



# Monthly Report on the T&D System

For the Month of October 2022

November 18, 2022

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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 October 2022.

## 2.0 Monthly Sales Summary

The information included in this report is based on *preliminary data*<sup>1</sup> for October 2022 and is subject to change.

- Consumption was lower in October month over month (26.2%) and year over year (15.3%). This is in line with the widespread outages as a result of Hurricane Fiona.
- Energy sales in October decreased 9.4% from the previous month data but increased 10.4% compared to the same month a year ago.
- Revenues for Fuel Charge Adjustment ("FCA") were lower in October compared with the previous month, in line with the widespread outages as a result of Hurricane Fiona. FCA continued to be higher than the same time last year in line with increased global fuel prices.

**Table 2-1. Energy billed by customer segment**

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total
2022 October	398.1	497.4	116.1	22.9	1.0	3.0	1,038.5
2022 September	588.1	645.9	144.5	23.0	1.9	3.1	1,406.7
2021 October	611.9	479.7	107.2	22.0	2.0	2.9	1,225.7

**Table 2-2. Energy sales by rate component**

Energy Sales (\$M)	Base	FCA <sup>2</sup>	PPCA <sup>3</sup>	CILT & Subsidies <sup>4</sup>	Total
2022 October	7.7	225.0	40.4	24.9	368.0
2022 September	97.8	242.9	38.0	27.4	406.1

<sup>1</sup> Fuel data for the month has not been provided to LUMA from PREPA and so FCA data is estimated and subject to material change.

<sup>2</sup> FCA: Fuel Charge Adjustment

<sup>3</sup> PPCA: Purchased Power Charge Adjustment

<sup>4</sup> CILT: Contribution In Lieu of Taxes

Energy Sales (\$M)	Base	FCA <sup>2</sup>	PPCA <sup>3</sup>	CILT & Subsidies <sup>4</sup>	Total
2021 October	98.9	171.8	42.4	20.0	333.1

**Table 2-3. Energy sales by customer segment**

Energy Sales (\$M)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total
2022 October	133.1	181.6	40.0	11.9	0.4	1.0	368.0
2022 September	162.5	191.8	40.9	9.5	0.6	0.9	406.1
2021 October	138.3	160.6	25.0	8.1	0.5	0.6	333.1

## 3.0 Outage Summary

### Reported Events

- LUMA's Emergency Operations Center (LEOC) remained activated until October 14, 2022, and an Incident Commander remained activated until October 31, 2022.
- In compliance with Section 5.14 (b) of the T&D OMA and the LUMA Emergency Response Plan, LUMA provided approximately twenty-two (22) update reports to P3A and PREB during the month of October and a total of sixty-two (62) of update reports over the whole emergency until October 13, 2022, when LUMA changed the event classification to a Level 4 - Non-Emergency Event.
- On October 6, 2022, LUMA sent a letter to the PREB expressing significant concerns with the availability of post-Hurricane Fiona dependable baseload generation. The letter communicated that damage to electric generating facilities operated by PREPA, AES and Ecoelectrica because of Hurricane Fiona would result heightened risk of load shed. This risk increased dramatically from a Loss of Load Expectation ("LOLE") of 8.8 to a LOLE of approximately 50. This means that a customer in Puerto Rico has a risk 500 times worse than the minimum industry standard for resource adequacy in North America. LUMA explained in the October 6, 2022, letter that without intervention, customers could expect to incur on average 10-12 load shed events in the next three months as a direct result of Hurricane Fiona damage to the existing generation assets.
- LUMA reported on these increased risks and possible mitigation measures, including floating and on land generation options to the Government of Puerto Rico and the Puerto Rico Energy Bureau.
- On October 12, 2022, Governor Pierluisi requested direct government aid to stabilize the power system due to damage from Hurricane Fiona to electric generation. In response, FEMA launched a multi-agency task force to assess these damages, formulate a plan for repairs and temporary generation, and implement this plan. During October LUMA worked closely with FEMA and other agencies on assessments.

Table 3-1: Significant Generation Outages

Date	Description of outage
10/01/2022	Palo Seco 3: Forced Outage
10/02/2022	San Juan 6: Forced Outage
10/03/2022	AES 1: Derated
10/04/2022	AES 1: Derated AES 2: Derated
10/05/2022	AES 1: Derated AES 2: Derated San Juan 9: Derated San Juan 5: Derated
10/06/2022	AES 1: Derated AES2: Derated Costa Sur 5: Forced Outage and Loadshed Costa Sur 6: Forced Outage and Loadshed
10/07/2022	AES 1: Derated AES 2: Derated Costa Sur 6: Derated
10/08/2022	Costa Sur 6: Derated
10/09/2022	Eco Electrica CT2: Forced Outage
10/13/2022	AES 1: Derated AES 2: Derated Palo Seco 3: Derated Loadshed during peak due to generation shortfalls
10/14/2022	AES 1: Derated AES 2: Derated Aguirre 2: Derated
10/15/2022	AES 1: Derated AES 2: Derated Aguirre 2: Derated
10/16/2022	Palo Seco 3: Forced Outage Costa Sur 6: Derated
10/17/2022	Palo Seco 3: Derated
10/18/2022	San Juan 6: Forced outage and Loadshed
10/19/2022	AES 1: Forced Outage and Loadshed AES 2: Forced Outage and Loadshed Loadshed during peak hours due to Generation shortfalls
10/20/2022	AES 1: Derated AES 2: Derated
10/21/2022	AES 1: Derated
10/22/2022	Costa Sur 6: Derated San Juan 7: Derated Aguirre 2: Derated
10/23/2022	Costa Sur 6: Derated

<b>10/24/2022</b>	AES 1: Derated
<b>10/25/2022</b>	Costa Sur 5: Derated Costa Sur 6: Derated San Juan 6: Derated Aguirre 2: Forced Outage and Loadshed
<b>10/26/2022</b>	AES 1: Derated AES 2: Derated Costa Sur 5: Derated Costa Sur 6: Derated Aguirre 2: Derated San Juan 6: Forced Outage
<b>10/27/2022</b>	AGCC 1: Forced Outage AGCC 2: Forced Outage Costa Sur 6: Forced Outage
<b>10/28/2022</b>	AES 1: Derated AES 2: Derated
<b>10/29/2022</b>	AES 1: Derated AES 2: Derated
<b>10/30/2022</b>	AES 1: Derated AES 2: Derated
<b>10/31/2022</b>	AES 1: Derated

**Table 3-2: Significant Transmission Outages**

<b>Date</b>	<b>Description of outage</b>
<b>10/03/2022</b>	Line 50200 tripped
<b>10/04/2022</b>	Line 50200 tripped Line 50400 tripped
<b>10/08/2022</b>	Line 50700 tripped
<b>10/10/2022</b>	Line 50400 tripped
<b>10/11/2022</b>	Line 50200 tripped
<b>10/14/2022</b>	Line 50100 tripped Transformer Bnk1 230/115 Yabucoa tripped
<b>10/16/2022</b>	Line 51200 tripped
<b>10/22/2022</b>	Line 50800 tripped
<b>10/23/2022</b>	Line 51200 tripped
<b>10/24/2022</b>	Line 50800 tripped
<b>10/25/2022</b>	Line 37800 tripped
<b>10/26/2022</b>	Line 50200 tripped
<b>10/27/2022</b>	Line 36200 tripped Line 50200 tripped
<b>10/30/2022</b>	Line 37800 tripped Line 50200 tripped

## 4.0 PREB Filings & Hearings

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

- [NEPR-AP-2020-0025](#) | **LUMA's Performance Metrics** – On October 14th, 2022, the Energy Bureau issued an R&O granting intervenor's a request for an extension of time for additional discovery on LUMA supplemental written testimony and the amended portions of Annex IX. Further, the PREB granted LUMA's request to file supplemental testimony and a revised Annex IX on or before October 28, 2022 and provided an amended procedural calendar. On October 28th, 2022, LUMA filed the Motion titled "Revised Annex IX to the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement ("T&D OMA") and the Motion Testimonies on Additional Metrics", in compliance with the December 22, 2022, and August 1, 2022, Orders requiring LUMA to file an Amended Annex IX and written testimony to include metrics on interconnection, energy efficiency and vegetation management.
- [NEPR-MI-2019-0007](#) | **Performance Metrics** – On October 7, 2022, the Energy Bureau issued an R&O whereby it ordered LUMA to file on or before October 17, 2022, the underlying data & supporting calculations with all formulae intact for the SAIDI and SAIFI metrics for the periods of June 2021 to May 2022. On October 15, 2022, LUMA filed its motion in compliance with the August 18, 2022, R&O which required an explanation of LUMA's performance and the corrective actions LUMA will take to improve its performance. On October 19, 2022, the Energy Bureau issued an R&O granting LUMA's request to provide supporting data & calculation for SAIDI and SAIFI by November 7, 2022, and ordered LUMA to—in addition to providing data regarding SAIDI and SAIFI— provide additional data and information regarding estimated vs. read bills, available vehicles and total workforce. On October 20, 2022, LUMA filed its Submission of Performance Metrics Report for July through September 2022.
- [NEPR-MI-2020-0012](#) | **IRP** – On October 10, 2022, PREB approved the list of qualified technical consultants and LUMA's preferred bidder. LUMA completed legal evaluation of preferred bidder requests for contract edits and scheduled negotiation sessions. On October 19, 2022, LUMA issued a Request for Proposals (RFP) for IRP Stakeholder Coordinator.
- [NEPR-MI-2019-0016](#) | **DG Interconnection** – On October 26, 2022, LUMA submitted the Quarterly Report for the period of July-September, according to the new timeline that aligns the DG Interconnection report with other quarterly reports. Additionally, LUMA submitted the suggested changes report for discussion with the PREB. On October 28, 2022, LUMA attended a Technical Conference with the PREB to discuss the quarterly report and the suggested changes.
- [NEPR-MI-2021-0004](#) | **LUMA's Budgets** – On October 5, 2022, due to Hurricane Fiona, LUMA requested an extension to submit responses to the requests for information (RFI) received during September 13, 2022, technical conference. On October 7, 2022, LUMA submitted the first set of responses to RFIs and on October 12, 2022, LUMA submitted the second set of responses to RFIs. On October 18, 2022, LUMA attended the second day of the FY2023 Annual Budgets technical conference. On October 29, 2022, LUMA filed its Annual Report for FY2022.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On October 24, 2022, and October 31, 2022, LUMA reported to PREB receipt of FEMA Project Obligations associated with the Distribution Pole and Conductor Repair Improvement Program.

- [NEPR-MI-2020-0001](#) | **Permanent Rate** – On October 3, 2022, LUMA filed an informative Motion providing for the Hurricane Fiona outage bill credits to be reflected on the November bills to customers. On October 14, 2022, the PREB issued an R&O, by which it ordered PREPA to submit all letters exchanged with LUMA regarding requests to modify the Shared Services Agreement (SSA) to accommodate the management of PREPA's insurance claims for events that occurred prior to LUMA start of operations. On October 31, 2022, LUMA and PREPA filed a joint Motion in compliance with the October 14, 2022, R&O, informing PREB that the issue had been resolved.
- [NEPR-AP-2018-0004](#) | **Unbundling of Assets** – On October 13, 2022, LUMA filed a Motion requesting that the October 21, 2022, technical conference be postponed. On October 18, 2022, the PREB issued an R&O granting LUMA's request to postpone the technical conference until further notice.
- [NEPR-IN-2020-0002](#) | **Customer Disconnection** – On October 3, 2022, LUMA filed a Motion requesting an extension to provide any available information supporting PREPA's reasons for disconnecting customers who had an open case with the PREB. On October 18, 2022, LUMA filed a Motion providing initial information regarding customer disconnections. On October 24, 2022, LUMA filed a Motion detailing the cause for customer disconnections.
- [NEPR-IN-2022-0005](#) | **Bill Objection Process** – On October 5, 2022, the OIPC filed a Motion requesting that the PREB open an investigation into LUMA's bill objection process in accordance with Act 57 during Hurricane Fiona. On October 8, 2022, the OIPC issued a Motion requesting that the PREB open an investigation into LUMA's online Act 57 bill objection process. On October 13, 2022, PREB issued an R&O by which it initiated the investigation into LUMA's bill objection process during Hurricane Fiona and into LUMA's online bill objection process, consolidating both investigations. On October 24, 2022, LUMA filed a Motion in compliance with the PREB's October 13, 2022, R&O. On October 27, 2022, the PREB issued an R&O by which it found LUMA to be partially compliant and partially uncompliant with the October 13, 2022, R&O and ordered LUMA to comply with the remaining requirements early in November by communicating the extended window for bill objections through additional channels and establishing its position on the ability for customers to file bill objections through its online portal. Also in the October 27 Order, OIPC was granted a period of five days to provide details of the customer accounts to LUMA for investigation.
- [NEPR-MI-2022-0003](#) | **LUMA's Response Hurricane Fiona (Generation Stabilization Plan)** – On October 6, 2022, LUMA sent a letter to the PREB expressing significant concerns with the availability of post-Hurricane Fiona dependable baseload generation. On October 7, 2022, the PREB scheduled a technical conference for October 11, 2022, to further discuss the generation concerns and mitigations that may be implemented. On October 11, 2022, LUMA participated in the technical conference with the PREB and filed the presentation. On October 12, 2022, the PREB ordered LUMA to file a Generation Stabilization Plan (GSP) on November 1, 2022, and to update the GSP twice monthly (the 1st and 15th day of the month). On October 31, 2022, LUMA filed with the PREB the Generation Stabilization Plan update in advance of the technical conference held on November 1, 2022. Also on October 31, 2022, LUMA filed with the PREB the Generation Stabilization Plan Comments and responses to RFIs from the technical conference of October 11, 2022.



- [NEPR-IN-2022-0002](#) | **April 6 Costa Sur Incident** – On October 4, 2022, LUMA filed the Root Cause Analysis report prepared by Exponent. On October 24, 2022, LUMA filed additional six reports referenced in the Root Cause Analysis report.
- [NEPR-IN-2022-0003](#) | **July 12 Jayuya Incident** – On October 15, 2022, LUMA confidentially filed the Final Report for the July 12, 2022, Jayuya incident.

## 5.0 Legislative Matters and 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 weeks and months on some occasions.
- Responding to these inquiries requires considerable resources and time from LUMA.

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

Committee	Bill or Resolution	Comments Requested	LUMA Response or Legislation Title
<b>House Committee on Economic Development, Planning, Telecommunications, Public Private Partnership, and Energy</b>	House Resolution 446	September 23, 2022	<p>HR446 orders the Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy of the House of Representatives of the Commonwealth of Puerto Rico to conduct an ongoing investigation on all matters related to the performance, execution, and compliance of LUMA with the obligations assumed in the T&amp;D OMA, and for other related purposes.</p> <p>On September 23, 2022, a request for production of documents was received from the Committee.</p> <p>On September 26, 2022, LUMA was summoned to a Public Hearing to be held on September 29, 2022. The letter included a request for documents.</p> <p>Due to the activation of the LEOC during the emergency caused by Hurricane Fiona, LUMA requested a deferral of the Public Hearing and the production of documents for 20 working days.</p> <p>On September 29, 2022, LUMA received a letter denying the request, scheduling the Public Hearing for October 3, 2022, and ordering the information requested be submitted by Friday, September 30, 2022.</p>

			<p>On September 30, 2022, the Committee sent a letter postponing the submittal of documents for October 3, 2022, and the Public Hearing for October 5, 2022.</p> <p>On October 3, 2022, LUMA delivered a response to the <b><i>Request for Production of Documents</i></b> dated as of September 23, 2022.</p> <p>On October 5, 2022, LUMA participated in Public Hearing held by the Committee.</p> <p>On October 5, 2022, a new request for production of documents was received from the Committee.</p> <p>On October 10, 2022, LUMA delivered new documentation to the Committee.</p> <p>On October 11, LUMA supplemented the documentation requested.</p>
<b>Committee on Development and Public Fund Oversight of the Southwest Region</b>	House Resolution 303	October 4, 2022	<p>Orders the Committee for the Development and Fiscal Control of Public Funds of the Southwest Region of the House of Representatives of the Commonwealth of Puerto Rico, to conduct a comprehensive investigation related to the economic and social situation of the municipalities of Guánica, Yauco, Guayanilla, Peñuelas, Ponce, Jayuya, Adjuntas, Adjuntas, Utuado and Lares; particularly in the areas of infrastructure, public roads, transportation, development of the tourism sector, housing, health facilities, employment, education, sports and recreational facilities, safety, security, allocation of state and federal public funds and their utilization, the provision of essential services, among other matters.</p> <p>All this with the purpose of identifying measures and actions, both of a legislative and administrative nature, to be implemented by the agencies of the Government of Puerto Rico; to establish priorities and responsibilities, if any, of the relevant governmental entities in due attention of these needs for the development, welfare and progress of this region; and for other related purposes.</p> <p>On October 4, 2022, LUMA was summoned to a Public Hearing to be held on October 7,</p>

			<p>2022, in Ponce. The letter included a request for documents.</p> <p>October 7, 2022, LUMA participated in the Public Hearing and delivered the requested documents.</p>
<b>Senate Committee on Government Affairs</b>	Senate Bill 447	October 5, 2022	<p>Intends to add a subsection (l) to Section 2 and amend Section 12 of Act 131 of June 28, 1969, as amended, also known as the “Act to Create the College of Electrical Surveyors”, as amended; to amend subsection (b), and add subsections (k), (l), (m), and (n) to Section 2 of Act No. 115 of June 2, 1976, as amended, also known as the “Board of Examiners of Electrical Surveyors Act”; in order to allow the Electrical Surveyors to connect and disconnect meters and overhead and underground power sources; to increase the penalties for anyone who exercises the profession of electrical surveyor without being duly registered and licensed; and for other related purposes.</p> <p>On October 5, 2022, LUMA received a request for comments from the Committee.</p> <p>On October 14, 2022, LUMA received notification from the Committee, indefinitely postponing the request for comments.</p>

<p><b>House Committee on Economic Development, Planning, Telecommunications, Public Private Partnership, and Energy</b></p>	<p>House Resolution 768</p>	<p>October 7, 2022</p>	<p>To order the Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy of the House of Representatives of the Commonwealth of Puerto Rico, to conduct an exhaustive investigation aimed at determining the responsibility of the entities concerned with respect to the collection of countless poles and cables of the Electric System and/or telecommunications companies that remain lying on public roads and green areas bordering the pavement without being timely removed and/or replaced by new infrastructure, which could endanger the life and property of the citizens; and for other related purposes.</p> <p>On October 7, 2022, the Committee requested comments.</p> <p>On October 18, 2022, LUMA delivered comments to the Committee.</p>
<p><b>House Committee on Transportation, Infrastructure and Public Works</b></p>	<p>Subst. House Bill 16</p>	<p>October 7, 2022</p>	<p>To establish the “Act to Standardize the Planting and Reforestation of Trees in the Right-of-Ways and in the areas adjacent thereto, and to the Infrastructure of the Commonwealth of Puerto Rico”; to provide for general public policy, with respect to “protected trees” and reforestation; to establish the scope and interpretation with other laws and regulations; to provide for the prospectively of this Act; provide for regulations and guidelines; establish duties and responsibilities of all government agencies, instrumentalities, and dependencies, municipalities, public corporations, or entities under a public private partnership contract that have direct control of the easement or infrastructure in question, and of private individuals or legal entities with respect to this Act; to provide for the role and responsibilities of the Planting Professional, his or her certification by the Department of Natural and Environmental Resources, as well as the Certification Permit; to establish the 2 creation and oversight of the Easement and Infrastructure Conservation Plans and the Subsidy Programs; to provide for the Educational Campaign; to establish sanctions</p>

			<p>and penalties; to establish with respect to exclusions to this Act and other clarifications; and to amend Section 9-01 of Act No. 54 of May 30, 1973, Section 9-01 of Act No. 54 of May 30, 1973, to establish the creation and oversight of the Easement and Infrastructure Conservation Plans and the Subsidy Programs; to provide with respect to the Educational Campaign; to establish sanctions and penalties; to establish with respect to exclusions to this Act and other clarifications; and to amend Section 9-01 of Act No. 54 of May 30, 1973, as amended; and to amend Section 4 of Act 213-1999, as amended; in order to establish regulations regarding the planting, cutting, pruning, trimming, removal, transplanting, and reforestation of trees in overhead or underground easements, public roads, and areas adjacent thereto, and the infrastructure of the Government of Puerto Rico, among other things.</p> <p>On October 7, 2022, the Committee requested comments.</p> <p>On October 26, 2022, LUMA delivered the comments requested.</p>
<p><b>House Committee on Housing and Urban Development</b></p>	<p>House Resolution 366</p>	<p>October 17, 2022</p>	<p>To order the Committee on Housing and Urban Development of the House of Representatives of the Commonwealth of Puerto Rico, to conduct a study and investigation on how the [Puerto Rico] Electric Power Authority's irrigation structure affects the housing financing processes, which translates into the limitation of mortgage alternatives, as well as the risks associated with the viability and operation of the processes of buying and selling and refinancing dozens of properties in Puerto Rico, how this would affect property values and consumer alternatives, as well as the potential impact to the real estate and mortgage industry.</p> <p>On October 17, 2022, LUMA delivered the comments requested.</p>

<b>Senate of Puerto Rico</b>	Senate RFI 2022-0133	October 17, 2022	<p>A petition was presented by Senator Ramon Ruiz Nieves (Ponce District) and approved by the Senate, to request LUMA the following:</p> <ol style="list-style-type: none"> <li>1) LUMA's monthly revenues from energy sales to its customers from July 1, 2021, to September 1, 2022.</li> <li>2) Transfers or payments made to the Electric Power Authority (PREPA) or other entity from July 1, 2021, to September 1, 2022, for the purchase of fuel.</li> <li>3) Detail of the increase in the cost per kilowatt in each of the billing adjustment requests that LUMA has submitted to the Energy Bureau with reference to the portion or percent of such increase that is attributable to the cost of future fuel.</li> </ol> <p>October 17, 2022, LUMA received Senate's RFI 2022-0133.</p>
<b>House Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy</b>	Senate Bill 465	October 17, 2022	<p>To amend Section 15 of Act 120-2018, as amended, known as the "Electric System Transformation Act of Puerto Rico", in order to create the Puerto Rico Lineman Reserve, ascribed to the Puerto Rico Electric Power Authority; establish their ranks, operation, benefits; and for other related goals.</p> <p>On October 17, 2022, a request for comments was received from the Committee.</p> <p>On October 21, 2022, LUMA delivered the comments.</p>
<b>Senate Committee on Economic Development, Essential Services and Consumer Affairs Consumer Affairs</b>	Senate Bill 1047	October 20, 2022	<p>To create the "Solar Panel Systems Warranty Compliance Act"; to establish a special cause of action to address matters related to Solar Panel Systems that are imported, manufactured, distributed and/or sold in Puerto Rico, as well as the jurisdiction to address complaints filed in this regard; to order the creation of a "Registry of Manufacturers, Distributors and Sellers of Solar Panels" in the Department of Consumer Affairs and to establish the powers and duties related to said Registry; and for other related purposes.</p> <p>On October 20, 2022, LUMA was summoned to a Public Hearing to be held on October 27, 2022.</p>

			On October 21, 2022, LUMA received a letter canceling the Public Hearing.
<b>Senate of Puerto Rico</b>	Senate RFI 2022-0145	October 24, 2022	<p>A petition was presented by Senator Ramon Ruiz Nieves (Ponce District) and approved by the Senate, to request LUMA:</p> <ol style="list-style-type: none"> <li>1. Complaints, claims, or documentation of malfunctions reported to or identified by LUMA since September 17, 2022, to the present, on the transmission and distribution system under its responsibility, broken down by the following municipalities: Adjuntas, Guánica, Guayanilla, Guayanilla, Jayuya, Juana Diaz, Lajas, Lares, Maricao, Peñuelas, Ponce, Sabana Grande, Utuado and Yauco;</li> <li>2. Evidence on the outages attended, the personnel resources assigned to these tasks, the equipment used, and the cost per repair, the work planned or performed for such purposes, among others, on the transmission and distribution system in the following municipalities: Adjuntas, Guanica, Guayanilla, Jayuya, Juana Diaz, Lajas, Lares, Maricao, Peñuelas, Ponce, Sabana Grande, Utuado and Yauco;</li> <li>3. The number of LUMA subscribers in the following municipalities and the regions to which they belong to: Adjuntas, Guánica, Guayanilla, Guayanilla, Jayuya, Juana Diaz, Lajas, Lares, Maricao, Peñuelas, Ponce, Sabana Grande, Utuado and Yauco;</li> <li>4. Precautionary measures and collaboration agreements established or contemplated to be made with the mayors, including the breakdown of tasks, responsibility of the parties, among other conditions, regarding the due maintenance, communication and coordination to repair the transmission and distribution system in the municipalities of Adjuntas, Guanica, Guayanilla, Jayuya, Juana Diaz, Lajas, Lares, Maricao, Peñuelas, Ponce, Sabana Grande, Utuado and Yauco.</li> </ol>
<b>Senate Committee on Economic Development, Essential Services</b>	Senate Resolution 577	October 26, 2022	Which orders the Committee on Economic Development, Essential Services and Consumer Affairs to conduct an investigation into the interruptions and constant outages in

and Consumer Affairs			<p>electric power service recorded during the last few months in the municipalities of Aibonito, Arroyo, Barranquitas, Cayey, Cidra, Coamo, Comerio, Corozal, Guayama, Juana Díaz, Naranjito, Orocovis, Salinas, Santa Isabel and Villalba, and in the rest of the municipalities of Puerto Rico, as well as the existing alternatives to prevent situations such as these from continuing to affect the residents and businesses of said municipalities and of all Puerto Rico.</p> <p>On October 26, 2022, a request for information was received by LUMA, regarding this Resolution.</p>
Committee on Development and Public Fund Oversight of the Northeastern Region	House Resolution 344	October 27, 2022	<p>To order the Puerto Rico Electric Power Authority, including its administrative entity Luma Energy, LLC, and Luma Energy Servco, LLC, to design and construct electric power transmission, sub transmission and distribution facilities for the benefit of the communities of Villa Hugo I, Villa Hugo II and Valle Hill, in the Municipality of Canóvanas, in accordance with the regulations, codes, standards, construction patterns and technical communications in Puerto Rico; and to establish that this infrastructure work will be paid for with existing resources.</p> <p>On October 27, 2022, LUMA was summoned to participate in an <i>on-site</i> public hearing.</p> <p>On October 31, 2022, LUMA received a notification from the Committee postponing the hearing.</p>

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

Case No.	Party Names	Description	Significant Updates
Adv. Proc. No. 21-00041	UTIER v. Pierluisi et al.	Plaintiffs are requesting the annulment of the T&D OMA 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	The Court has not yet ruled on the pending Motion to Dismiss.



Case No.	Party Names	Description	Significant Updates
		collective bargaining agreement.	
<b>Adv. Proc. No. 21-00049</b>	SREAEE v. PIERLUISI et al.	Similar claims to 21-00041. In addition, alleges that the OMA violates ERISA and would damage the SREAEE due to lack of funds.	The Court has not yet ruled on the pending Motion to Dismiss.
<b>Case No. KLRA202100406</b>	In re Revisión de los Términos de Servicio de LUMA	ICSE seeks order to annul and overturn the PREB's approval of Modified Terms of Service and Liability Waiver. They argue the waiver is an infringement of PR's Civil Law tradition as it goes against the Law, Moral, and Public Order.	<p>On March 10, 2022, the Puerto Rico Court of Appeals dismissed ICSE's petition due to lack of standing to pursue the remedy claimed. The petitioner did not request reconsideration and represented before the PREB that it will not seek recourse from the Puerto Rico Supreme Court.</p> <p>On April 11, 2022, Petitioner filed a Motion requesting Adjudicative Procedure before the PREB and a Motion requesting Investigation and Relief. The Independent Office for Consumer Protection (ICPO) filed a similar request on the same date and requested that the proceeding to evaluate the Liability Waiver of the Modified Terms of Service be consolidated with the PREB's investigation of the April 6, 2022, incident. On April 14, 2022, the PREB accepted ICSE's and ICPO's Motions requesting the opening of the adjudicative proceeding to evaluate the Limited Liability Waiver of the Modified Terms of Service, announced its decision to initiate an adjudicative proceeding regarding the Modified Terms of Service and notified the parties that a</p>

Case No.	Party Names	Description	Significant Updates
			procedural itinerary would be issued.
<b>SJ2022CV02868</b>	Ismael Herrero Domenech and the class composed of all residential electrical energy consumers that are customers of LUMA Energy LLC v. LUMA Energy LLC, Wendco of Puerto Rico Inc. et al. v. LUMA Energy LLC	<p>The residential and commercial customers in the consolidated class actions filed with the Puerto Rico State Court (“Plaintiffs”), seek to be compensated for damages for LUMA’s alleged failure to properly maintain and operate certain equipment pursuant to the T&amp;D OMA that caused an island-wide blackout on April 6, 2022. Plaintiffs claim over \$500 million in damages.</p> <p>LUMA was served on July 19, 2022, and on July 29, 2022, we filed a Notice of Removal with the Title III Bankruptcy court.</p>	<p>On August 26, 2022, the Plaintiffs filed a Motion to Remand. Plaintiffs’ Request alleges in essence that the US District Court should remand the case to local court because LUMA is not a party to the PROMESA debt adjustment procedure and, therefore, lacks standing to remove the consolidated class actions. Plaintiffs further argue that since the T&amp;D OMA was approved by the Court as part of PREPA’s Bankruptcy proceeding, its indemnity provisions constitute a post-petition event and may not serve as basis for the removal of the class actions.</p> <p>On September 13, 2022, LUMA filed its Opposition to the Motion to Remand arguing, in sum, that (1) LUMA has standing to remove the case to federal court because it is a party to the Class Action; (2) the federal court has “related to” jurisdiction over the Removed Class Action pursuant to PROMESA § 306(a)(2), as the Removed Class Action could have a significant and material impact on PREPA’s Title III Case, and (3) there is no basis for this Court to exercise either permissive abstention or equitable remand where the Removed Class Action strikes at the very heart of LUMA’s obligations under the O&amp;M Agreement.</p>

Case No.	Party Names	Description	Significant Updates
			<p>On October 28, 2022, Magistrate Judge Dein issued a report and recommendation recommending that Judge Swain remand the class action complaints to local court. In essence, the magistrate judge concluded that the Court has “related to” jurisdiction pursuant to PROMESA in the ongoing Title III PREPA proceeding but that nonetheless the Court should abstain from exercising its jurisdiction because the complaints raise issues of local law and have the potential of overburdening the federal court’s docket.</p>
<p><b>SJ2022CV05387</b></p>	<p>CADFI Corp. v. PREPA, LUMA and Municipality of San Juan</p>	<p>Plaintiff, CADFI Corp. (Broad Coalition for Functional Diversity on Equality), and other individual Plaintiffs, allege that some electric posts are located in the middle of some sidewalks in San Juan in violation of the American with Disabilities Act (“ADA”) and the Standards for Accessible Design promulgated by the US Department of Justice. The Plaintiffs seek from the codefendants the following remedies: (1) a permanent injunction pursuant to ADA Title II and other federal regulation (28 C.F.R. §§35.151(a),(b),(c), or (i); 45 C.F.R. §§84.22) ordering the Defendants to remedy, reinstall,</p>	<p>On July 27, 2022, the Municipality of San Juan removed the case to the Puerto Rico District Court. LUMA and PREPA, both co-defendants, consented to the Removal. On August 29, 2022, the Municipality of San Juan filed a Motion to Dismiss. On September 23, 2022, Plaintiffs filed their Opposition to the Motion to Dismiss alleging in sum that (1) that Plaintiffs have standing even when they do not live in San Juan because they have visited and intend to continue visiting San Juan; (2) the Municipality has a duty to maintain sidewalks even if PREPA can decide where to locate its lampposts within the sidewalks; (3) the statute of limitations is one year from when the person encountered the barriers and not when they were placed, and (4) the Municipality is an indispensable party in relation to the intervention with the</p>

Case No.	Party Names	Description	Significant Updates
		and/or relocate the electric posts in the sidewalks of San Juan so that they do not interfere with the free mobility of persons with disabilities; (2) nominal damages for \$1 pursuant to ADA and the Rehabilitation Act, and (3) costs and attorneys' fees pursuant to 42 U.S.C. 12205. As provided by the Operations team, a rough estimate of the costs that LUMA would have to incur if the Complaint was to be granted exceeds \$1.5 million.	<p>sidewalks that Plaintiffs are requesting. On October 17, 2022, the Municipality filed its Reply. The Motion to Dismiss is pending adjudication.</p> <p>On September 9, 2021, LUMA and PREPA filed a Joint Motion regarding the applicability of the automatic stay. On Sept. 23, the Municipality filed a Motion requesting to Join PREPA and LUMA's Motion re: Applicability of Stay.</p> <p>On Oct. 21, 2022, Plaintiffs filed their Opposition to the Stay, alleging that Plaintiffs are trying to stop a discriminatory policy and not to control PREPA's revenues. Plaintiffs also allege that LUMA is only speculating in relation to the financial impact of relocating the posts.</p>

**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 and Title III Exit**
  - The Reorganization of PREPA continues to miss key milestones outlined in the Fiscal Plan. This on-going delay is impeding critical progress on the PREPA Transformation.
  - PREPA submitted the PREPA-GenCo-HydroCo Operating Agreement (PGHOA) to the PREB for review and approval on September 14, 2022. No action from PREB has occurred since filing.
  - The FOMB, PREPA and certain of its creditor constituencies, including its bondholders, have filed briefs before the United States Bankruptcy Court for the District of Puerto Rico on the issues of the extent to which PREPA's bond claims are secured and the potential recourse of the bondholders. The outcome of that litigation will inform PREPA's treatment of the bondholders' claims and other creditors' claims under a plan of adjustment.

- LUMA continues to dedicate resources to work with PREPA on supporting a cooperative and collaborative relationship while addressing key issues as they arise. However, LUMA remains concerned by PREPA's slow responsiveness on many key issues and ignoring division of responsibilities stipulated in the T&D OMA that are having a negative impact on LUMA's ability to perform its obligations under the T&D OMA.
  - One particularly concerning issue is PREPA's ongoing resistance and delay in implementing cybersecurity protocols. LUMA has issued numerous letters to PREPA on this issue and LUMA remains concerned with the risk of PREPA's inaction on this important matter.
  - Another very concerning issue is PREPA's ongoing refusal to abstain from making comments and public statements on the status of the T&D System and/or service to customers. Under the T&D OMA, LUMA is tasked with all public communications regarding the T&D system and electrical service. PREPA's repeated and egregious disregard for this division of responsibilities causes substantial confusion to customers and materially impedes LUMA from being able to carry out its duties under the T&D OMA. The Government of Puerto Rico has not acted to resolve this chronic disregard for these provisions of the T&D OMA.
- **FY2023 Budget Process and Generation Allocation**
  - Following significant efforts by P3A, the FOMB and LUMA to reach a consolidated FY2023 Certified Budget by June 30, 2022, LUMA submitted LUMA's revised FY2023 Budget documents to P3A on July 14, 2022, as requested in P3A's June 28, 2022, letter and informatively to the PREB on July 13, 2022.
  - On July 16, 2022, the PREB initiated a budget review and approval process by which they issued additional information requests (many pertaining to the unchanged T&D Budgets, for which the PREB previously issued information requests in May 2022 and LUMA provided responses in June 2022) and set a procedural schedule which required multiple updates, including rescheduling the August 17, 2022, technical conference to September 9, 2022, then to September 13, 2022, then expanding it over multiple days, with the next technical conference scheduled on September 27, 2022, but rescheduled due to Hurricane Fiona to October 18, 2022.
  - On October 18, 2022, LUMA attended day 2 of the FY23 Annual Budgets technical conference. The PREB issued bench orders for additional information to be filed by November 1, 2022.
  - On November 1, 2022, LUMA complied and filed information in response to the October 18, 2022, bench orders.
- **PREB directives on Allocation of Generator Network Upgrade Costs to LUMA's Budget**
  - Following the PREB's June 13, 2022, R&O in NEPR-MI-2020-0012, requiring transmission system network upgrade projects associated with selected Tranche 1 projects to be funded from LUMA's Non-Federally Funded Capital Budget or, if approved by FEMA, from the Federally Funded Capital Budget and LUMA's Motion for reconsideration and stay on June 22, 2022, the PREB issued an R&O denying LUMA Motion for reconsideration.

- The PREB's directives on this matter which potentially favor specific generators and are in violation of the text of the public RFP document were issued without a hearing, presentation of evidence or any opportunity to be heard.
- LUMA continues to have grave concerns about the potential negative impacts to reliability and resilience of the system and increased costs to customers if these directives are carried out. If similar directives are made with the next renewable RFP Tranches, this will have a further negative impact on LUMA's ability to implement identified critical System Remediation Plan Improvement Programs, meet Contract Standards and Performance Metrics. PREB's directives are also inconsistent LUMA's rights under Section 7.4 of the T&D OMA.
- **PREB directives regarding LUMA's Incentive Performance Metrics**
  - LUMA continues to have grave concerns regarding the PREB's handling of these proceedings including the PREB's management of the administrative docket, and the PREB's stance on the imposition of penalties and its rights over the payment of the Incentive Fee. LUMA's concerns extend to LUMA's access to due process and how PREB's regulatory actions could result in a reduction of the likelihood of LUMA earning the Incentive Fee.
- **PREB directives regarding PREPA's Performance Metrics (Docket No. NEPR-MI-2019-0007)**
  - LUMA is gravely concerned about the way the PREB has depicted LUMA's performance, including statements made by Commissioners to the media, and the PREB's utilization of the data reported by LUMA since June 1, 2021. For that reason, LUMA has contested some of the conclusions reached by the PREB, as well as requested the correction of data as multiple charts and assertions made by the PREB misrepresent LUMA's performance. Some of the issues found are charts plotted with data points that are not based on LUMA's filings over the period allegedly analyzed by the PREB, charts and graphs that do not depict LUMA's actual performance, and alleged "non-performance" on metrics that are the result of actions/omissions of PREPA that are not attributable to LUMA. Likewise, the PREB utilized statistics that depict data that responds to statutory mandates required by agencies and municipalities on issues like the implementation of energy efficiency measures but are represented in a way that incorrectly implies that LUMA can influence the results of the implementation of those statutory mandates and/or policies that are not LUMA's responsibility.
- **Resource Adequacy**
  - In the Emergency Event Update reports for Hurricane Fiona to P3A and the PREB, LUMA reported on generation deficiencies and potential Fiona-related damages which delayed restoration progress and significantly increased the risk of additional load shed events. LUMA also reported on material concerns with diesel fuel supply during and after the event and damages to the LNG infrastructure at Ecoeléctrica that also resulted in lower generation availability, higher costs, and threatened system stability and the adequacy of generation to meet demand. LUMA communicated these concerns to the Government of Puerto Rico and to federal agencies and urged them to consider options to add emergency generation resources in Puerto Rico. Subsequent to these communications, FEMA organized a Power System Stabilization Task Force which carried out assessments in Puerto Rico during October.