LUMA
People first. Safety always.

April 15, 2025 Sent via email: ocarlo@carlolaw.com

Mr. Osvaldo Carlo Linares
Chief Compliance Officer and President
ReComS Group
#1509, Calle Lopez Landron, PH
San Juan, PR 00911

Re: 3PPO-0312-19-TL25 Transmission Lines Construction

Dear Mr. Carlo:

Reference is made to Addenda #2 Clarification Regarding Project Labor Agreement ("Addenda") issued by the Third-Party Procurement Office ("3PPO") on April 14, 2025, modifying Request for Proposal No. 3PPO-0312-19-TL-25 (RFP), informing proponents of said RFP that, pursuant to Executive Order 2025-015 ("EO2025-015"), the general requirement for the use of Project Labor Agreements (PLAs) in government-funded construction projects in Puerto Rico has been eliminated, thus, a PLA is not required for the work associated with the RFP.

LUMA hereby notifies the 3PPO that, contrary to 3PPO's assertion, EO2025-015 did not affect the validity of the PLA between LUMA and the International Brotherhood of Electrical Workers Local 222 ("Union"), therefore the directive issued by the 3PPO is null and must be reverted.

On March 18, 2021, LUMA entered into the aforementioned LUMA PLA with the Union. This agreement is designed to govern the construction and maintenance of electrical transmission lines, distribution lines, catenary and trolley facilities, switch yards, and substations on properties known or formerly known as Puerto Rico Electric Power Authority ("PREPA").

On February 20, 2022, the then Governor of Puerto Rico, Hon. Pedro R. Pierluisi, issued Executive Order 2022-014 ("EO2022-014"), which, in its relevant part, introduced a Pilot Program for the Incorporation of Project Labor Agreements in construction projects exceeding $5 million which are funded wholly or partially with federal funds designated for reconstruction and recovery, specifically from the Federal Emergency Management Agency ("FEMA") Public Assistance program under Section 406 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988. The LUMA PLA does not follow the Model PLA created under EO2022-014, or the projects covered under said Order.

On March 19, 2025, the Governor of Puerto Rico, Hon. Jennifer González Colón, issued EO2025-015, which repeals the last paragraph of section 2 and sections 4 to 8 of the EO2022-014, thereby prospectively revoking the requirement for contractors and subcontractors to adopt the Model PLA for government construction projects established in EO2022-014.

The LUMA PLA is a contract between LUMA and the Union that was not impaired or affected in any way through EO2025-15. As outlined above, the LUMA PLA predates EO2022-014, thus its validity and effect are not contingent on the validity of said EO2022-014. Furthermore, the LUMA PLA does not follow the Model PLA created under EO2022-014. To the extent that EO2025-015 targets the agreements established under EO2022-014, it does not apply to pre-existing agreements such as the LUMA PLA. Additionally, the procurement processes followed for LUMA contracts and the resulting participation by local contractors do not conform to the assumptions contained in EO2025-015. Therefore, the LUMA PLA remains valid for all construction projects under its defined scope, regardless of changes in government policy.

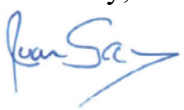
Based on the above, LUMA requires that the 3PPO revert the clarification contained in the Addenda pertaining to the requirement of the inclusion of the LUMA PLA in the RFP.

Notwithstanding the position expressed herein, LUMA informs, as it has previously done, that it is currently working with the Union to further adapt to the realities that Puerto Rico is facing today.

Finally, LUMA asks 3PPO to please refrain from using the "LUMA" logo on documents previously not approved by LUMA, avoiding any misconception that proponents could reach when receiving such notification from your office.

We remain available at your earliest convenience to begin working collaboratively for the benefit of our customers, the people of Puerto Rico.

Sincerely,



Juan Saca
President & Chief Executive Officer
LUMA Energy ServCo, LLC

cc.

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