



# Monthly Report on the T&D System

For the Month of December 2022

January 21<sup>st</sup>, 2022

# Contents

- 1.0 Mission, Goals and Areas of Responsibility ..... 1
- 2.0 Monthly Sales Summary ..... 1
- 3.0 Outage Summary ..... 2
- 4.0 PREB Filings & Hearings ..... 3
- 5.0 Legislative and Legal Matters ..... 4
- 6.0 Material OMA Items ..... 6

## 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 recovery and transform the energy grid and deliver customer-centric, reliable, resilient, safe and sustainable electricity for the 1.5 million customers LUMA is proud to serve. LUMA manages and operates the government-owned T&D Assets under the Transmission and Distribution Operating and Maintenance Agreement ("T&D OMA") executed on June 22, 2020 among the Puerto Rico Electric Power Authority ("PREPA"), the P3A and LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, "LUMA"),.

This report outlines LUMA's key activities for the month of December 2021.

## 2.0 Monthly Sales Summary

- Billed sales in December slightly increased from November and increased compared to the same period a year ago.
- Compared to the same period last year, Residential and Commercial billed sales increased, and Industrial billed sales decreased.
- Fuel costs critical to generation of energy by PREPA and/or other energy generators remain substantially higher compared to same period last year due to increased global market prices, higher dispatch of less efficient generating units (due to unavailability of many units) and updated supply contract terms.

**Table 2-1. Energy billed by customer segment<sup>1</sup>**

| Consumption (GWh) | Residential | Commercial | Industrial | Public Lighting | Agriculture | Other Authorities | Total   |
|-------------------|-------------|------------|------------|-----------------|-------------|-------------------|---------|
| 2021 Dec.         | 555.1       | 673.5      | 157.8      | 21.1            | 2.3         | 2.8               | 1,412.6 |
| 2021 Nov.         | 593.2       | 617.9      | 171.3      | 22.5            | 2.0         | 3.2               | 1,410.1 |
| 2020 Dec.         | 522.0       | 532.8      | 161.9      | 24.1            | 2.0         | 2.6               | 1,245.4 |

**Table 2-2. Energy sales by rate component<sup>1</sup>**

| Energy Sales (\$M) | Base  | FCA <sup>2</sup> | PPCA <sup>3</sup> | CILT & Subsidies <sup>4</sup> | Total |
|--------------------|-------|------------------|-------------------|-------------------------------|-------|
| 2021 Dec.          | 104.2 | 154.3            | 44.4              | 19.9                          | 322.8 |
| 2021 Nov.          | 93.8  | 173.2            | 44.3              | 19.4                          | 330.7 |
| 2020 Dec.          | 89.9  | 84.2             | 62.4              | 22.0                          | 258.5 |

**Table 2-3. Energy sales by customer segment<sup>1</sup>**

| Energy Sales (\$M) | Residential | Commercial | Industrial | Public Lighting | Agriculture | Other Authorities | Total |
|--------------------|-------------|------------|------------|-----------------|-------------|-------------------|-------|
| 2021 Dec.          | 119.2       | 161.7      | 33.2       | 7.5             | 0.5         | 0.7               | 322.8 |
| 2021 Nov.          | 134.5       | 150.1      | 36.3       | 8.6             | 0.5         | 0.7               | 330.7 |
| 2020 Dec.          | 103.7       | 114.9      | 30.6       | 8.4             | 0.4         | 0.5               | 258.5 |

**Footnotes**

- 1: As billed.
- 2: FCA: Fuel Charge Adjustment
- 3: PPCA: Purchased Power Charge Adjustment
- 4: CILT: Contribution In Lieu of Taxes

## 3.0 Outage Summary

### Reported Events

- No Emergencies, Outage Events or Major Outage Events were recorded in December.
- A number of generation outages occurred throughout the month that directly contributed to a series of load shedding events.

**Table 3-1: Significant Generation Outages**

| Date     | Description of outage   |
|----------|---|
| 12/01/21 | ECO STEAM: Forced Outage<br>AES 2: Derated<br>Palo Seco 2-1: Forced Outage  |
| 12/02/21 | Palo Seco 4: Derated<br>ECO CT2: Derated<br>AES 2: Derated<br>Palo Seco 1-1: Forced Outage<br>Palo Seco 2-1: Forced Outage<br>Aguirre CC 2-3: Forced Outage |
| 12/03/21 | ECO CT2: Derated  |
| 12/04/21 | Aguirre 1 & 2: Derated<br>Mayaguez GP: Derated<br>Palo Seco 3: Forced Outage  |
| 12/05/21 | AES 2: Forced Outage<br>Generation Shortfall: Load Shed   |
| 12/06/21 | Palo Seco 3: Derated<br>Aguirre 1: Derated<br>Generation Shortfall: Load Shed   |
| 12/07/21 | Costa Sur 5: Derated  |
| 12/09/21 | Aguirre 1: Forced Outage  |
| 12/11/21 | AES 1: Derated  |
| 12/14/21 | ECO CT2: Forced Outage and Load Shed<br>ECO STEAM: Forced Outage  |
| 12/15/21 | Palo Seco 3: Forced Outage  |
| 12/17/21 | San Juan 6: Forced Outage   |
| 12/18/21 | Aguirre 1: Forced Outage  |
| 12/19/21 | Palo Seco 3: Derated  |
| 12/24/21 | Aguirre 2: Forced Outage  |
| 12/30/21 | San Juan 5: Forced Outage<br>San Juan 9: Forced Outage  |
| 12/31/21 | San Juan 5 STEAM: Forced Outage   |

Table 3-2: Significant Transmission Outages

| Date     | Description of outage  |
|----------|--|
| 12/01/21 | Line 50100 Cambalache GP-Manati TC: Forced Outage<br>Line 37900 Sabana Llana-Monacillos: Forced Outage |
| 12/02/21 | Line 37400 Bayamon TC-Hato Tejas TC: Forced Outage   |
| 12/04/21 | Line 36100 Dos Bocas-Ciales: Forced Outage   |
| 12/05/21 | Line 36100 Dos Bocas-Ciales: Forced Outage   |
| 12/06/21 | Line 36100 Dos Bocas-Ciales: Forced Outage   |
| 12/07/21 | Line 36100 Dos Bocas-Ciales: Forced Outage   |
| 12/10/21 | Line 36100 Dos Bocas-Ciales: Forced Outage   |

## 4.0 PREB Filings & Hearings

As part of our commitment to transparency, LUMA participated and supported discussions with the Energy Bureau across a broad range of topics.

- [NEPR-MI-2019-0011](#) | **Integrated Distribution Planning** – On December 13, 2021 LUMA attended a compliance hearing to discuss status of Energy Bureau Orders 1 through 3. Orders 1 and 2 are complete and LUMA provided updates on the status of Order 3 including the Preliminary Engineering Data Collection Request for Proposal.
- [NEPR-MI-2021-0001](#) | **System Operation Principles** – On December 23, 2021, LUMA submitted 29 operating procedures in compliance with the Energy Bureau's Order and in support of the System Operation Principles, conditionally approved on May 31, 2021.
- [NEPR-IN-2021-0002](#) | **Monacillos June 10 Incident** – On December 10, 2021, LUMA filed a response to analytical comments from Engineer Rivera.
- [NEPR-AP-2020-0025](#) | **LUMA's Performance Metrics** – LUMA conducted discovery, issuing seven (7) requests for information to intervenors. LUMA also requested that the Energy Bureau provide details of their witnesses providing testimony in the evidentiary hearing. On December 20, 2021, LUMA requested the Energy Bureau extend the intervenor discovery period given the holiday schedule and the delayed responses and extensions requested by both primary intervenor groups.
- [NEPR-MI-2019-0007](#) | **Performance Metrics** – On December 22, 2021, LUMA filed September through November data to the Energy Bureau.
- [NEPR-MI-2020-0001](#) | **Permanent Rate** – On December 16, 2021, LUMA filed the calculated FCA and PPCA factors for January to March 2022 and LUMA attended the associated Technical Conference. On December 29, 2021, the Energy Bureau approved new factors, deferring the collection of approximately \$14 million of fuel costs.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On December 21, 2021, LUMA and PREPA submitted the PREPA-LUMA 90-Day Plan.
- [NEPR-MI-2020-0018](#) | **Physical Security Plan** – On December 8, 2021, LUMA submitted initial versions of the pending confidential Physical Security Governance Documents.

## 5.0 Legislative and Legal Matters

- 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 Senate and House of Representatives members and staff over the course of many weeks and months on some occasions.
- Responding to these inquiries requires considerable resources and time from LUMA to comply with legislative or legal requests.

**Table 5-1: Summary of Requests for Comments or Legislation Filed in the Senate or House**

| Committee  | Bill or Resolution   | Requesting Comment On or Filed | LUMA Response or legislation title   |
|--|----------------------|--------------------------------|--|
| Committee on Public Fund Oversight of the House of Representatives of Puerto Rico              | House Resolution 301 | December 1, 2021               | December 1, 2021   |
| Committee on Preparedness, Reconstruction and Reorganization During and Emergency              | House Resolution 605 | November 30, 2021              | December 3, 2021.  |
| Committee on Public Funds Oversight of the House of Representatives of Puerto Rico             | House Resolution 301 | December 9, 2021               | December 20, 2021  |
| Committee on Transportation, Infrastructure and Public Works of Representatives of Puerto Rico | House Bill 1121      | December 20, 2021              | Creates the Charging Stations for Electric Vehicles Act. It provides that in any new construction or substantial reconstruction of a building that includes a parking area, it must be enabled with charging stations for electric vehicles. |

Table 5-2: Material Litigation Activity<sup>5</sup>

| Case No.                       | Party Names  | Description  | Significant Updates   |
|--------------------------------|--|--|---|
| <b>Adv. Proc. No. 21-00041</b> | UTIER v. Pierluisi et al.                          | Plaintiffs are requesting the annulment of the OMA mainly because they claim that it violates the Contracts Clause and does not comply with Act 120-2018, given that it allegedly does not recognize UTIER's collective bargaining agreement.  | The case was delayed because a group of PREPA bondholders (Cortland Capital Market Services) filed a request to be heard as amicus curiae if one of the arguments presented in the Motion to Dismiss filed by the co-defendants was to be determined by the Court, and the Court set a briefing schedule for responses and replies. On December 30, 2021, Cortland Capital's request to be heard was denied. The Motion to Dismiss is pending adjudication. |
| <b>Adv. Proc. No. 21-00049</b> | SREAEE v. PIERLUISI et al.                         | In general, very similar claims to 21-00041. In addition, the claim alleges that the OMA violates ERISA and would damage the SREAEE due to lack of funds.  | No developments in December.  |
| <b>Case No. KLRA202100406</b>  | In re Revisión de los Términos de Servicio de LUMA | Instituto de Competitividad y Sostenibilidad Económica de Puerto Rico (ICSE) seeks order to annul and overturn PREB's approval of Modified Terms of Service and Liability Waiver. They argue that the waiver granted is an infringement of PR's Civil Law tradition as it goes against the Law, Moral, and the Public Order. | On August 27, 2021, LUMA filed a timely opposition to the petition for administrative review. On September 10, 2021, the Energy Bureau filed a motion to dismiss due to ICEPR's lack of standing and because it was seeking an advisory opinion on damages that have yet to materialize. The case is now submitted pending adjudication by the Puerto Rico Court of Appeals.  |
| <b>Adv. Proc. No. 21-00059</b> | Senate of P.R. v. Commonwealth of P.R., et al.     | Senate seeks to invalidate the OMA because it was not registered in the Puerto Rico Property Registry.   | A motion to remand to state court was filed by Plaintiff on June 11, 2021 and is pending adjudication.  |

**Footnote**

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.*

## 6.0 Material OMA Items

- **PREPA Reorganization:** At the December PREPA Governing Board meeting the PREPA Reorganization and Draft Contribution Agreements were reviewed and approved by the Governing Board and the creation of three subsidiaries (GenCo, HydroCo and NewCo) was approved.
- **GridCo-GenCo Operating Agreement:** A draft GridCo GenCo HydroCo Operating Agreement was agreed to by P3A, PREPA and LUMA, and was submitted on December 10th to PREPA's Governing Board for review and approval. It is understood that approval was not provided, and LUMA awaits the next steps of this overdue agreement.