

November 16, 2023

To: Puerto Rico Electric Power Authority ("PREPA")

Attention: Josué Cólón Ortiz

Executive Director

PO BOX 364267

San Juan, Puerto Rico 00936-4267

Re: Notice of PREPA Non-Compliance with Service Accounts Funding – October 2023

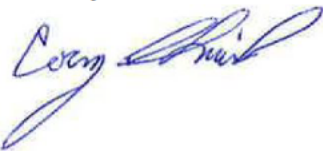
LUMA is providing written notice of PREPA's failure to fund the Service Accounts by November 14, 2023, as required under Section 7.5 of the T&D OMA¹, which states Owner shall replenish the Service Accounts no later than the tenth (10th) Business Day of each month in accordance with the funding requirements for each Service Account. Attached is the October Service Accounts Funding notification (LUMA-PREP-T-00647), which was sent on November 8, 2023.

PREPA failed to provide funding prior to the tenth (10th) Business Day. Furthermore, once funding was received on the eleventh (11th) Business Day, PREPA failed to fully fund the requisite funding for the Operating Account (Section 7.5(a)(ii)), the Purchased Power Account (Section 7.5 (e)(ii)), and Capital Account – Non-Federally Funded (Section 7.5 (c)(iii)). Additionally, as required under Section 3.3 of the PGHOA², PREPA has failed to provide the requisite funding for the Genco Operating Account and the Genco Fuel Account.

This is the twelfth consecutive month in which PREPA has not fully funded one or more of the Service Accounts and thus has failed to comply with its contractual obligations, in breach of the T&D OMA. In each month after PREPA did not fully fund the Service Accounts, LUMA formally notified PREPA of its non-compliance. Despite these notifications, PREPA did not act and remained non-compliant with its T&D OMA requirements under Section 7.5 of the T&D OMA.

PREPA's obligation to timely and fully fund the Service Accounts as required by Section 7.5 of the T&D OMA is a material obligation under the T&D OMA. As such, LUMA requests PREPA to discontinue this recurring practice immediately and wholly fund the Service Accounts outlined above without delay. LUMA reserves all rights and remedies under the T&D OMA and applicable law and equity with respect to the subject of this notice.

Sincerely,



Corey Schneider

Chief Financial Officer

¹ The Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement ("T&D OMA") executed on June 22, 2020, 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 (collectively, "LUMA")

² The Puerto Rico PREPA-GenCo-HydroCo Operating Agreement ("PGHOA") executed on June 19, 2023, amongst the Puerto Rico Electric Power Authority ("PREPA"), PREPA Genco LLC ("Genco"), PREPA Hydroco LLC ("Hydroco"), LUMA Energy ServCo, LLC ("LUMA"), and the Puerto Rico Public-Private Partnerships Authority ("P3A")



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