

July 2, 2025

To: Puerto Rico Public-Private Partnership Authority ("P3A")

Attention: Ezequiel J. Nieves
Project Monitoring and Federal Funding Director
Roberto Sánchez Vilella (Minillas) Government Center
De Diego Ave. Stop 22
San Juan, PR 00907

RE: LUMA's Response to P3A's June 21th Letter, Re: Use of Seconded Employees and FEMA Appeal

Dear Director Nieves:

We write in response to your letter dated June 21, 2025, concerning the eligibility for reimbursement of costs associated with work performed by LUMA employees seconded from affiliates of our parent companies, and LUMA's Appeal to the Federal Emergency Management Agency's ("FEMA") April 25, 2025, Determination Memorandum ("April 25th DM").

We hereby inform P3A that on June 24, 2025, LUMA filed its First Appeal of the April 25th DM issued by FEMA's Puerto Rico Recovery Office regarding the cost of LUMA's seconded labor in the performance of federally funded work. LUMA requested FEMA to rescind the April 25th DM, confirm that LUMA's secondment agreements are not subject to the federal procurement standards at 2 C.F.R. Part 200 Subpart D, and confirm that the costs incurred by the Puerto Rico Electric Power Authority ("PREPA") for the performance of eligible work by LUMA's seconded labor are reasonable and eligible for Public Assistance reimbursement.¹

We reiterate that FEMA's April 25th DM is detrimental to ongoing reconstruction efforts, risk unwarranted delays in completing critical work and go against the contractual and legal framework established and agreed upon by the Government of Puerto Rico and LUMA after an 18 month long competitive procurement process. The Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement ("T&D OMA")² lays the basis for the partnership relationship between LUMA, P3A and PREPA, and each party's shared goal of maximizing federal funding opportunities.³ It is in that framework that we reiterate LUMA's request for P3A and PREPA to work with LUMA to demonstrate that FEMA's interpretation of the T&D OMA and the determinations resulting from such interpretation are legally and factually incorrect.⁴

¹ See, as Attachment 1 signed copy of LUMA's First Appeal of the April 25th DM issued by FEMA.

² The Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement 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 (collectively, "LUMA").

³ See, T&D OMA § 5.9(a).

⁴ *Id.*



We remain available to keep working collaboratively for the benefit of our customers, the people of Puerto Rico.

Sincerely,

Alejandro J. Figueroa

Alejandro J. Ramirez Figueroa
Chief Regulatory Officer

cc: Robert F. Mujica, Executive Director, FOMB; robert.mujica@promesa.gov
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