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Contact:

Hugo Sorrentini - (787) 363-3612 - hugo.sorrentini@lumapr.com

Lyane Flores Velázquez - (787) 340-0646 - Lyane.FloresVelazque@Lumapr.com

LUMA LAUNCHES HISTORIC SUBSTATION MODERNIZATION INITIATIVE (SMI) WITH START OF RECONSTRUCTION OF MANATÍ SUBSTATION

San Juan, Puerto Rico, November 22, 2022 – Today, LUMA announced the historic launch of Puerto Rico's federally-funded Substation Modernization Initiative (SMI) with the modernization and reconstruction of the Manatí Substation in the municipality of Manatí. The Manatí SMI project represents an investment of more than \$2.3 million dollars in federal funding approved for phase one and over \$55 million in federal funding estimated for the entire rebuild of the Manatí substation. At the SMI launch event with LUMA were representatives of the Central Office for Recovery, Reconstruction and Resiliency (COR3) and the Federal Emergency Management Agency (FEMA).

"The launch of the Substation Modernization Initiative is fantastic news for Puerto Rico's energy future, and for the municipality of Manatí. This is just the first of many FEMA-funded projects to come that will not only modernize and reconstruct every substation in Puerto Rico, it will help improve reliability and resiliency across the electric system for our 1.5 million customers," said LUMA Engineer Daniel Hernández.

As part of this first SMI project, LUMA will replace outdated and obsolete oil circuit breakers with the industry standard 230-kilovolt gas circuit breakers. This critical improvement will improve reliability and strengthen operational safety. The Manatí SMI project, which is the first major work on this substation in the past 20 years, will include multiple phases with future improvements designed to replace aging equipment and reconfiguration of the entire substation, utilizing FEMA funding.

"At FEMA, we will continue to work closely with the Government of Puerto Rico, PREPA and LUMA to allocate funds for more projects like this one to strengthen the island's transmission and distribution system. We remain steadfast in our commitment to help the island achieve a recovery that lasts," said FEMA Alternate Federal Disaster Recovery Coordinator Andrés García Martínó.

When completed, the Manatí SMI project will directly improve resiliency and reliability for the municipalities of Manatí, Barceloneta, Florida, Ciales, Morovis and Vega Baja – which are some of Puerto Rico's most important industrial centers.

Substation Modernization Initiative Details

The modernization of the Manatí substation is one of five substation modernization projects currently underway with a total of \$58 million in already approved federal funds. Among the projects that are estimated to begin construction in Q2 2023 include:

- Cataño substation project with an investment of \$24 million,
- Costa Sur substation project (Phase 1) with an investment of \$28 million,
- Culebra substation project with an investment of \$2 million,
- Manatí substation project (Phase 1) with an investment of \$2 million
- Vieques substation project with an investment of \$2 million.

FEMA Progress Points

Over the last 17 months, LUMA has advanced federally funded FEMA projects at a historic pace with 251 projects initiated representing over \$6 billion in federally funded projects - with 23 projects already under construction or in service. Among the FEMA projects already under construction include:

- Six initial streetlight projects as part of LUMA's \$1 billion Community Streetlight Initiative in the municipalities of Guánica, Lajas, Aguada, Maunabo, Luquillo, and Villalba, where in less than three months, LUMA has installed over 15,000 streetlights;
- Substantial critical transmission line repairs to improve the grid's resiliency, including the Mora 50500 Transmission Pole Replacement Project; and
- Sixteen distribution pole replacement projects to increase the reliability and resiliency of the electric grid.

About LUMA

LUMA is a Puerto Rican company that, since June 1, 2021, operates and manages the electric power transmission and distribution system in Puerto Rico. LUMA is a company driven by a mission to transform the electrical transmission and distribution system to provide all Puerto Ricans with the reliable, resilient, cleaner, and affordable electrical grid they deserve. As a customer-centric company, LUMA's entire workforce of more than 3,000 employees is focused on safely delivering an exceptional customer service experience to its 1.5 million customers.