

Fuel Charge Adjustment (FCA) & Purchased Power Charge Adjustment (PPCA)

Monthly Reconciliation

September 2026



Introduction

This filing presents the reconciliations and operational results for September 2026, including the Fuel Charge Adjustment (FCA), Purchased Power Charge Adjustment (PPCA), consumption and generation trends, and system conditions influencing cost and revenue performance. The period reflects continued operational and financial pressures driven by elevated diesel usage, higher-than-forecast Customer Battery Energy Sharing (CBES) activations, increased demand associated with above-normal temperatures, and unexpected issues across the generating fleet. These factors have contributed to significant variances and continue affecting the Puerto Rico Electric Power Authority's liquidity position.

Fuel Cost and Fuel Charge Adjustment Revenue

FCA & PPCA: SEPTEMBER 2026 RECONCILIATION

The September 2026 reconciliation shows that the FCA revenues were insufficient to cover the cost of fuel consumed, resulting in a shortfall of \$54,373,961.22. However, the PPCA resulted in a credit to customers of \$6,353,403.29.

FCA: September 2026 Reconciliation

Table 1-1 presents the final September 2026 reconciliation, which reflects a required recovery of \$54,373,961.22.

Table 0-1. September 2026 FCA Reconciliation

Fuel Charge Adjustment	September 2026
Fuel Expense System Units	\$204,395,919.88 ¹
Fuel Transferred to Ecoeléctrica	\$18,788,863.83
Prior Period Adjustment per Puerto Rico Energy Bureau (PREB) R&O	<u>\$(140,688.04)</u>
Fuel Cost to be Recovered	\$223,044,095.67
Less: FCA Billed Revenues	\$168,670,134.45
Other Adjustments	-
Amount to be recovered or (credited)	\$54,373,961.22

The cost per barrel for September 2026 was 29.74% higher than forecast, representing an increase of \$22.24 per barrel. This variance was primarily driven by a significant rise in the cost of Distillate #2—35.08% or \$48.18 per barrel above forecast—and Residual Bunker C, which increased 15.80% or \$15.56 per barrel. Natural gas costs, in contrast, remained below the forecasted values.

Distillate #2 consumption increased by 214.43%, with 25.92% of total consumption attributable to facilities that were expected to operate on NFEnergia LLC-supplied natural gas during September 2026.² The substitution of Distillate #2 for natural gas at these facilities produced an estimated incremental cost of \$17.55 million.

FCA revenues exceeded the forecast by 2.01%, yielding approximately \$3.33 million in additional revenues, even after accounting for the deferred amount. Reported revenues already reflect the credits granted to net-metering customers for the energy injected into the system, as required under the applicable current regulation.

¹ Based on REPORTE DE COMBUSTIBLE_2026.09 provided by Genera on October 7, 2026.

² Facilities include Combined Cycle San Juan 5 & 6, San Juan & Palo Seco TM units, and Palo Seco Mobile Packs.

Figure 0-1. September 2026 Forecast and Actual Fuel Usage

	Forecast	Actual	Variance actual - forecast	Variance actual - forecast %
Equivalente Barrels				
Residual - Bunker C	572,584	569,191	(3,393)	-0.59%
Distillate #2	152,686	480,098	327,412	214.43%
Natural Gas	1,402,469	1,251,344	(151,125)	-10.78%
Total Equivalent Barrels	2,127,739	2,300,633	172,894	8.13%
Cost				
Residual - Bunker C	\$ 56,404,522.34	\$ 64,928,695.17	8,524,172.83	15.11%
Distillate #2	\$ 20,968,363.60	\$ 89,061,698.07	68,093,334.47	324.74%
Natural Gas	\$ 81,722,864.87	\$ 69,194,390.46	-12,528,474.41	-15.33%
Total Equivalent Barrels	\$ 159,095,750.81	\$ 223,184,783.70	64,089,032.89	40.28%
\$ per Equivalent Barrel				
Residual - Bunker C	\$ 98.51	\$ 114.07	15.56	15.80%
Distillate #2	\$ 137.33	\$ 185.51	48.18	35.08%
Natural Gas	\$ 58.27	\$ 55.30	(2.97)	-5.10%
Total Equivalent Barrels	\$ 74.77	\$ 97.01	\$ 22.24	29.74%
Revenues				
Total FCA Revenues	\$165,342,691.10	\$168,670,134.45	\$3,327,443.35	2.01%
Gross Consumption (GWh)	1,449.48	1,621.85	172.37	11.89%
Gross Generation (GWh)	1,613.47	1,672.20	58.73	3.64%

System Conditions and Other Factors

Multiple large generating units were forced out of service during September 2026, substantially limiting available capacity across the system. Genera PR reported that 7 of its 14 temporary units were offline, effectively reducing their output by approximately half.³ In addition, AES Unit 1 and Aguirre Unit 2 remained out of service for extended periods. These prolonged outages increased system vulnerability and required reliance on higher-cost contingency resources to meet load, contributing to elevated fuel expenditures.

PPCA: September 2026 Reconciliation

The PPCA reconciliation for September 2026 resulted in a credit of \$6.35 million. PPCA costs were below forecasted levels by \$1.5 million or 2.25%. The Independent Power Producer (IPP) costs were \$7.6 million or 11.84% below forecast, while CBES costs significantly exceeded projections by \$6.11 million. Of the total PPCA cost, 90.02% corresponded to the IPPs and 9.69% to CBES.

PPCA revenue exceeded the forecast by \$1.42 million or 1.90%. Reported revenues already reflect the credits granted to net-metering customers for the energy injected into the system, as required under the applicable current regulation.

With respect to CBES, the number of activations and associated costs increased substantially during the month. The PPCA approved by PREB included zero forecasted activations for September. However, actual activity reflected 14 CBES events, with participation reaching a record 114,428 participants.

³ M. Guillama Capella, "Genera PR has no answers for rapid deterioration of Puerto Rico's temporary power generators," in: El Nuevo Día, September 14, 2026, [Genera PR has no answers for rapid deterioration of Puerto Rico's temporary power generators - El Nuevo Día](#) (last visit, October 14, 2026).

Table 1-2. September 2026 PPCA Reconciliation

Purchased Power Charge Adjustment	Sept 2026
Cogenerators and Renewables	\$56,882,442.25
Customer Battery Energy Sharing (CBES) Costs	\$6,119,999.94
ASAP Costs	\$183,072.50
Purchased Power Cost	\$63,185,514.69
Prior Period Adjustment per PREB R&O	\$6,893,396.66
Purchased Power Cost	\$70,078,911.35
Less: PPCA Billed Revenues	\$76,432,314.64
Amount to be recovered or (credited)	\$(6,353,403.29)

Load

Consumption for September 2026 exceeded the forecast by 11.89%. This level of consumption includes the electricity supplied from the grid to Net Metering (NM) customers. Gross generation was 3.64% above forecast, while NM exports totaled 97.7 GWh, representing an 18.97% increase over September 2025. When combined, gross generation and NM injections resulted in a 2.85% increase compared with the same month of the prior year.

Warmer Weather (CDD) – Impact to System Load

Cooling Degree Days (CDD) measures the extent to which temperatures exceed 65°F and serves as an indicator of cooling demand. Higher CDD values typically correspond to increased electricity usage, particularly due to air-conditioning loads. In September 2026, although temperatures were lower than those recorded in July and August, the CDD exceeded September 2025 levels by 15°F. This month ranked as the third-highest CDD month of the 2026 summer season, contributing to significantly elevated energy consumption.