



Monthly Report on the T&D System

For the Month of April 2022

May 14, 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 Transmission and Distribution Operating 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 April 2022.

2.0 Monthly Sales Summary

The provided information is based on **preliminary fuel data** provided by PREPA for March and April 2022 and it is subject to change.

- Consumption was lower in April both month over month (2.3%) and year over year (10.1%) due to the April 6, 2022 outage event.
- Billed sales in April decreased 4.1% from the previous month and increased 25.1% compared to the same month a year ago.
- Fuel costs for PREPA's generation facilities and EcoEléctrica are substantially higher compared to the same month last year due to increased global market prices and updated supply contract terms.

Table 2-1. Energy billed by customer segment¹

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total
2022 Apr.	485.7	529.9	128.9	23.3	2.0	2.6	1,172.4
2022 Mar.	481.6	544.5	146.7	22.4	2.1	2.7	1,200.0
2021 Apr.	525.7	612.7	139.0	21.8	2.0	2.5	1,303.7

Table 2-2. Energy sales by rate component¹

Energy Sales (\$M)	Base	FCA ²	PPCA ³	CILT & Subsidies ⁴	Total
2022 Apr.	108.4	187.3	37.2	14.4	347.3
2022 Mar.	94.4	196.9	48.4	22.4	362.1
2021 Apr.	96.0	120.0	43.9	17.7	277.6

Table 2-3. Energy sales by customer segment¹

Energy Sales (\$M)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total
2022 Apr.	130.0	172.4	34.9	8.7	0.6	0.7	347.3
2022 Mar.	133.3	176.9	40.9	9.7	0.6	0.7	362.1
2021 Apr.	104.6	135.3	23.4	13.3	0.4	0.5	277.6

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

On April 6, 2022, at approximately 8:45 pm, an incident at Costa Sur occurred, leaving almost 1.5 million customers without electric power service. LUMA responded to the emergency, working closely with PREPA and other generators to restore electrical service quickly and safely. On Sunday, April 10, 2022 by 3:00am electric service was restored to 99.7% of customers.

A scientific and rigorous investigation is being conducted by a team led by Dr. Richard Brown of Exponent, who is collecting and analyzing the data from various internal and external parties in order to provide a complete analysis of the factors that contributed to the April 6th outage.

Table 3-1: Significant Generation Outages

Date	Description of outage
04/01/2022	Palo Seco 4: Derated
04/02/2022	Aguirre 2: Derated Palo Seco 3: Derated
04/03/2022	AES 2: Derated Aguirre 2: Forced Outage
04/04/2022	AES 1: Derated AES 2: Derated
04/05/2022	Aguirre 2: Derated Palo Seco 3: Forced Outage, Derated and Loadshed Palo Seco 4: Forced Outage, Derated and Loadshed AES 1: Forced Outage and Loadshed
04/06/2022	Restoration process following blackout
04/07/2022	Restoration process following blackout
04/08/2022	Restoration process following blackout
04/09/2022	Restoration process following blackout. Aguirre 2: Derated
04/10/2022	Restoration process following blackout
04/11/2022	Jobos GT 1-1: Forced Outage Palo Seco 3: Forced outage

Date	Description of outage
04/12/2022	Palo Seco 3: Planned Forced Outage Daguao 1-2: Forced Outage
04/13/2022	Aguirre 2: Derated AGCC 1-1: Forced Outages
04/14/2022	Aguirre 2: Forced Outage and Loadshed San Juan 6: Forced Outage and Loadshed
04/15/2022	San Juan 6: Forced Outage
04/17/2022	Aguirre 2: Derated
04/18/2022	Costa Sur 6: Derated
04/20/2022	San Juan 6: Forced Outage and Load shed Mayaguez 4: Forced Outage
04/22/2022	San Juan 9: Forced outage Palo Seco 4: Derated Aguirre 2: Derated
04/23/2022	Mayaguez 2: Forced Outage
04/24/2022	Aguirre 2: Forced outage
04/25/2022	San Juan 7: Derated San Juan 9: Derated
04/26/2022	San Juan 7: Derated Palo Seco 4: Derated
04/27/2022	Aguirre 2: Forced outage San Juan 7: Forced outage
04/28/2022	ECO CT2: Forced Outage and Load Shed Costa Sur 5: Derated Costa Sur 6: Derated
04/30/2022	Costa Sur 5: Derated San Juan 6: Forced outage Palo Seco 3: Derated Palo Seco 4: Derated

Table 3-2: Significant Transmission Outages

Date	Description of outage
04/03/2022	Line 36400 Dos Bocas-Jayuya: Forced Outage
04/05/2022	Line 36400 Dos Bocas-Jayuya: Forced Outage
04/06/2022	0082 Costa Sur Circuit Breaker exploded while Costa Sur Unit 5 was in synchronization process. The fault caused the loss of all of 230kV Costa Sur switchyard and an island wide blackout. Line 37900 Monacillos - Encantada: Forced Outage
04/07/2022	Restoration process following blackout
04/08/2022	Restoration process following blackout
04/09/2022	Restoration process following blackout
04/10/2022	Restoration process following blackout

4.0 PREB Filings & Hearings

As part of LUMA's commitment to transparency, LUMA participated in and supported discussions with the Energy Bureau across a broad range of topics. LUMA has been actively involved in supporting the Energy Bureau's independent coordinator, ACCION Group, for Tranche 2 of the renewable procurement process.

- [NEPR-AP-2020-0025](#) | **LUMA's Performance Metrics** – On April 11, 2022, LUMA submitted the third set of interrogatories and requested production of documents to LECO's witness Augustin Irizarry. On April 20, 2022, LUMA submitted a response to LECO's objections on LUMA's Request for Information 5th & 6th response. On April 22, 2022, the Energy Bureau determined in a Resolution and Order to postpone indefinitely the scheduled evidentiary hearings set for May 16 through 20, 2022 and all events on the procedural calendar until the Energy Bureau notifies its determination on several pending motions and establishes an amended procedural calendar. On April 27, 2022, LUMA submitted rebuttal testimonies and an urgent request for an extension to file Lee Wood's testimony by May 4, 2022.
- [NEPR-IN-2022-0002](#) | **April 6th Incident** – On April 12, 2022, LUMA publicly filed an Initial Report on the April 6th Incident, providing an update on the outage incident at Costa Sur including investigation and restoration activities. On April 14, 2022, LUMA publicly filed two video recordings related to the incident as a supplement to the Initial Report. On April 18, 2022, LUMA publicly filed an update to the Initial Report.
- [NEPR-IN-2022-0001](#) | **February 21st Incident** – On April 14, 2022, LUMA confidentially filed the Detailed Report on the February 21st Incident. A public executive summary of the Detailed Report was also filed.
- [NEPR-MI-2020-0012](#) | **Renewable Procurement** – On April 28, 2022, LUMA responded to two questions from the Energy Bureau on Minimum Technical Requirements (MTRs) compliance and Interconnection Agreements. On April 29, 2022, LUMA provided a status update on the timeline for the interconnection studies to be submitted to the Energy Bureau on May 30, 2022.
- [NEPR-MI-2021-0004](#) | **Initial Budgets** – On April 1, 2022, LUMA filed the FY2023 Annual Budget. On April 8, 2022, LUMA provided applicable workpapers and supporting materials. On April 11, 2022, LUMA filed memorandum of confidential treatment for portions of Appendix C of LUMA FY2023 Annual Budget.
- [NEPR-MI-2020-0019](#) | **System Remediation Plan** – On April 14, 2022, LUMA filed the System Remediation Plan annual update for Fiscal Year 2023.

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 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	Requesting Comments On or Filed	LUMA Response or Legislation Title
<p>House Committee on Natural Resources, Environmental Affairs and Recycling</p>	<p>House Resolution 150</p>	<p>April 4, 2022 “Public Hearing”</p>	<p>The HR 150 orders the Committee on Natural Resources, Environmental Affairs and Recycling of the House of Representatives to conduct a comprehensive study on the current condition of natural resources and environmental issues, renewable energy sources, and climate change, including all environmental impact legislation and regulations and action plans of government agencies; and for other related purposes.</p> <p>The Committee summoned LUMA to a public hearing on April 4, 2022 and requested that LUMA submitted a list of clients with active accounts in the <i>Reserva Nacional de Investigación Estuaría</i> at Bahía Jobos. The information was submitted to the Committee on a sealed envelope.</p> <p>An <u>On-Site Hearing</u> took place on Bahía de Jobos on April 6, 2022.</p> <p>On April 18, 2022, a continuation of the Public Hearing from April 4, 2022, was held in which LUMA was questioned in relation to the existence of electric services at Bahía Jobos.</p>
<p>House Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy</p>	<p>House Resolution 446</p>	<p>April 5, 2022</p>	<p>The HR446 orders an ongoing investigation on all matters related to the performance, execution, and compliance of LUMA Energy with the obligations assumed in the public-private partnership agreement with the Puerto Rico Electric Power Authority, and for other related purposes.</p> <p>A request for production of documents was submitted to LUMA. On April 8, 2022, LUMA delivered to the Committee 7 boxes which contained the documentation requested.</p>
<p>House Committee on Public Funds Oversight</p>	<p>House Resolutions 9 and 301</p>	<p>April 8, 2022</p>	<p>HR 9 orders the Committee on Public Funds Oversight of the House of Representatives to establish the necessary procedures and structures to monitor, follow up and carry out continuous</p>

		<p>evaluations on the use and management of federal resources, tools, programs and funds by the agencies, instrumentalities, public corporations and municipalities of the Commonwealth of Puerto Rico; and for other related purposes.</p> <p>HR 301 orders the Committee on Public Funds Oversight of the House of Representatives to establish the necessary procedures and structures to monitor, follow up and carry out continuous evaluations on the use and management of resources, tools, programs, state and federal funds administered by the agencies, instrumentalities, public corporations and municipalities of the Commonwealth of Puerto Rico or any other entity that receives public funds or incentives; in order to evaluate whether the economic resources provided are being adequately used to meet the needs of the citizens and to determine whether it is necessary to take legislative or administrative measures to promote the efficient operation and ensure the adequate budget of public agencies and instrumentalities for the benefit of the citizens; and for other related purposes.</p> <p>On April 9, 2022, LUMA received a letter requesting information regarding the projects that have been submitted to FEMA in regards the T&D System; and any information or documentation regarding the approximately \$9.5 billion dollars the federal government allocated for the transformation of the T&D System.</p> <p>On April 13, 2022, LUMA delivered to the Committee two boxes with documents.</p> <p>On April 22, 2022, the Committee summoned LUMA to a Public Hearing, which was amended on April 26, 2022, to clarify the public hearing's date.</p> <p>On April 28, 2022, a Public Hearing was held in which LUMA discussed the status of the transmission and distribution projects submitted to FEMA for the reconstruction of the electric system.</p>
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<p>House Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy</p>	<p>House Joint Resolution 302</p>	<p>April 14, 2022</p>	<p>HJR 302 orders the Puerto Rico Electric Power Authority to certify the current status of renewable energy projects in Puerto Rico and the percentage (%) of such projects, as established in the metrics contained in the Renewable Energy Portfolio mandated in Act 82-2010, as amended, known as the "<i>Public Policy Act for Energy Diversification through Sustainable and Alternative Renewable Energy in Puerto Rico</i>"; and indicate the plans and mechanisms being used to comply with said metrics in the short and long term</p> <p>On April 14, 2022, LUMA submitted the comments requested in March by the Committee, in which the Report on compliance with the Renewable Energy Portfolio filed before the PREB on April 1, 2022, was included as an addendum.</p>
<p>House Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy</p>	<p>House Bill 1263</p>	<p>April 14, 2022</p>	<p>HB1263 proposes to amend Sections 2.3 and 2.14 of Act No. 82-2010, as amended, better known as the "Public Policy Act for Energy Diversification through Sustainable and Alternative Renewable Energy in Puerto Rico", to modify the years and percentages required in the Renewable Energy Portfolio; to increase the fines that the Puerto Rico Energy Bureau shall impose on any retail energy supplier for not complying with the percentages and metrics established in the Renewable Energy Portfolio; and for other related purposes.</p> <p>On April 14, 2022, LUMA submitted comments to the Committee as previously requested.</p>
<p>House Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy</p>	<p>House Resolutions 243 and 446</p>	<p>April 13, 2022</p>	<p>HR 243 orders the Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy of the House of Representatives to conduct an ongoing investigation on all matters related to the economic priorities, consistent with the socioeconomic development of Puerto Rico; to analyze planning and monopoly in its various manifestations; to study the progress of technology and biotechnology, the knowledge economy and strategic infrastructure projects that promote economic development in any stage of</p>

		<p>planning or construction; to oversee federal economic development issues, the interaction of purposes, resources and efforts of government agencies or between the public and private sector related to economic development and for other related purposes.</p> <p>The HR 446 orders the Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy of the House of Representatives to conduct an ongoing investigation on all matters related to the performance, execution, and compliance of LUMA Energy with the obligations assumed in the public-private partnership agreement with the Puerto Rico Electric Power Authority, and for other related purposes.</p> <p>On April 13, 2022, LUMA received a subpoena for an Executive Hearing before the Committee regarding the “Costa Sur” incident.</p> <p>On April 18, 2022, Luma submitted via email the Preliminary Report of the occurrence of April 6, 2022, at Costa Sur switchyard.</p> <p>On April 19, 2022, LUMA submitted via email to the Committee an <i>Update to Costa Sur Substation Incident on April 6, 2022</i>. Hard copies of the documents were also delivered to the Committee.</p> <p>On April 20, 2022, an Executive Hearing regarding the Costa Sur incident took place. During the hearing the Committee Chairman requested LUMA to submit documents regarding all communications between LUMA and government officials at different levels of government, regarding the development of the Fire Incident and aftermath investigation.</p> <p>On April 27, 2022, the Committee requested all bank statements regarding the accounts established under Section 7.5 of the T&D OMA.</p>
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<p>Senate Committee on Treasury, Federal Affairs and Fiscal Oversight Board</p>	<p>Senate Resolution 66</p>	<p>April 18, 2022</p>	<p>SR 66 orders the Committee on Treasury, Federal Affairs and Fiscal Oversight Board of the Senate to conduct an exhaustive investigation, of an ongoing nature, on the administration, use, and expenditure of public funds allocated and administered by the public agencies and instrumentality of the Commonwealth of Puerto Rico, as well as the execution and compliance with the strategic plans of each public instrumentality; in order to evaluate whether it is necessary to take legislative or administrative measures to promote the efficient operation and ensure the adequate budget of the public agencies and instrumentalities for the benefit of the citizens.</p> <p>On April 18, 2022, the Committee summoned LUMA to a Public Hearing. LUMA was requested to submit information regarding the FEMA funds that have been requested, approved, received, and paid in relation with the reconstruction of the Puerto Rico electric system.</p> <p>On April 25, 2022, a Public Hearing was held.</p>
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Table 5-2: Material Litigation Activity⁵

Case No.	Party Names	Description	Significant Updates
<p>Adv. Proc. No. 21-00041</p>	<p>UTIER v. Pierluisi et al.</p>	<p>Plaintiffs are requesting to annul the 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 collective bargaining agreement.</p>	<p>The Court has not yet ruled on the pending Motion to Dismiss.</p>
<p>Adv. Proc. No. 21-00049</p>	<p>SREAEE v. PIERLUISI et al.</p>	<p>Similar claims to 21-00041. In addition, alleges that the OMA violates ERISA and would damage the SREAEE due to lack of funds.</p>	<p>The Court has not yet ruled on the pending Motion to Dismiss.</p>

Case No.	Party Names	Description	Significant Updates
Case No. KLRA202100406	In re Revisión de los Términos de Servicio de LUMA	ICSE seeks order to annul and overturn PREB's approval of Modified Terms of Service and Liability Waiver. They argue the waiver is an infringement of PR's Civil Law tradition.	Petitioner did not request reconsideration and represented before the Puerto Rico Energy Bureau that it will not seek recourse from the Puerto Rico Supreme Court. On April 11, 2022, Petitioner filed a Motion requesting Adjudicative Procedure before the PREB and a Motion requesting Investigation and Relief, On April 14, 2022, PREB granted said motions and initiated an adjudicative proceeding regarding the Modified Terms of Service and notified the parties that a procedural itinerary would be issued.
SJ2022CV02868	Ismael Herrero Domenech and the class composed by all residential electrical energy consumers that are customers of LUMA Energy LLC v. LUMA Energy LLC,	Plaintiffs filed a class action claim seeking over \$125 million the damages allegedly suffered by residential customers as a result of the April 6, 2022, incident that provoked a large-scale blackout in Puerto Rico	Legal claim was filed. LUMA has not been served with summons.
SJ2022CV03139	Wendco of Puerto Rico, Inc.; MultiSystem Restaurant, Inc.; Restaurant Operators, Inc.; Apple Caribe, Inc.; todos por sí y en representación de todos los Comerciantes que hacen negocios en el Estado Libre Asociado de Puerto Rico y son abonados de LUMA Energy LLC (la Clase A); Manuel Couvertié Barrera por sí y en representación de todos los abonados residenciales de LUMA Energy, LLC denominados como (la	Plaintiffs are commercial and residential customers who claim to have suffered \$400 million in economic and equipment losses as a result of the April 6, 2022, incident and LUMA's alleged failure to improve an obsolete electrical grid, inspect and eliminate deteriorated poles, clear vegetation, and replace equipment identified as critical to the stability of the grid.	Legal claim was filed. LUMA has not been served with summons.

Case No.	Party Names	Description	Significant Updates
	Clase B) v. LUMA Energy LLC		

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:**
 - LUMA continues to wait for the PREPA Governing Board to formally approve the GridCo-GenCo-HydroCo Operating Agreement (GGHOA) and the associated Capital Contribution Agreements that were agreed to by PREPA, the P3A, and LUMA in 2021 and submitted to the PREPA Governing Board on December 10, 2021. This is an urgent matter that requires the PREPA Governing Board to take action so the PREPA reorganization can progress.
 - LUMA has appointed an executive to focus on LUMA's role in supporting PREPA's restructuring and transformation.
 - A PREPA Transformation Governance framework involving LUMA, PREPA and the P3A has been established to oversee and coordinate the PREPA Transformation.
 - Judge Swain designated a mediation team appointed to facilitate mediation over a PREPA plan of adjustment, and deadlines for this process have been established.