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

IN RE: REVIEW OF THE PUERTO RICO ELECTRIC POWER AUTHORITY'S 10-YEAR INFRASTRUCTURE PLAN-DECEMBER 2020	**CASE NO.:** NEPR-MI-2021-0002 **SUBJECT:** Resolution and Order for Status of FEMA-Funded Projects, Project Completion Schedules, and Protection of Federal Funding.

RESOLUTION AND ORDER

I. Introduction

On March 26, 2021, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("March 26, 2021 Resolution and Order") requiring the Puerto Rico Electric Power Authority ("PREPA") to submit proposed transmission and distribution projects ("T&D Projects") to the Energy Bureau for review prior to submission to the Central Office for Recovery, Reconstruction, and Resiliency ("COR3"), the Federal Emergency Management Agency ("FEMA"), or any other federal agency, and to continue reporting on the status of such projects. The Energy Bureau subsequently determined that these requirements also apply to LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly, "LUMA"). On April 22, 2026, the Energy Bureau extended the applicable reporting period for an additional five (5) years, while maintaining the remaining provisions of the March 26, 2021 Resolution and Order in full force and effect.

On June 3, 2025, FEMA requested that PREPA submit a prioritized list of projects to allocate the remaining approximately $3.62 billion available under the FEMA Accelerated Award Strategy ("FAASt"). In response, PREPA, in coordination with LUMA and Genera PR LLC ("Genera"), developed a Consolidated FAASt Project List to prioritize projects within the available FAASt funding allocation. PREPA submitted the Final Consolidated FAASt Project List to FEMA on July 31, 2025.

On August 8, 2025, PREPA submitted the Consolidated FAASt Project Plan ("Consolidated Project List"), developed in coordination with LUMA and Genera. The Consolidated Project List established the portfolio of projects to advance within the available FEMA funding allocation and identified other projects as inactive.

On November 7, 2025, as part of its review of the Consolidated Project List, the Energy Bureau issued a Resolution and Order requiring PREPA, LUMA, and Genera to provide additional information regarding whether the Consolidated Project List adequately addressed the damages included in the FEMA allocation, unrepaired damages, and the financial impacts associated with the inactive project portfolio. PREPA, LUMA, and Genera subsequently filed motions in compliance with the November 7 Order.

Following its review of those filings, on February 5, 2026, the Energy Bureau issued a Resolution and Order establishing an Updated Allocation Framework and directing PREPA, LUMA, and Genera to undertake additional reconciliation and validation actions necessary for its implementation. These actions included reconciling Section 428 and Section 406 costs, identifying potential duplication of funding between child projects and Global Project Worksheets, validating applicable mitigation components, confirming the completeness of the inactive T&D project portfolio, and establishing the implementation steps and schedules necessary to complete the reconciliation process.

On May 14, 2026, LUMA submitted an adjusted Consolidated Project List and a revised proposed Attachment A. Thereafter, on June 18, 2026, the Energy Bureau approved Attachment A, as modified by the Energy Bureau ("Modified Attachment A"), and ordered

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that the projects included therein be incorporated into the Consolidated Project List for continued FEMA and COR3 processing.

On August 11, 2026, the Energy Bureau established additional cost controls for the Consolidated Project List, determining that the approved project costs constitute the applicable regulatory baselines and that the aggregate amount approved for the Consolidated Project List, including Modified Attachment A, represents the maximum portfolio-level funding authorization. Project-level increases, savings, underruns, reconciliations, and other funding adjustments may be managed within the approved portfolio, but any resulting funding gap must be addressed through available funding capacity and may not increase the approved aggregate amount without prior Energy Bureau authorization.

II. Evaluation

The Energy Bureau's approval of the Consolidated Project List, including Modified Attachment A, established the regulatory framework for advancing the identified projects through the applicable federal funding processes. Having completed its regulatory evaluation and issued the corresponding approvals, the Energy Bureau expects PREPA, LUMA, and Genera, within their respective responsibilities, to diligently advance the approved projects through FEMA obligation, procurement, construction, and completion, subject to applicable federal requirements.

The Energy Bureau emphasizes that regulatory approval does not constitute FEMA approval or obligation of federal funds. Nevertheless, the regulatory approvals already granted provide the framework necessary for the responsible entities to advance project implementation without unnecessary delay. The responsibility to complete outstanding federal requirements, secure the necessary obligations, and demonstrate measurable implementation progress rests with the respective entities responsible for executing the projects.

The approaching September 20, 2027, period of performance represents a critical milestone for the implementation of the Consolidated Project List and the preservation of available FEMA funding. The Energy Bureau emphasizes that PREPA, LUMA, and Genera must undertake all necessary actions to secure outstanding federal obligations and ensure the timely completion of all projects under their respective responsibility by September 2027, unless an extension is duly authorized by the appropriate federal authorities. Given the significant federal resources allocated to Puerto Rico's electric system and the potential financial consequences for ratepayers, the Energy Bureau considers it imperative that all approved projects advance without unnecessary delay.

Accordingly, the Energy Bureau finds it necessary to obtain a comprehensive and updated assessment of all projects included in the approved Consolidated Project List. To facilitate this evaluation, the Energy Bureau has prepared Exhibit I to this Resolution and Order, which contains separate worksheets for PREPA, LUMA, and Genera and establishes a uniform reporting format for the projects under their respective responsibility.

Through Exhibit I, each entity must review and validate the project information against FEMA's Grants Portal, including the current federal obligation status, obligated amounts, and applicable project identification information. In addition, each entity must verify the accuracy of the project costs currently reflected in the approved Consolidated Project List, including the corresponding Section 428 and Section 406 cost components and applicable Architecture and Engineering (A&E) and Equipment and Materials (E&M) allocations. Where a project cost requires correction or adjustment, the entity responsible must identify the adjustment and provide the corresponding updated amounts in Exhibit I for Energy Bureau

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evaluation and approval. These updates will allow the Energy Bureau to reconcile its approved cost baselines with the information currently available to the implementing entities and determine whether further regulatory action is warranted.

Exhibit I also requires each entity to provide updated information regarding the implementation status and anticipated schedule of every project. For projects that have not yet received FEMA obligation, the responsible entity must identify the expected obligation date. Each entity must also provide the anticipated commencement dates for design and construction, identify the estimated project stage as of September 2027, and indicate whether an extension of the applicable federal completion period will be required, together with the corresponding justification.

The Energy Bureau emphasizes that the identification of a potential cost adjustment or the need for an extension does not constitute authorization to modify an approved project cost or extend an applicable federal deadline. Any such action remains subject to the corresponding regulatory determinations and federal approval requirements. Furthermore, the identification of a potential extension shall not relieve the responsible entity of its obligation to diligently advance project execution and pursue timely completion.

Failure to timely advance approved projects, secure outstanding federal obligations, or comply with applicable completion requirements could place federal funding at risk and potentially affect the financial assumptions underlying the approved electricity rates. Accordingly, the information requested through Exhibit I is necessary for the Energy Bureau to validate the current Consolidated Project List, assess implementation schedules, identify potential funding and execution risks, and ensure that PREPA, LUMA, and Genera are taking the necessary actions to maximize the utilization of available federal funds and protect electricity customers from avoidable financial exposure.

III. Conclusion

The Energy Bureau **ORDERS** PREPA, LUMA, and Genera to submit, **within twenty (20) calendar days from notification of this Resolution and Order**, their respective completed worksheets included in Exhibit I, which forms an integral part of this Resolution and Order.

Each entity **SHALL** review and validate the project information included in its corresponding worksheet against FEMA's Grants Portal and provide the requested information regarding federal obligations and project costs. Each entity **SHALL** also confirm the accuracy of the project costs reflected in the approved Consolidated Project List and, where corrections or adjustments are necessary, identify the affected projects and provide the updated amounts in the corresponding fields of Exhibit I for Energy Bureau evaluation.

In addition, each entity **SHALL** complete the project implementation information requested in Exhibit I, including the expected FEMA obligation date for projects not yet obligated, the anticipated design and construction commencement dates, the estimated project stage as of September 2027, and whether an extension of the applicable federal completion period will be required, together with the corresponding justification.

The completed worksheets **SHALL** be submitted in editable Excel format, maintaining all projects included in the respective worksheets of Exhibit I. Any information that cannot be verified or provided must be expressly identified and explained in the accompanying filing. **Any proposed corrections or adjustments to project costs shall reconcile with the funding amount allocated to the respective entity** and shall be clearly identified and supported in the filing. Any such corrections or adjustments shall remain subject to the Energy Bureau's evaluation and subsequent approval and shall not constitute authorization to modify previously approved regulatory cost baselines or the aggregate portfolio funding authorization.

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The Energy Bureau **REAFFIRMS** that the timely execution of the approved Consolidated Project List is essential to maximizing the utilization of available federal funding and protecting electricity customers from avoidable financial exposure.

The Energy Bureau **WARNS** PREPA, LUMA, and Genera that failure to comply with the directives established herein, may subject the noncomplying entity to the applicable administrative remedies and sanctions authorized under Act 57-2014[1], as amended.

To support these efforts, the Energy Bureau authorizes its staff and consultants to engage in informal technical meetings with representatives and/or consultants of PREPA, LUMA, and Genera, for the purpose of clarifying the requirements set forth in this Resolution and Order, as well as other matters related to the request. However, it is expressly clarified that Energy Bureau staff and consultants are not authorized to make binding representations or commitments on behalf of the Energy Bureau. The final authority regarding the evaluation and determination of the information submitted rests exclusively with the Commissioners.

Be it notified and published.

Edison Avilés Deliz
Chairman

Ferdinand A. Ramos Soegaard
Associate Commissioner

Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

Omar M. Rodríguez González
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on November 4, 2026. I also certify that on November 4, 2026, I have proceeded with the filing of this Resolution and Order and was notified by email to regulatory@genera-pr.com, legal@genera-pr.com, jfernandez@ecija.com, eramos@ecija.com; jdiaz@ecija.com, sromero@ecija.com; alexis.rivera@prepa.pr.gov; nzayas@gmlex.net; mvalle@gmlex.net; rcruzfranqui@gmlex.net; Yahaira.delarosa@us.dlapiper.com; Emmanuel.porrogonzalez@us.dlapiper.com.

I sign this in San Juan, Puerto Rico, today November 4, 2026.

Sonia Seda Gaztambide
Clerk

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