granting this flexibility, the Energy Bureau cautions LUMA that this approval is not an endorsement of LUMA's budgeting practices. The Energy Bureau recognizes that many of the expenditures and commitments at issue may already have been incurred under the Provisional Budget. A provisional budget, however, is by its nature provisional. The Energy Bureau may adjust provisional allocations upward or downward in the course of setting rates, and LUMA executes against provisional figures on notice that those figures are subject to change. The misalignment that LUMA now asks the Energy Bureau to correct reflects a planning shortfall: LUMA should have planned and sequenced these expenditures with greater discipline, anticipating that provisional allocations could be revised. The Energy Bureau approves the requested reallocation for FY2026 as a one-time accommodation, but expects materially improved budget planning and execution going forward.

Accordingly, LUMA shall adhere to the expenses as approved for FY2027 and FY2028 and shall not rely on after-the-fact reallocations to conform approved budgets to unplanned spending.

[1] LUMA Energy, LLC and LUMA ServCo, LLC (jointly referred as "LUMA").

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III. Conclusion

The Energy Bureau **APPROVES** LUMA's request, set forth in the LUMA June 24 Motion, to amend and reallocate funds within the FY2026 Non-Federally Funded Capital Budget as LUMA requested, subject to the directives set forth in the Discussion section above.

The Energy Bureau **WARNS** that, in accordance with Article 6.36 of Act 57-2014, noncompliance with this Resolution and Order, regulations, and/or applicable laws may carry the imposition of fines and administrative sanctions.[2]

Be it notified and published.

Edison Avilés Deliz
Chairman

Lillian Mateo Santos
Associate Commissioner

Ferdinand A. Ramos Soegaard
Associate Commissioner

Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on June 29, 2026. I also certify that on June 29, 2026 a copy of this Resolution and Order was notified by electronic mail to the following: katiuska.bolanos-iugo@us.dlapiper.com; regulatorypreborders@lumapr.com; margarita.mercado@us.dlapiper.com; yahaira.delarosa@us.dlapiper.com; jan.albinolopez@us.dlapiper.com; alexis.rivera@prepa.pr.gov; nzayas@gmlex.net; mvalle@gmlex.net; rcruzfranqui@gmlex.net; hrivera@jrsp.pr.gov; ricardo.pallens@genera-pr.com; jfernandez@ecija.com; eramos@ecija.com; jdiaz@ecija.com; legal@genera-pr.com; regulatory@genera-pr.com. I also certify that today, June 29, 2026, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, today June 29, 2026.

Wanda I. Cordero Morales
Interim Clerk

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[2] Act 57-2014, art. 6.36.