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GOVERNMENT OF PUERTO RICO

Eng. Josué A. Colón Ortiz I Executive Director

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VIA ELECTRONIC MAIL
the.secretary@hq.doe.gov
jose.benitez@hq.doe.gov
isahi.corteshunt@hq.doe.gov

The Honorable Chris Wright
Secretary
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Dear Secretary Wright:

Re.: Continued Importance of Emergency Orders Issued Pursuant to Section 202(c) of the Federal Power Act for the Stabilization and Reliability of Puerto Rico's Electric System

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In my capacity as Puerto Rico's Energy Czar, I respectfully submit this communication to underscore the continuing importance of the emergency orders issued by the U.S. Department of Energy ("DOE") pursuant to Section 202(c) of the Federal Power Act. Most recently, DOE renewed these emergency measures through Orders No. 202-25-1E and 202-25-2E, effective August 10, 2026, through November 7, 2026. At the outset, I wish to express my sincere appreciation to President Donald J. Trump, and yourself, as well as the dedicated leadership and staff of DOE; and to the broader Federal Government, for the extraordinary attention, assistance, and continued partnership extended to Puerto Rico and Governor Jenniffer González-Colón's administration during this critical period for our electric system. That federal engagement has been instrumental in helping Puerto Rico address immediate reliability challenges while advancing the longer-term stabilization and transformation of the Island's energy infrastructure.

As part of my responsibility to coordinate and advance Governor González-Colón and her administration's efforts to stabilize and strengthen the electric system, I have closely followed the implementation and operational impact of these emergency measures across the generation and transmission and distribution systems. The record developed during 2025 and 2026 demonstrates that DOE's emergency actions have provided essential and

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targeted operational flexibility and have functioned as complementary stabilization tools: preserving generation that otherwise could become unavailable during periods of critically low reserves, while accelerating critical work needed to reduce transmission constraints, address vegetation-related reliability risks, and strengthen the overall reliability and resilience of Puerto Rico's electric grid.

Puerto Rico remains in a period of transition in which permanent reconstruction, generation rehabilitation, new resource additions, and transmission and distribution improvements are advancing, but have not yet eliminated the system's immediate vulnerabilities. DOE's Section 202(c) orders have helped bridge that gap. Their value should therefore be evaluated not only by reference to individual emergency events, but by the cumulative role they have played in preserving available generation, maintaining operating reserves, reducing the probability of load shedding and cascading outages, and accelerating corrective measures across the bulk power system. As discussed below, the experience of the past year demonstrates that the generation and transmission-related emergency orders address distinct but interdependent vulnerabilities and, taken together, have become essential components of the broader effort to stabilize Puerto Rico's electric system while permanent solutions continue to be implemented.

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I. Generation Reliability and the Continuing Resource-Adequacy Emergency

The most recent resource-adequacy evidence confirms that Puerto Rico continues to face a structural generation deficiency. In its September 4, 2026, update to the Puerto Rico Energy Bureau ("PREB"), LUMA Energy, LLC ("LUMA") concluded that the Island continues to face a persistent generation supply deficit of approximately 700–850 megawatts ("MW"), driven by an aging fleet, frequent forced outages and peak demand intensified by extreme heat. LUMA further concluded that the addition of approximately 800 MW of firm generation could bring the system close to the North American industry benchmark of one loss-of-load-expectation event in ten years. LUMA explains that nameplate capacity materially overstates capacity actually available to serve load. The study uses a weighted forced-outage rate of approximately 17 percent, compared with a cited U.S. fossil-fleet benchmark of 8.5 percent. Aguirre Unit 1, a 450 MW baseload unit, has remained unavailable following its February 2025 failure, while maintenance on other major units has repeatedly had to be deferred to preserve near-term supply. LUMA warns that deferring maintenance may temporarily preserve capacity but also increases the risk of future forced outages and further compresses already-limited maintenance windows.

Actual system performance confirms that these risks are not theoretical and, importantly, are not limited to generation availability. LUMA reported that 15 manual load-shedding events occurred in July and August 2026 alone and that,

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by August 16, 2026, such events had already occurred during the May–August period—twice the eight events projected by its Base Case for the entire May–October 2026 study period. LUMA also reported that actual peak demand reached approximately 3,234 MW in August 2026, the highest peak demand recorded during the prior four years. These conditions demonstrate how limited reserve margins leave the system particularly vulnerable to the loss of generation or to disturbances elsewhere on the grid. The underlying generation fleet remains fragile.

The events experienced since July 16, 2026, further demonstrate that Puerto Rico's reliability emergency cannot be understood solely as a generation-supply problem. On July 16, 2026, the system experienced separate events affecting both generation and the transmission infrastructure serving the Costa Sur area. During the evening peak, when system demand had reached approximately 2,982 MW, a disturbance involving the Costa Sur 230-kV Transmission Center and Transmission Line 50400—the critical transmission corridor connecting Costa Sur toward Mayagüez—was followed by the loss of Costa Sur Unit 6 and approximately 400 MW of generation, resulting in interruptions affecting approximately 12.8 percent of customers. At that time, other significant generating units were already unavailable, magnifying the system-wide consequences of the disturbance. A subsequent fault occurred on Transmission Line 50400 on July 21, 2026, followed by additional inspection and corrective work at the Costa Sur 230-kV switchyard and associated transmission facilities. These events illustrate a fundamental feature of Puerto Rico's present reliability condition: even when generation is available, disturbances or degraded conditions at critical transmission facilities can prevent that generation from being reliably delivered to load, rapidly erode operating reserves, force generation units offline, and contribute to widespread customer interruptions.

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This operational experience is particularly relevant to DOE's emergency actions. The generation and transmission-related Section 202(c) orders address different manifestations of the same underlying reliability emergency. The generation orders provide the flexibility necessary to preserve critical megawatts when environmental-control, water-supply, maintenance, or other temporary constraints threaten unit availability; the transmission-related orders address conditions—including vegetation encroachment and constrained or vulnerable transmission corridors—that can prevent those megawatts from being reliably transported across the Island. The events since July 16, 2026, demonstrate why both dimensions must be addressed simultaneously: additional generation alone cannot stabilize the system if critical transmission infrastructure remains vulnerable, just as transmission improvements alone cannot ensure reliability when the system lacks sufficient dependable generation and operating reserves.

II. DOE's Generation Orders Have Preserved Capacity During Real Emergencies

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Against this background, DOE's generation-related Section 202(c) authority has provided concrete operational value. Emergency Order 202-25-1D allowed covered generating units to continue operating when water-supply or emissions-control limitations otherwise could have required those units to be removed from service at precisely the time the system could least afford additional losses. The June 11, 2026 San Juan event illustrates the point. A failure in the Puerto Rico Aqueduct and Sewer Authority superaqueduct threatened the water supply used for steam injection at San Juan Unit 5 and the San Juan TM2500 units. Genera advised that the grid could face insufficient generation if approximately 185 MW from San Juan Unit 5 and approximately 175 MW from the TM2500 units became unavailable. Genera PR, LLC ("Genera") therefore, invoked the flexibility provided by DOE Order 202-25-1D to continue operation without steam injection while the water-supply problem was addressed.

The same operational need arose at Mayagüez. On June 26, 2026, Genera notified the relevant agencies that damage to the Mayagüez water-treatment facility impaired the water-injection system used for NOx control. Genera explained that loss of the affected units would further strain an already constrained grid and that the units would operate without water injection only when generation reserves were low, with the units to be removed from service once adequate reserve capacity became available. Genera's September 19, 2026 extension request further documents the cumulative value of DOE's intervention. Genera reported that the order enabled continued operation of covered units at San Juan and Palo Seco during water-supply limitations and allowed Mayagüez units to remain available for nearly two months while the water-injection system was repaired. Genera identified approximately 95 MW at Mayagüez, 525 MW at San Juan, and 367 MW at Palo Seco as capacity whose availability had been protected by the emergency flexibility. In a system with a documented 700–850 MW structural deficit, preserving even a portion of this capacity can materially affect reserve margins and the need for manual load shedding.

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III. The Orders Support—Rather Than Replace—Environmental Compliance and Permanent Repairs

The Government of Puerto Rico recognizes that Section 202(c) relief is extraordinary and should remain tied to demonstrated emergency conditions. The operational record shows that the orders have been used as a reliability bridge, not as a substitute for permanent corrective action. At Mayagüez, for example, the affected units were to operate under the emergency flexibility only when reserves were low and to be removed from service once adequate capacity became available. At San Juan, the emergency notice was tied to the duration of the superaqueduct failure and restoration of water supply.

This targeted flexibility is especially important while major repairs, environmental maintenance, and fuel-conversion projects proceed. Genera has advised DOE that scheduled environmental maintenance will require Costa Sur

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Unit 5 and, subsequently, Palo Seco Unit 4 to be removed from service. Genera has also requested that the emergency framework support projects to convert Palo Seco Units 3 and 4 and San Juan Units 7 and 9 to natural gas. The central reliability challenge is sequencing necessary outages and improvements without allowing reserve margins to fall to levels that trigger additional load shedding.

IV. Transmission and Distribution: Section 202(c) Has Addressed a Separate but Interdependent Reliability Risk

Generation adequacy alone cannot stabilize Puerto Rico's electric system if available power cannot be reliably transported across the transmission network and delivered to customers. DOE has separately recognized that insufficient transmission capability and vegetation encroachment along critical rights-of-way create material reliability risks. The transmission-related Section 202(c) directives therefore address a distinct but interdependent component of the same emergency: reducing the probability that vegetation contacts, constrained corridors, or degraded transmission conditions will initiate or amplify outages.

The accelerated vegetation-management requirements established under DOE's emergency directives created binding federal milestones for clearing critical transmission rights-of-way. These measures are particularly important in Puerto Rico because vegetation-related transmission events can propagate rapidly across an islanded electric system with limited redundancy. Accelerating clearing work improves access to transmission assets, reduces vegetation-contact exposure, supports inspection and maintenance, and helps restore the usable capacity and reliability of critical corridors. The federal emergency framework has also enabled closer coordination among Puerto Rico entities and federal partners. The Puerto Rico Electric Power Authority's ("PREPA") engagement of the United States Army Corps of Engineers to support priority vegetation management and transmission-corridor clearing adds federal project-management and execution capacity to work that must proceed at a pace commensurate with the reliability risk. The importance of that support is magnified by the scale of the required work and by the need to coordinate access, environmental requirements, contractors, system operations, and outage planning.

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V. Generation and T&D Measures Must Be Viewed as a Single Stabilization Strategy

The principal lesson from the emergency period is that Puerto Rico's generation and transmission risks cannot be evaluated independently. A forced generation outage can immediately erode reserves; a transmission constraint can prevent otherwise available generation from reaching load; and vegetation interference can trigger transmission events that stress an already resource-constrained system. Conversely, preserving generation under the Section

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202(c) generation orders has greater reliability value when transmission corridors remain available, while accelerated transmission and vegetation work is most effective when sufficient generation exists to serve the load carried by those corridors.

DOE's emergency orders have therefore provided complementary safeguards at both ends of the reliability equation. On the supply side, they have preserved dispatchable generation during temporary environmental-control and water-supply disruptions and created operational flexibility while repairs and maintenance proceed. On the grid side, they have accelerated vegetation management and transmission-corridor work needed to reduce outage exposure and improve the reliable transfer of available generation. Together, these actions reduce the likelihood that a single contingency will cascade into a broader system event.

VI. Federal Support Is Bridging the System to Permanent Stabilization

The Section 202(c) orders operate alongside—not in place of—the broader reconstruction and modernization program. DOE has also supported Puerto Rico through the Electric Grid Resilience and Stabilization Program, which includes generation, transmission, and distribution workstreams. The Government of Puerto Rico's broader strategy simultaneously includes rehabilitation of legacy generating units, procurement of temporary and permanent firm generation, battery storage additions, fuel diversification, Federal Emergency Management Agency-funded reconstruction, and transmission and distribution improvements, among others.

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These permanent initiatives are essential, but many require engineering, procurement, regulatory approvals, construction, commissioning, or scheduled outages before their reliability benefits are fully realized. During that transition, withdrawing emergency operational flexibility prematurely could expose the system to the same conditions DOE previously found warranted emergency action—low reserves, forced outages, constrained transmission capability, vegetation-related risk, and an elevated probability of widespread customer interruptions.

VII. Requested Federal Consideration

For these reasons, the Government of Puerto Rico respectfully requests that DOE continue to evaluate the Island's Section 202(c) emergency measures based on current system conditions and the demonstrated reliability value of the relief provided. The most recent resource-adequacy evidence shows that the generation emergency has not yet been resolved, while the transmission and vegetation-management work required to reduce bulk-system risk remains ongoing. Continuation of appropriately tailored emergency authority during this transition would preserve DOE's ability to address discrete operational contingencies, maintain critical generation when reserves are

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inadequate, support the orderly sequencing of repairs and environmental work, and accelerate transmission reliability measures until permanent projects materially improve the system's resilience. Any continued relief can remain subject to the reporting, operational, environmental, and coordination requirements DOE determines appropriate.

Puerto Rico is not asking that emergency authority serve as a substitute for long-term reform. To the contrary, the emergency orders have made it possible to preserve reliability while those reforms and capital projects advance. The record demonstrates that DOE's Section 202(c) actions have been an important component of stabilizing an islanded electric system during a period of extraordinary vulnerability. Continued federal partnership remains essential until the permanent generation, transmission, and distribution improvements now underway are sufficiently in service to provide the reliability margin the system presently lacks.

The Government of Puerto Rico appreciates DOE's continued engagement and stands ready to provide any additional operational, regulatory, environmental, or project-specific information that would assist the Department in its evaluation.

Respectfully submitted,

Signed by:

Josué A. Colón Ortiz

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

c The Honorable Jenniffer González-Colón, Governor of Puerto Rico
Gabriela Boffelli, Executive Director PRFAA
Gabriel Bravo, Director of Government Affairs, PRFAA
Ezequiel Nieves, P3A, Project Monitoring Director