Docusign Envelope ID: 24AA0642-B48A-8566-80C3-8093F3B8C205

PUBLIC-PRIVATE PARTNERSHIPS AUTHORITY
GOVERNMENT OF PUERTO RICO

CZAR ENERGY
GOVERNMENT OF PUERTO RICO

Eng. Josué A. Colón Ortiz I Executive Director

July 18, 2026

BY ELECTRONIC MAIL
janisse.quinones@lumapr.com

Eng. Janisse Quiñones
President and Chief Executive Officer
LUMA Energy, LLC and
LUMA Energy ServCo, LLC
San Juan, Puerto Rico 00936-3508

Dear Engineer Quiñones:

Initial
JQO

Re.: July 16, 2026 Disturbance Affecting the Costa Sur 230 kV Transmission System

Reference is made to the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the "T&D OMA"), executed on June 22, 2020, by and amongst the Puerto Rico Electric Power Authority ("PREPA"), the Puerto Rico Public-Private Partnerships Authority ("P3A"), and LUMA Energy, LLC and LUMA Energy ServCo, LLC (together, "LUMA").

Under the T&D OMA, LUMA is entrusted with the operation and maintenance of Puerto Rico's transmission and distribution system. That responsibility carries corresponding contractual obligations to operate the system safely, reliably, and in accordance with Prudent Utility Practice; to provide an Essential Public Service; to preserve the integrity and security of the electric grid; to furnish information requested by PREPA and P3A; and to cooperate fully with the Owner's oversight and audit functions, including those reflected in Sections 3.7 (Essential Public Service), 3.8 (Reporting Obligations), 5.1 (Services Generally), 5.14 (Information), 5.16 (Compliance with Obligations), 6.1 (Rights and Responsibilities of Owner), and 6.3 (Reporting; Audits). These obligations are not limited to restoring service after an event has occurred; they require the proactive operation, inspection, maintenance, and protection of the transmission system to identify, mitigate, and correct conditions that could compromise the reliability, resiliency, and security of Puerto Rico's bulk electric system. It is against that contractual framework that the P3A expresses its concern regarding the sequence of events that occurred on

Docusign Envelope ID: 24AA0642-B48A-8566-80C3-8093F3B8C205

July 16, 2026, involving the Costa Sur generation complex and the associated 230 kV transmission facilities operated by LUMA.

Earlier that afternoon, at approximately 1:05 p.m., Costa Sur Unit 5 experienced a forced outage due to an apparent generating unit failure. That event resulted in temporary service interruptions affecting approximately 9.34% of PREPA's customers. The electric system, however, was substantially restored and stabilized in less than an hour, indicating that the earlier disturbance had been successfully contained.

Later that evening, after the system reached a peak demand of approximately 2,982 MW at 7:49 p.m., a second and materially different disturbance occurred involving the Costa Sur 230-kV Transmission Center and the 230-kV Line 50400 connecting the Costa Sur and Mayagüez Transmission Centers. Unlike the earlier generation-related event, this second disturbance originated within the transmission system and ultimately resulted in the forced outage of Costa Sur Unit 6 at approximately 8:26 p.m., and caused service interruptions affecting approximately 12.8% of PREPA's customers. Based on information provided by Genera PR, LLC (“Genera”) and discussions with EcoEléctrica, the same disturbance reportedly came close to causing the simultaneous loss of EcoEléctrica's generating units. Similar operating conditions have contributed to previous cascading events that culminated in island-wide outages. Consequently, this event presents serious reliability concerns that warrant a thorough engineering investigation to identify and correct its initiating cause before a similar disturbance results in a broader system failure.

Initial
NO

Immediately following the event, P3A and the Office of the Energy Czar publicly communicated the information then available from the respective technical personnel of Genera and LUMA. As additional technical information became available over the ensuing hours and days, it became evident that this incident presented issues extending well beyond a localized transmission interruption and warranted a comprehensive engineering evaluation.

According to information provided today by Genera’s technical personnel, the disturbance involving the 230 kV Line 50400 and the Costa Sur 230 kV Transmission Center initiated the sequence of events that resulted in the unexpected trip of Costa Sur Unit No. 6. During the subsequent efforts to return the unit to service on July 17, 2026, the unit sustained damage to the support system of several of its main steam lines, requiring additional repairs. Regardless of the immediate mechanism by which that damage occurred, the information presently available indicates that it arose during a chain of events that would not

Docusign Envelope ID: 24AA0642-B48A-8566-80C3-8093F3B8C205

have been initiated absent the July 16 transmission disturbance. As a consequence, Genera presently estimates that Costa Sur Unit No. 6 will remain unavailable for approximately two weeks. This represents a significant reduction in available generating capacity during the period of highest seasonal demand and further underscores the importance of promptly identifying and correcting the initiating cause of the underlying transmission disturbance.

P3A has already instructed Genera to accelerate ongoing repair activities affecting Costa Sur Unit No. 5 (400 MW), Palo Seco Unit No. 4 (200 MW), and San Juan Unit No. 7 (100 MW), representing approximately 700 MW of additional generating capacity, with the objective of returning those units to service on or before Monday, July 20, 2026. These mitigation measures, however, do not diminish the need for LUMA to identify, address, and correct the conditions that originated the July 16 transmission disturbance. Restoring generation capacity and preventing recurrence are complementary - not alternative - objectives.

Initial
KO

Moreover, during your public statements following the incident, you indicated that LUMA had confirmed the operation of various protection devices but had not yet identified the initiating event that caused those protection systems to operate. Given the operational consequences now known to have resulted from this event, identifying the initiating cause and implementing all necessary corrective actions is of paramount importance to the continued reliability and security of Puerto Rico's electric system.

This matter therefore extends well beyond a routine service interruption. Rather, it involves an apparent disturbance affecting critical 230 kV transmission infrastructure that resulted in the loss of 400 MW of generation capacity during the highest demand season. Further, it reduce available generation reserves, placed another major generating facility at risk, and has now resulted in a prolonged reduction of available generation capacity. These circumstances warrant LUMA's highest operational priority.

Accordingly, P3A hereby requests that LUMA immediately undertake a comprehensive root cause engineering investigation of this event. At a minimum, such investigation should include:

1. preparation of a complete root cause analysis establishing the sequence of events that produced the disturbance.

2. A comprehensive inspection and testing of all equipment associated with the Costa Sur 230 kV Transmission Center.

Docusign Envelope ID: 24AA0642-B48A-8566-80C3-8093F3B8C205

3. A comprehensive inspection and testing of 230 kV Line 50400 and all associated equipment.

4. Verification and evaluation of the operation and coordination of all applicable protection systems, including relay settings, breaker operations, communications, and associated protection schemes.

5. Identification of any equipment malfunction, operational deficiency, protection miscoordination, or other contributing factor associated with the disturbance.

6. Identification and implementation of all corrective measures necessary to eliminate the conditions that produced the event and prevent recurrence.

7. Identification of any interim operational restrictions or mitigation measures implemented pending completion of the investigation.

Initial
NO

P3A further requests that LUMA immediately preserve all records and engineering data associated with this event, including, but not limited to:

- relay event files;
- oscillography and digital fault recorder files;
- SCADA and Energy Management System logs;
- sequence-of-events records;
- breaker operation and maintenance records;
- protection relay settings;
- disturbance recordings;
- synchrophasor or PMU data, if available;
- communications associated with protection systems; and
- all operator logs, dispatch records, and engineering analyses relating to the event.

Given the operational consequences now known to have resulted from this event, P3A request that this investigation receive LUMA's highest operational priority.

Docusign Envelope ID: 24AA0642-B48A-8566-80C3-8093F3B8C205

Please provide, within five (5) business days of receipt of this correspondence, a preliminary written engineering assessment identifying LUMA's findings to date, the initiating event if known, the interim corrective measures implemented, and the anticipated schedule for completion of the final root cause analysis and implementation of all permanent corrective actions.

Nothing contained in this correspondence shall be construed as a waiver of any rights, remedies, contractual authority, or legal position available to P3A, or the Government of Puerto Rico, all of which are expressly reserved.

Cordially,

Signed by:

Josué A. Colón Ortiz

ACAE19A8DEF549C...

Josué A. Colón-Ortiz
Energy Czar of Puerto Rico
Executive Director, P3A

c Robert F. Mujica, Executive Director, FOMB, robert.mujica@promesa.gov
Mary C. Zapata Acosta, Executive Director, PREPA, mary.zapata@prepa.pr.gov
Jesús Bolinaga, President & CEO; AES; jesus.bolinaga@aes.com
Winnie Irizarry, CEO Genera PR: Winnie@genera-pr.com
Carlos Reyes, Carlos Reyes; creyes@ecoelectrica.com
Francisco Prego, VP T&D OMA Contract Management, LUMA, francisco.prego@lumapr.com
Alejandro J. Figueroa Ramírez, Chief Regulatory Officer, LUMA, alejandro.figueroara@lumapr.com
Ángel Rotger Sabat, Chief Legal Officer, LUMA, angel.rotger@lumapr.com
Michael A. Juarbe, VP of Government Affairs, LUMA: michael.juarbe@lumapr.com
Rebeca I. Maldonado, Director of Government Affairs and Public Policy, LUMA: rebeca.maldonadomora@lumapr.com
Lionel Santa Crispín, Chief Legal Officer, P3A, lionel.santa@p3.pr.gov
Rubén Lugo Mas, Contract Compliance Manager, P3A; ruben.lugo@p3.pr.gov
Administrator@p3..pr.gov; p3a@lumamc.com