



Monthly Report on the T&D System

For the Month of July 2024

August 14, 2024

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1.0 Mission, Goals and Areas of Responsibility

LUMA assumed operations of Puerto Rico's Transmission and Distribution System ("T&D System") on June 1, 2021, with the mission to recover and transform the energy grid and deliver customer-centric, reliable, resilient, safe, and sustainable electricity at reasonable prices for the 1.5 million customers LUMA is proud to serve. LUMA manages and operates the government-owned T&D Assets under the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement ("T&D OMA") executed on June 22, 2020, among 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"). This report outlines LUMA's key activities for the month of July 2024.

2.0 Monthly Sales Summary

Consumption in July increased by 3.0% compared to the previous month (June) and by 0.1% compared to the same month of the previous year (July 2023). In July 2024, energy sales (\$) increased by 8.9% compared to June 2024 and by 2.5% compared to July 2023.

Table 2-1. Energy billed by customer segment

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2024 July	722.0	704.8	130.6	22.7	2.0	3.5	1,585.5
2024 June	698.6	665.8	143.4	26.7	1.8	3.3	1,539.6
2023 July	716.7	690.0	146.2	25.2	2.2	3.5	1,583.9

Table 2-2. Energy sales by customer segment

Sales (\$ Million)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2024 July	181.7	190.4	35.4	9.7	0.5	0.9	418.6
2024 June	169.5	168.6	34.8	10.3	0.5	0.8	384.5
2023 July	171.4	185.8	38.9	10.7	0.6	0.8	408.2

Table 2-3. Energy sales by rate component

Energy Sales (\$ Million)	Base	FCA ¹	PPCA ²	CILT & Subsidies & EE ³	Total ⁴
2024 July	103.2	224.8	72.1	18.5	418.6
2024 June	105.5	205.6	49.4	24.0	384.5
2023 July	108.0	218.9	47.4	33.9	408.2

¹ FCA: Fuel Charge Adjustment

² PPCA: Purchased Power Charge Adjustment

³ CILT: Contribution In Lieu of Taxes and EE: Energy Efficiency

⁴ The Total amount may not equal the sum of numbers for each category due to rounding.

3.0 Recent LUMA Accomplishments

LUMA's Billing and Collection Efforts

- The LUMA billing team continues to implement technology changes to ensure more timely and accurate bills are being produced.
 - Implemented a pop-up control in Mi LUMA to mitigate customer duplicate payments.
 - Provided annual NEM credit to customers.
 - Executed a new AMEX contract for payment processing.
 - Launched a digital payment RFP to further enhance payment options and reduce payment processing fees.
 - Automated the 48-hour disconnection call and bill reminder call to reduce manual man hours.
- LUMA reached 3,580 new payment agreements with customers in July, for a total of over 88,596 since June 2021. Also in July, LUMA completed over 149,000 outbound collection calls for a total of over 2.3 million outbound calls since June 2021. LUMA's Revenue Protection team collected over \$39.9 million in July directly related to active customer collections of past due receivables. Collection efforts include outbound calls, letters, emails, and inbound calls.

Started Replacement of Lines 100/200 Segment in Santa Isabel

- Since June, LUMA has taken a series of measures to ensure that customers in Santa Isabel, Coamo and neighboring towns have steady electric service.
- To provide greater stability and resilience, in July, LUMA's transmission crews began work on lines 100 and 200 in Santa Isabel to add redundancy to customers in these areas. The work includes the installation of more than 45 transmission structures and over 50,000 feet of conductors along the PR-1 road between Salinas and Santa Isabel.
- The project will be funded as part of LUMA's budget funded by base rate revenues at a cost of approximately \$2 million and will take approximately four to six weeks to complete.
- Learn more here: <https://lumapr.com/news/brigadas-de-luma-comienzan-trabajos-de-reconstruccion-en-tramos-de-la-linea/>

Completed Bayamón TC Transformer Replacement to Improve Reliability Across the Island

- LUMA substation crews successfully completed the replacement of a 230Kv to 115Kv transformer at the Bayamón TC substation to replace the one damaged last year. LUMA crews completed all required technical testing and replacement of key components to ensure the safe and reliable operation of the unit that is currently energized and providing reliable service for thousands of customers, further improving service across the Metropolitan area and beyond.
- Learn more here: <https://www.facebook.com/share/v/wfmEDyvJTdZK4rQi/>

Launched Energy Efficiency Campaign

- LUMA launched the first ever Energy Efficiency Program for residential and commercial customers in Puerto Rico, marking a significant step in advancing energy efficiency rebates and savings initiatives for customers.
- The program aims to empower customers to make smarter decisions to enhance their energy consumption, help reduce utility bills, and contribute to a more sustainable future. Its purpose is to

help customers make informed decisions to optimize their energy consumption, reduce their bills, and contribute to a more sustainable future.

- Learn more here: <https://lumapr.com/news/luma-introduces-innovative-energy-efficiency-rebate-program-in-puerto-rico/?lang=en>

Community Streetlight Initiative (“CSI”) Started in Culebra

- LUMA began the replacement of luminaires in the municipality of Culebra as part of the CSI.
- The CSI is the first project of its kind and represents a \$1 billion investment approved by FEMA, with the goal of replacing and modernizing around 350,000 luminaires throughout Puerto Rico.
- All the lighting poles in Culebra were evaluated and it was identified that 337 require modernization of their luminaires in the first phase. In phase 2 and 3 of the program, an additional 165 identified points will be addressed.
- Learn more here: <https://progresodelumapr.com/nuestro-progreso/iniciativa-de-alumbrado-publico-comunitario/>

4.0 System Operations Update

Reported Events

- Several generation forced outages occurred during the month. Three (3) resulted in automatic underfrequency loadsheds.
- Several transmission outages occurred during the month.
- There were no emergency declarations or any need to activate an Incident Management Team during the month of July.

Table 3-1: Significant Generation Outages by Site for July 2024

Site Name	Derated	Forced Outage	Loadshed	Loadshed due to Generation Shortfall	Planned / Maintenance Outages
San Juan 5	5	1	0	0	0
San Juan 6	2	0	0	0	0
San Juan 7	1	3	0	0	0
San Juan 9	0	1	0	0	0
Palo Seco 3	4	3	0	0	0
Costa Sur 5	4	0	1	0	0
Costa Sur 6	4	2	0	0	0
Aguirre 1	7	2	0	0	0
Aguirre 2	3	1	2	0	0
AES 1	7	0	0	0	0
AES 2	6	0	0	0	0
EcoEléctrica	1	0	0	0	0
Total	44	13	3	0	0

Table 3-2: Total Significant Generation Outages by Month

Outage Type	Derated	Forced Outage	Loadshed	Loadshed due to Generation Shortfall	Planned / Maintenance Outages
July 2024	44	13	3	0	0
June 2024	33	7	4	3	0

Table 3-3: Significant Transmission Outages by Line / Transformer for July 2024

Name	Line Trips	Transformer Trips	Substation Trips
Line 50200: Manatí TC - Costa Sur	3	0	0
Line 50500: Mayagüez TC - Mora TC - Cambalache Planta	1	0	0
Line 50800: Sabana Llana - Yabucoa	1	0	0
Line 50900: Aguirre SP - Aguas Buenas GIS	2	0	0
Line 51000: AGSP – Aguas Buenas	1	0	0
Line 36100: Dos Bocas – Piñas GIS	2	0	0
Line 36200: Monacillos TC – Juncos TC	1	0	0
Line 36400: Ponce - Jayuya	3	0	0
Line 36800: Palmer - Canóvanas	1	0	0
Line 37100: San Germán – Guánica TC	5	0	0
Line 37400: Dorado – Vega Baja	3	0	0
Line 37800: Jobos - Cayey	4	0	0
Line 38200: Monacillos TC – Palo Seco SP	1	0	0
Line 39800: Mayagüez Planta – Acacias TC	1	0	0
Total	29	0	0

Table 3-4: Total Significant Transmission Outages by Month

Outage Type	Line Trips	Transformer Trips	Substation Trips
July 2024	29	0	0
June 2024	38	3	0

5.0 Puerto Rico Energy Bureau Filings and Hearings

LUMA participated in and supported discussions with the Puerto Rico Energy Bureau (“PREB”) across a broad range of topics during the month.

- [NEPR-MI-2021-0004 | Initial Budgets](#) – On July 16, LUMA submitted a request for PREB to reconsider the Fiscal Year (“FY”) 2025 Budget Determination, addressing the following: 1) funding the Fire Mitigation initiative, 2) maintaining existing Vegetation Management and 3) clarifying the

Billing Accuracy and Back Office spend which cannot be defunded. It is important to note that PREB's determination would eliminate LUMA's ability to print customer bills and is an arbitrary and capricious decision that was taken without due notice nor opportunity to be heard on the matter before PREB made its decision.

- [NEPR-IN-2024-0002](#) | **June 02 Santa Isabel Substation Major Outage Incident** – On July 1, LUMA submitted a preliminary report in compliance with the June 14 Resolution and Order (“R&O”) related to PREB’s investigation of the causes of the Santa Isabel Outage Event and to evaluate LUMA’s corrective actions. On July 22, LUMA submitted to PREB the Final Incident Report titled “*Santa Isabel Outage*” in compliance with the June 14 R&O.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On July 31, LUMA submitted three amended Scope of Works (“SOW”) and one initial SOW for the Transmission Line Rebuild and Substation Rebuild Improvement Programs.
- [NEPR-AP-2023-0004](#) | **Integrated Resource Plan (“IRP”)** – On July 3, LUMA filed the Responses to the Fourth Prefiling 2024 IRP Request for Information (“RFI”).
- [NEPR-MI-2019-0016](#) | **Interconnection Progress Reports** – On July 3, LUMA filed a joint Motion with the Puerto Rico Solar Energy and Storage Association (“SESA”) requesting to PREB a modification of the schedule for the submission of the Interconnection Progress Reports to 45 days after the end of each quarter, and the Compliance Hearings to 10 days after filing the report.
- [NEPR-MI-2024-0005](#) | **System Stabilization Plan** – On July 10, LUMA submitted a draft of the System Improvements Preliminary Plan in compliance with the June 13 R&O. On July 19, LUMA submitted an updated System Improvements Preliminary Plan.
- [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – On July 10, PREB issued a R&O where it approved the inclusion of the Toa Baja District for Reliability Metrics and the alignment of the Days Sales Outstanding Government Metric with the definition used in docket NEPR-AP-2020-0025 and to provide historical reliability data from June 2021 onwards.
- [NEPR-AP-2020-0025](#) | **LUMA’s Performance Metrics** – On July 10, PREB issued a R&O denying LUMA’s Reconsideration Motion of June 28, in which LUMA requested PREB modify and re-issue the June 14 Final Resolution to add additional legal notice regarding LUMA’s right to judicial review. Accordingly, LUMA filed for judicial review at the Puerto Rico Appeals Court on July 15, arguing due process violations.
- [NEPR-MI-2021-0013](#) | **Electric Vehicles (“EV”)** – On July 15, LUMA filed a Motion re-submitting the corrected Spanish version of the EV Time of Use (“TOU”) Rate Tariff Sheet to clarify the language and align it with the English version of the document. On July 26, LUMA submitted an Informative Motion providing advanced notice to PREB of identified barriers to the implementation of Interim EV-TOU Pilot Program Rate for net energy metering customers.
- [NEPR-IN-2024-0003](#) | **Santa Isabel Substation Major Case Outage Affecting Coamo, Aibonito and Santa Isabel** – On July 18, LUMA submitted the final incident report related to the June 12 event.

Other Filings in July:

- [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – Performance Metrics Quarterly Report for April – June 2024 (July 22).

6.0 Legislative Matters & Material Legal Update

Monitoring legislative activity, responding to requests for comments, and preparing LUMA employees for public hearings is an important and significant responsibility, requiring multiple interactions with members and staff of the Puerto Rico Senate and House of Representatives over the course of many months on some occasions. Responding to these inquiries requires considerable resources and time from LUMA.

Table 5-1: Summary of Relevant Legislation and Requests for Comments or Information in the Puerto Rico Senate, House of Representatives or Governor’s Office of Legislative Affairs

Committee	Act, Bill or Resolution	LUMA Response
House Committee on Consumer Rights, Banking Services, and the Insurance Industry	House Resolution 229 – <i>orders a general study of the current situation of the municipalities that make up the South-Central region to determine the priorities to address the problems of the region and the course to follow through reports; and for other related purposes.</i>	<p>On July 8, LUMA was summoned to participate in an <i>on-site</i> hearing at the USERAS substation site. LUMA participated on July 14.</p> <p>On July 10, LUMA submitted responses to an RFI received during the June 21, <i>on-site</i> joint hearing with the House Committee on Economic Development, Planification, Telecommunications, Private-Public Partnerships and Energy.</p> <p>On July 15, LUMA received an RFI, and submitted responses on July 19.</p> <p>On July 16, LUMA was summoned to participate in another <i>on-site</i> joint hearing at the USERAS substation site. LUMA participated on July 23. On July 29, LUMA submitted the responses to the RFI ordered at the hearing.</p>
House Committee on Economic Development, Planification, Telecommunications, Private-Public Partnerships and Energy	House Resolution 1049 – <i>orders continuous research on issues linked to economic priorities aligned with Puerto Rico’s socioeconomic advancement. In addition, oversees federal issues linked to federal funds allocated for the reconstruction of the generation, transmission, and distribution of energy by Public-Private Partnerships.</i>	<p>On July 8, LUMA received an RFI. On July 11, LUMA participated in an on-site hearing and submitted the information requested.</p> <p>On July 23, LUMA was summoned to participate in a public hearing on August 13 related to the herbicides to be used in LUMA’s vegetation control plan. On July 30, the Committee rescheduled the hearing to August 15.</p>

Table 5-2: Material Litigation Update⁵

Case No. & Parties	Description	Updates
Civil Case No. SJ2022CV02868 – Ismael Herrero Domenech and the class composed of all residential electrical energy customers of LUMA Energy LLC v. LUMA Energy LLC, Wendco of Puerto Rico Inc. et al. v. LUMA Energy LLC	Consolidated class actions claiming damages from the April 6, 2022, event at Costa Sur that caused an island-wide blackout.	On July 29, LUMA filed its answers to both complaints in the consolidated action. The case was reassigned to Judge Janice Bernal Maldonado.
Civil Cases No. SJ2023CV02513, No. SJ2023CV01793 (consolidated) – LUMA Energy ServCo, LLC v. Municipio Autónomo de Manatí	Challenge to Manatí Municipality’s construction excise tax determinations for LUMA.	The Court extended the Discovery deadline until August 30. The case is currently in Discovery.
<i>The following cases have had no significant changes since the last report:</i>		
Civil Case No. 22-CV-01357 – CADFI Corp. v. PREPA, LUMA and Municipality of San Juan	Plaintiff alleges that pole placement in sidewalks violates ADA.	
Civil Case No. SJ2022CV08894 – UTIER, et. al. v. LUMA Energy ServCo, LLC, et. al.	Damage claim alleging defamation, libel, and cyberbullying in online publications referencing UTIER and Angel Figueroa Jaramillo.	
Domingo Marrero v. Mun. de Guánica, Civil Case No. PO2021CV00963	Plaintiff alleged that pole placement in sidewalks violates the Americans with Disabilities Act (“ADA”).	

7.0 Ongoing External Audits

LUMA is subject to audits related to its activities under the T&D OMA. Responding to these audits requires considerable resources and time from LUMA.

Table 6-1: Summary of Governmental Audits

Government Entity	Audit Description	Significant Updates
Comptroller’s Office of Puerto Rico (“OCPR”), No. 15592 (PREPA)	Audit to PREPA during the period of June 1, 2018, to June 30, 2021, by virtue of Article III, Section 22 of the Constitution of the Commonwealth of Puerto Rico, and Act 9 of July 24, 1952, as amended.	<p>On July 10, the OCPR auditors sent an RFI in connection with the Transmission Operation Center (“TOC”) in Monacillos, regarding a report for base unit outages on gas generation plants. The information was submitted on July 12.</p> <p>On July 17, the OCPR sent another RFI including allegations on LUMA’s interactions with the OCPR. The first part of the RFI was responded to on July 22. The meeting requested was originally coordinated to be held on October 1 but was postponed due to emergencies handled by the TOC and rescheduled for October 8.</p>

⁵ Material Litigation Activity refers to all litigation related to challenges to the OMA, matters that could impede the OMA work or litigation with significant financial risk. This does not include ordinary litigation proceedings that originate as part of the operation of the T&D System, including but not limited to pre-litigation dispute resolution, management of active litigation, discovery, PREB invoice challenges, and other litigation procedures.

Government Entity	Audit Description	Significant Updates
OCPR, No. 15671 (LUMA)	Audit to LUMA Energy ServCo, LLC for the period of June 1, 2020, to February 28, 2023, by Article III, Section 22 of the Constitution of the Commonwealth of Puerto Rico, and Act 9 of July 24, 1952, as amended.	On July 17 the OCPR auditors sent an RFI related to the outages account and the notifications sent to P3A. The information for the RFI was partially submitted on July 24, and an extension request was made to submit the remaining responses by August 1.
KPMG FY2023	Audit of PREPA Financial Statements (FY2023)	Audit started in April. LUMA has been providing all the data requested by KPMG and PREPA. The expected release date was August 31, as requested by the department of Treasury. However, a new timeline is being determined. LUMA is committed to supporting PREPA's ability to meet this updated deadline once communicated.
KPMG FY2022	Audit of PREPA Single Audit (FY2022) – includes GridCo	Audit started in May. LUMA has been meeting and providing all data requested. The expected release date will be determined by the auditors, as the FY2020 and FY2021 single audits were completed on July 26.
P3A FY2022 Audit – Vázquez & Vilanova	First Year (FY2022) OMA Compliance – audit for the first full year of LUMA operations.	<p>The audit remains ongoing, LUMA has been meeting, supporting and providing information to the P3A auditors. By the end of July, approximately 75% of the FY2022 RFIs had been completed by LUMA and pending closure or fully closed by the auditors.</p> <p>On July 31, it was communicated by P3A that the same auditors auditing FY2022 will continue with the FY2023 and 2024 audits, with an overall deadline of November 2024. Work being done for FY2022 will be leveraged to accelerate FY2023 & FY2024 responses.</p>
Union Pension Plan Compliance (“NEBF”) 2023 (Calendar) Audit – Withum	Pursuant to Article 6, Sections 6.7 and 6.8 of the Restated Employees Benefit Agreement and Trust for the National Electrical Benefit Fund, the Trustees of the Fund have established a Payroll Audit Program	On July 8, LUMA held a kick-off meeting with the representatives of the National Electrical Benefit Fund administration to discuss the scope of this audit.
<i>The following audits have had no significant changes since the last report:</i>		
OCPR, No. 15560 – Audit of debt issued by the Commonwealth of Puerto Rico and its public corporations from January 1, 2000 – present day.		
OCPR, No. 15637 – Audit of the Municipality of Guánica.		
OCPR, No. 15720 (PREPA) - Audit to PREPA during the period of June 1, 2020, to September 30, 2023		

8.0 Material OMA Items

PREPA's Non-Compliance with T&D OMA Obligations

- July was the twentieth (20) consecutive month in which PREPA did not fully fund one or more of the Service Accounts and failed to comply with its contractual obligations, in breach of the T&D OMA. June was also the eighth (8) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account. LUMA has issued twenty (20) non-compliance notices to PREPA and notified P3A.
- Since January 2023, LUMA has been requesting PREPA to provide balance sheet reconciliations. After multiple requests, PREPA delivered the FY2021 balance sheet reconciliations in September 2023. After reviewing the provided documentation, LUMA concluded the documents were incomplete and insufficient to understand the account transactions. LUMA has continued to request from PREPA complete information required for these reconciliations but as of the end of June, the issue remains outstanding. Until these are provided and PREPA provides a segregated opening balance sheet for the T&D system, LUMA is prevented from providing certain O&M Services related to financial reporting.

LUMA's Performance Metrics

- PREB's Final Reconsideration in case NEPR-AP-2020-0025 contains due process violations, represents a substantial modification to the T&D OMA, and deprives LUMA of a reasonable opportunity to earn the Incentive Fee. On July 15, LUMA filed for judicial review before the Puerto Rico Appeals Court. On July 19, the Appeals Court issued an Order notifying that it will proceed to rule on this case.

PREPA Reorganization and Shared Services

- LUMA is preparing to terminate many of the Shared Services provided through the Shared Services Agreement by September 30 and strongly encourages PREPA and Genera to execute their respective implementation plans to achieve the separation by the deadline. LUMA remains concerned with PREPA and Genera's lack of progress made towards Shared Service Exit.
- LUMA, PREPA, and Genera are working to finalize the Insurance and Telecommunication Services Collaboration Agreements. LUMA will continue to work with PREPA and Genera to advance the agreements between the parties with P3A.

PREPA Title III Exit

- The FOMB proposed to file an amended PREPA plan of adjustment and to reopen the confirmation hearing record for valuing the Bondholders' collateral, demonstrating that the Plan continues to comply with bankruptcy law requirements and set an expedited litigation schedule.
- The objecting bondholders contended that their reinstated accounting claim means that they are entitled to discovery regarding PREPA's use of cash over the past seven years, particularly since PREPA's monthly operating reports stated PREPA had generated several billion dollars of net revenues during the Title III case.

- On July 11, the court ruled a: (i) stayed all PREPA confirmation and bond-related litigation for at least 60 days, through September 8, and (ii) ordered the parties to meet with the mediation team immediately and throughout the stay period.
- Judge Swain scheduled an omnibus hearing for September 18, at which point she is likely to consider whether to extend the litigation stay in favor of continued mediation or allow the parties to set a litigation schedule, potentially while continuing to mediate. As a result, all substantive activity in the Title III case has been stayed since July 10, and there is currently no date set for the resumption of litigation or progress toward confirmation of a plan of adjustment for PREPA.
- Separately, on July 26, the FOMB filed a complaint in the Title III case against the government of Puerto Rico seeking to nullify Act 10-2024, on the basis that the statute imposes impermissible requirements and restrictions on PREB regarding PREPA's net metering program and prevents PREB from independently evaluating and making changes it deems necessary for PREPA to effectively operate and serve the people of Puerto Rico.

Third-Party Pole Attachments (“TPA”)

- On July 18, LUMA filed with the Puerto Rico Telecommunications Bureau (“NET”) a Motion for Reconsideration of the June 28 Emergency R&O. The motion argues that the NET (i) implemented a legislative regulation without following the statutory rulemaking procedure; (ii) erroneously stated there are no third-party attachment contracts in place; (iii) exceeded its authority by establishing an interim pole attachment fee that is significantly lower than the rate established and agreed to by the parties in the existing contracts; (iv) exceeded its authority by imposing cost allocation principles, and (v) modified Regulation No. 9090 of May 10, 2019, without following the required rulemaking procedure.
- Some of the telecommunication companies, as Liberty, Claro, Critical Hub, and Neptuno also filed Motions for Reconsideration of the June 28 Emergency R&O.
- On July 29, Liberty filed a Motion Requesting Judicial Review of the NET's actions and a Motion for Stay of the administrative action pending judicial review with the Puerto Rico Court of Appeals. Consequently, on that same day the Puerto Rico Court of Appeals ordered a stay of the NET's actions and proceedings and ordered the NET to submit within 30 days its position regarding the motion presented by Liberty.

Net Energy Metering

- In compliance with the current regulation of distributed generation interconnection, LUMA successfully completed an additional 2,171 supplemental studies in July. All feeders with penetration levels above 15% have been studied at least once, as of the close of July. Through this process, LUMA has identified system upgrades required.
- Currently, LUMA is in the process of preparing the cost and timeline information to share with the developers. The studies cover distribution feeder voltage, thermal, and protection analyses, which are critical to maintaining the distributed system's stability and reliability. LUMA is highly concerned about the increasing number of interconnections surpassing the pace of comprehensive studies, which poses a systemic reliability risk. LUMA has engaged in discussions with Distributed Generation developers and installers to secure the payments for required supplemental studies.
- Joint Resolution 604, which ordered PREB to issue a resolution to repeal the provisions of Regulation 8915 that require customers interconnected with distributed generation systems to

pay \$300 to cover the costs of supplementary studies, was signed on July 17 by the Puerto Rico Chamber and Senate Presidents and is currently under the Governor's consideration.

LUMA's Billing and Collection Efforts

- PREB's June 26 Order regarding the FY2025 Budget decreased LUMA's Customer Experience budget by \$13.5 million, including almost the entirety of the Billing Accuracy and Back Office Program. If LUMA complies, this will vastly impact revenue generation by way of bill rendering, printing and continuation of critical core updates to the billing system to ensure successful AMI integration.

LUMA Budget Approval, Amendment and Reallocation

- LUMA continues to be concerned with PREB's procedure and orders on LUMA's budgets, reporting and related activities. Issues remain outstanding stemming from PREB's decisions on the budgets for FY2022, FY2023 and FY2024 – including differing points of views on operational efficiencies and PREB's ability to approve / reject LUMA's outlined responsibilities within the T&D OMA – this was highlighted on PREB's July 17 R&O defining how LUMA must calculate variance which is beyond what is outlined in Section 7 of the T&D OMA.