



Monthly Report on the T&D System

For the Month of November 2023

December 14, 2023

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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 November 2023.

2.0 Monthly Sales Summary

- November consumption (GWh) was 14.0% lower than the previous month (October) and 4.3% higher than the same month of the previous year (November 2022). The load is still being affected by the high temperatures that have been experienced since May. Energy sales (\$) in November decreased by 26.8% from October and 32.9% from November 2022.
- The main driver for the decrease from October was lower consumption, while from November 2022 was a lower fuel charge to recover the cost of fuel used in energy production. It appears that the heat wave that has persisted since May 2023 is now starting to subside. Even though November 2023 CDD was higher than November 2022, the difference between the prior months was less than what was seen in the earlier months of 2023 compared to 2022.

Table 2-1. Energy billed by customer segment

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2023 November	569.0	656.4	133.5	26.0	1.7	3.1	1,389.7
2023 October	699.8	735.9	149.4	25.9	1.9	3.8	1,616.8
2022 November	560.5	592.7	149.6	25.0	1.8	3.4	1,333.0

Table 2-2. Energy sales by rate component

Energy Sales (\$ Million)	Base	FCA ¹	PPCA ²	CILT & Subsidies ³	Total ⁴
2023 November	95.2	127.4	35.0	31.4	289.0
2023 October	107.5	218.8	33.9	34.7	394.9
2022 November	149.6	209.0	44.9	27.3	377.1

Table 2-3. Energy sales by customer segment

Sales (\$ Million)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2023 November	111.3	141.1	27.0	8.6	0.4	0.6	289.0
2023 October	163.9	163.9	37.4	9.5	0.5	0.9	394.9
2022 October	149.6	175.5	40.5	10.1	0.5	0.9	377.1

¹ FCA: Fuel Charge Adjustment

² PPCA: Purchased Power Charge Adjustment

³ CILT: Contribution In Lieu of Taxes

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

3.0 System Operations Update

Reported Events

- Several generation forced outages occurred during the month. Five (5) resulted in automatic underfrequency loadsheds and one (1) in a generation shortfall.
- No emergency events occurred during the month of November.

Table 3-1: Significant Generation Outages

Date	Generation Outages
11/01/2023	San Juan 5: Forced Outage
11/02/2023	San Juan 9: Forced Outage San Juan 6: Forced Outage and Loadshed Aguirre 2: Derated
11/07/2023	San Juan 7: Forced Outage
11/09/2023	Palo Seco 3: Derated
11/10/2023	Aguirre 2: Forced Outage
11/12/2023	EcoElectrica: Forced Outage and Loadshed Loadshed due to Generation Shortfall
11/13/2023	Costa Sur 6: Derated and Loadshed
11/14/2023	San Juan 5: Forced Outage and Loadshed Aguirre 2: Derated
11/15/2023	Aguirre 2: Derated San Juan 5: Derated
11/16/2023	Aguirre 2: Derated and Forced Outage
11/18/2023	EcoElectrica: Forced Outage and Loadshed Palo Seco FEMA: Derated and Loadshed
11/19/2023	Aguirre 2: Derated
11/22/2023	Palo Seco 3: Forced Outage
11/24/2023	San Juan 6: Maintenance Outage
11/25/2023	AES 1: Derated
11/26/2023	San Juan 7: Forced Outage
11/28/2023	San Juan FEMA: Derated
11/30/2023	Costa Sur 6: Derated

Table 3-2: Significant Transmission Outages

Date	Transmission Outages
11/03/2023	Line 36100 Tripped
11/05/2023	Line 38400 Tripped
11/06/2023	Line 37400 Tripped
11/09/2023	Line 39100 Tripped Line 36100 Tripped
11/11/2023	Line 36100 Tripped Line 50200 Tripped Line 37100 Tripped
11/12/2023	Line 36100 Tripped Line 50200 Tripped
11/13/2023	Line 50200 Tripped Line 37400 Tripped
11/16/2023	Line 36400 Tripped Line 36100 Tripped
11/17/2023	Line 36200 Tripped
11/18/2023	Line 39000 Tripped Line 38300 Tripped
11/20/2023	Line 36400 Tripped Substation Verdemar Tripped
11/21/2023	Line 36300 Tripped
11/23/2023	Line 36300 Tripped
11/25/2023	Line 36100 Tripped
11/29/2023	Substation Vega Baja Tripped
11/30/2023	Substation Hato Rey Tripped

4.0 Puerto Rico Energy Bureau Filings & 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-2023-0007](#) | **Microgrid Development** – On November 10, LUMA filed and submitted comments on the proposed revision to Regulation 9028 on Microgrids.
- [NEPR-MI-2022-0001](#) | **Energy Efficiency (“EE”) and Demand Response (“DR”)** – On November 14, LUMA submitted through a motion the First Quarterly Report on Administrative Costs and Expenditures of the Transition Period Plan (“TPP”) DR Programs in response to the R&O of August 29. On November 22, LUMA filed a motion providing proof of customer enrollment in the Customer Battery Energy Sharing (“CBES”) initiative, additional executed Master Aggregation Agreements and evidence of the capability to call emergency DR Events. As of November 16, there were 953 customers enrolled in the CBES. On November 29, LUMA submitted the First Quarter Fiscal Year 2024 TPP Report.

- [NEPR-MI-2021-0013](#) | **Electric Vehicles** – On November 13, LUMA submitted the Report on actions Regarding Federal Funding Opportunities in Compliance with the R&Os of June 6 and August 11. On November 30, LUMA submitted a motion Informing the Status of Billing Integration Interim of the Revised EV Rate Design Proposal.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On November 7, LUMA submitted one initial Scope of Work for the Transmission and Distribution Automation Program. On November 9, LUMA submitted seven FEMA project obligations, including six for Distribution Streetlighting and one for the Substation Rebuilds Program. On November 22, LUMA submitted responses in compliance with the R&O of November 8, which ordered LUMA to provide a list with the status of all the projects approved by FEMA and/or COR3.
- [NEPR-AP-2023-0003](#) | **Rate Review** – On November 3, LUMA filed its responses to a series of Requests for Information (“RFIs”) issued by PREB related to the *Phase I Report*, which detailed LUMA’s ability to comply with the requirements established for PREPA’s first rate review in 2017. The RFIs inquired about LUMA’s plans to submit a modified cost of service study (modified from industry standard due to data limitations), as well as general inquiries about LUMA’s budgeting process and the potential timeline for filing Phase II, including the detailed rate application and testimony. PREPA and Genera were asked to confirm their ability to comply with the timeline and both answered in the affirmative.
- [NEPR-MI-2023-0001](#) | **Wheeling Implementation** – On November 15, PREB issued an R&O containing Requirements of Information (“ROIs”) directing LUMA to provide justification for the magnitude of the proposed annual energy imbalance charges. On November 30, LUMA filed its responses to the ROIs.
- [NEPR-AP-2023-0004](#) | **Integrated Resource Plan (“IRP”) Review Proceeding** – On November 14, LUMA filed 3 separate motions: 1) Motion Providing Supplemental Information of EV ROI #5 originally submitted on October 24, which provided an updated version of the EV Forecast including an explanation for three (3) municipalities to which a zero value was assigned; 2) Motion Requesting Relieve from Requirements of Scorecards; and 3) Motion requesting to extend filing date of IRP to June 28, 2023.
- [NEPR-MI-2022-0003](#) | **Generation Stabilization Plan** – On November 1 the final update on Stabilization Plan was submitted, noting that a total of 350 MW installed by FEMA were now operating since late September. On November 14, PREB released LUMA from the requirement to file bi-weekly reports to the Stabilization Plan. Any work related to the decommission of the emergency generation will trigger LUMA to resume bi-weekly reporting requirement.

Other filings in November:

- [NEPR-MI-2021-0013](#) | **EV** – November Time of Use Billing Integration Report (November 8)
- [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – Submitted an Excel workbook with monthly invoiced Distributed Generation capacity since June 2021, as requested by PREB. (November 9)
- [NEPR-MI-2020-0019](#) | **System Remediation Plan (“SRP”)** – FY2024 Q1 Report (November 14)
- [NEPR-MI-2019-0005](#) | **Vegetation Management Plan** – Q1 FY2024 Vegetation Clearing Report (November 14)
- [NEPR-MI-2021-0004](#) | **LUMA’s Budgets** – Q1 FY2024 Report (November 14)

- [NEPR-MI-2021-0002](#) | **Federal Funding** – Q1 FY2024 Federal Funding Report (November 14)
- [NEPR-MI-2020-0001](#) | **Streetlights** – Quarterly Streetlight Report for July – September (November 15)

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 months on some occasions. Responding to these inquiries requires considerable resources and time from LUMA.

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

Committee	Act, Bill or Resolution	LUMA Response
House Committee on Natural Resources, Environmental Affairs and Recycling	Act 33-2019 – <i>seeks to reduce greenhouse gas emissions and vulnerability to the impact of climate change; promotes transition to a model not dependent on fossil fuels.</i>	On September 20, LUMA received a notification to appear in a <i>public hearing</i> . On November 1, LUMA participated in the <i>public hearing</i> . On November 14, LUMA received a request for comments. On November 16, LUMA submitted comments.
Senate Committee on Public Safety and Veterans Affairs	Senate Resolution 717 – <i>orders the committee to conduct a study on the need to install lighting and surveillance cameras in front of and near the Puerto Rican Jibaro Monument.</i>	On October 17, LUMA received a request for comments. On November 1, LUMA responded.
House Committee on Economic Development, Planification, Telecommunications, Private-Public Partnerships and Energy	Senate Bill 447 – <i>proposes to both the College of and Board of Master Electricians to enable Master Electricians to interact with the T&D System.</i>	On October 26, LUMA was summoned to participate in a <i>public hearing</i> . On November 1, LUMA participated in the <i>public hearing</i> .
	House Resolution 243 – <i>authorizes an ongoing investigation on matters related to economic priorities consistent with the socioeconomic development of PR.</i>	On November 21, the Committee visited LUMA College for Technical Training with LUMA.
La Fortaleza – Office of Legislative Affairs	Joint House Resolution 485 – <i>proposes to include as part of the FY2024 PR Government Expenditure Budget a budgetary appropriation from FY2023 surplus connections of \$300 million for a loan to PREPA.</i>	On November 16, LUMA received a request for comments. On November 20, LUMA submitted comments.

Committee	Act, Bill or Resolution	LUMA Response
	Joint House Resolution 383 – <i>Orders PRASA, LUMA, and PREPA to establish a voluntary moratorium on the payment of bills for the 6 months following its approval due to the Hurricane Fiona emergency and prohibits collection of surcharges, penalties or suspension of services for using the moratorium.</i>	On November 27, LUMA received a request for comments. On November 28, LUMA submitted comments.
	Senate Bill 1218 – <i>seeks to extend the 120-day restriction for charging residential customers for administrative calculation errors or estimates included in Act 83 to PREPA customers and proposes that these amounts not be subject to interest, surcharges, or penalties.</i>	On November 27, LUMA received a request for comments. On November 28, LUMA submitted comments.
	Joint Senate Resolution 384 – <i>orders the Department of Transportation and the Highways Authority to carry out all necessary arrangements with LUMA, PREPA, etc. for the installation of lighting on Highway PR-17 in San Juan and Carolina, and to provide for the sourcing of funds.</i>	On November 29, LUMA received a request for comments. On November 29, LUMA submitted comments.
House Committee on the Southeast Region Development	Joint Senate Resolution – <i>orders the Department of Natural and Environmental Resources to maximize the use of water from the Southern Aquifer and identify alternative sources so that the use given to the Aquifer is the indispensable one.</i>	On November 30, LUMA received a request for comments.

Table 5-2: Material Litigation Update⁵

Case No. & Parties	Description
<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.
Case No. 17- 04780 PROMESA Title III – Debtor: PREPA	PREPA Bankruptcy
Civil Case No. SJ2023CV02513; Civil Case No. SJ2023CV01793 (consolidated) – LUMA Energy ServCo, LLC V. Municipio Autónomo de Manatí	Challenge to Manatí Municipality's construction excise tax determinations for LUMA.
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 stemming from April 6, 2022 event at Costa Sur that caused an island-wide blackout.
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.

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 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
Puerto Rico Comptroller's Office (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 PR and Act 9 of July 24, 1952, as amended.	Requested information on November 8, related to bank accounts and transactions was provided by LUMA on November 14.
OCPR, No. 15671 (LUMA)	Audit to PREPA operator (LUMA Energy ServCo, LLC) during the period from June 1, 2020 to February 28, 2023 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.	On November 13, LUMA received an RFI, to which LUMA responded on November 21.
OCPR, No. 15720 (PREPA)	Audit to PREPA during the period from June 1, 2020 to September 30, 2023 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.	On November 1, LUMA received the audit announcement letter, requesting an authorized representative and point of contact, which were provided on November 27. LUMA received a RFI on November 13 and responded on November 16.
KPMG	Audit of PREPA Financial Statements (FY22)	On November 1, KPMG and PREPA consultants resumed operations after their contracts were renewed by the Department of Treasury. LUMA has delivered all the necessary information requested by the external auditors and PREPA consultants. The PREPA Financial Statements have an expected issuance date of January 31, 2024. Currently, LUMA and PREPA are working to close topics prior to the issuance date.
PwC	Audit of ServCo and ManageCo (FY20 and FY21)	Expected to be on track to issue the financial statement opinion for ServCo and ManageCo by the end of December 2023 for FY20 and FY21.
<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.		
P3A First Year (FY2022) Operations Audit – Audit of LUMA's (GridCo) first year of financial transactions / operations with ServCo.		

7.0 Material OMA Items

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

- November was the twelfth (12) consecutive month in which PREPA did not fully fund one or more of the Service Accounts and thus failed to comply with its contractual obligations, in breach of the T&D OMA. LUMA has issued twelve (12) non-compliance notices to PREPA and notified P3A.

PREPA Reorganization and Shared Services

- In accordance with the December 31 termination date set in the Shared Services Agreement, LUMA required PREPA and Genera to formally notify LUMA of its request for service extension no later than November 1. Upon review of submissions received by PREPA and Genera, LUMA provided a response to each party. Workshops were held between LUMA and Genera on November 28, and between LUMA and PREPA on November 29, to negotiate terms and align on next steps. In addition, LUMA continues to work collaboratively with PREPA and Genera to progress cooperation agreements between the parties for Risk Management and Facilities. Given the critical nature and impending termination date, LUMA remains concerned due to the lack of significant progress from Genera and PREPA.
- Following the execution of the Capital Contribution Agreements (“CCA”) in June, LUMA conducted a thorough review of the vehicle lists attached to the CCAs. As of the end of November, LUMA has not received confirmation from PREPA PropertyCo, PREPA HydroCo, and Genera (as GenCo Operator) of completion of 49 asset transfers, as requested by LUMA on August 28, to be completed by a deadline of September 8. After several follow ups, in October, LUMA escalated its concerns to PREPA’s Executive Director, however the matter remains unresolved as of the end of November.

PREPA Title III Exit

- The Puerto Rico government and the FOMB continue to work toward confirmation of PREPA’s proposed Plan of Adjustment (the Plan). Discovery with respect to the Plan is ongoing.
- On November 1, the Unsecured Creditors Committee (“UCC”) sent a subpoena to LUMA in connection with the Title III proceedings.
- On November 10, the FOMB filed a fourth modified third amended plan of adjustment along with a proposed modified disclosure statement supplement describing the Plan. Golden Tree and Assured filed an alternative plan financing proposal on the docket of the title III cases, in which they stated that they were offering “significantly less expensive” financing terms if the FOMB insisted on a “new money” plan format, rather than offering “take-back debt” like PREPA previously had proposed. The bondholders also stated that, despite their offer, they were continuing to oppose confirmation of the proposed Plan. The FOMB filed a response to the alternative proposal on November 13, contending that the alternative terms are “inferior,” especially because the new bonds would be “full recourse to PREPA” and would permit the appointment of a receiver, unlike the exit financing proposed in the Plan.
- At the Title III Disclosure Statement hearing on November 14, certain bondholders and the UCC argued that not only was the proposed disclosure inadequate, but the proposed Plan also was “patently unconfirmable,” and therefore, the title III court should not authorize the FOMB to solicit votes on the Plan. The FOMB, AAFAF and certain settling creditors argued in support of the

proposed disclosure and solicitation of votes. Judge Swain approved the Supplemental Disclosure Statement over the objections and authorized the FOMB to solicit votes on the proposed plan of adjustment, subject to minor modifications to the supplemental disclosure statement. However, the court noted that she was overruling the objections without prejudice to the objectors' rights to raise them in connection with the plan confirmation process. Judge Swain entered an order approving the Supplemental Disclosure Statement on November 17.

- On November 15, the Puerto Rico district court transferred the complaint to the Title III court.
- On November 28, Judge Swain dismissed the bondholders' remaining counterclaims in the litigation commenced by the FOMB to invalidate the PREPA bondholders' liens. As a result, all of the claims and counterclaims in the lien challenge litigation have now been adjudicated. On November 30, Assured Guaranty filed a notice of appeal. Several other bondholders filed a notice of appeal on December 1.

PREPA Accounting and Financial Risks

- On January 25, LUMA requested PREPA to provide balance sheet reconciliations. After repeated requests over eight (8) months, PREPA delivered the FY2021 balance sheet reconciliations in September. Upon review of the provided documents, LUMA concluded the documents were incomplete and insufficient to understand the account transactions. LUMA is in the process of collecting the necessary documents to prepare a formal response to PREPA.

LUMA's Billing and Collection Efforts

- LUMA is continuing to design and test billing system corrections and enhancements related to issues impacting customer bills. The next several initiatives will deploy improvements and corrections with a focus on improving and reducing estimated bills.
- LUMA reached 3,702 new payment agreements with customers in November, for a total of over 50,000 since June 2021. In October, LUMA completed over 89,000 outbound collection calls for a total of over 1.59 million outbound calls since June 2021. LUMA's Revenue Protection team collected over \$21 million in November directly related to active customer collections including outbound calls, letters, emails and inbound calls.
- During November LUMA began the disconnection process for residential customers for non-payment for the first time since 2019.

LUMA Budget Approval, Amendment and Reallocation

- LUMA is highly concerned regarding the procedural and substantive orders and decisions by PREB on LUMA's budgets, reporting and related activities. There are currently outstanding unresolved issues stemming from PREB's decisions regarding budgets for FY2022, FY2023 and FY2024. These decisions impact LUMA's delivery of O&M Services and the implementation of the T&D OMA.

FY2024 Budget Filing

- On November 14, LUMA submitted its Quarterly Report for Q1 FY2024. Within the report, LUMA outlined the progress it made to enhance grid reliability and resiliency, expand federally funded projects, and improve safety for workers and customer service for the people of Puerto Rico. For Q1, LUMA had a budget of \$154.6 million while actual expenditures came in at \$134.7 million, creating a positive variance of approximately \$20 million.

FY2023 Budget and Reallocation Request

- On July 10, LUMA filed a motion to show cause on why it should not be fined \$5,000 for reallocating funds in an amount exceeding 5% without obtaining PREB's prior approval and failing to comply with the August 3, 2022 Order. LUMA is still awaiting a response to its motion.

PREB Resolution and Orders regarding LUMA's request for Amendment of FY2022 Budget

- LUMA continues to await a response on LUMA's May 1 letter to P3A escalating concerns about PREB's budget amendment requirements issued with regards to the FY2022 and subsequent budgets.