



Monthly Report on the T&D System

For the Month of February 2024

March 14, 2024

Contents

- 1.0 Mission, Goals and Areas of Responsibility 1
- 2.0 Monthly Sales Summary 1
- 3.0 System Operations Update..... 2
- 4.0 Puerto Rico Energy Bureau Filings & Hearings..... 3
- 5.0 Legislative Matters and Material Legal Update 6
- 6.0 Ongoing External Audits..... 8
- 7.0 Material OMA Items 9

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 February 2024.

2.0 Monthly Sales Summary

- February consumption (GWh) was 1.0% lower than the previous month (January) and 13.6% higher than the same month of the previous year (February 2023). Energy sales (\$) in February increased by 5.0% from January and 4.9% from February 2023.
- The increase in consumption compared with February 2023 was driven by the heat wave. The decline from February 2023 was driven by lower fuel charges to recover fuel cost.

Table 2-1. Energy billed by customer segment

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2024 February	466.1	582.1	132.3	25.5	1.9	3.1	1,210.9
2024 January	482.4	601.9	108.5	25.8	1.9	2.9	1,223.4
2023 February	395.0	525.1	123.7	17.3	1.7	2.8	1,065.6

Table 2-2. Energy sales by customer segment

Sales (\$ Million)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2024 February	99.5	138.8	29.7	9.2	0.5	0.7	278.4
2024 January	98.2	133.3	23.7	9.0	0.6	0.4	265.2
2023 February	91.5	136.4	29.6	6.9	0.4	0.7	265.4

Table 2-3. Energy sales by rate component

Energy Sales (\$ Million)	Base	FCA ¹	PPCA ²	CILT & Subsidies ³	Total ⁴
2024 February	87.7	120.8	35.9	34.0	278.4
2024 January	84.9	100.9	51.5	27.9	265.2
2023 February	78.5	126.4	32.3	28.2	265.4

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.
- Several significant transmission outages occurred during the month.
- No emergency events occurred during the month of February 2024.

Table 3-1: Significant Generation Outages

Date	Generation Outages
02/01/2024	AES 1: Derated
02/02/2024	AES 1: Forced Outage
02/04/2024	EcoElectrica 1: Forced Outage and Loadshed Aguirre 2: Derated
02/05/2024	Aguirre 1: Forced Outage
02/06/2024	Aguirre 1: Derated Aguirre 2: Derated AES 1: Derated AES 2: Derated
02/07/2024	AES 1: Derated Aguirre 1: Forced Outage AES 2: Force Outage San Juan FEMA GT: Loadshed EcoElectrica: Rampdown and Loadshed
02/08/2024	Aguirre 1: Derated San Juan 7: Derated San Juan 6: Forced Outage and Loadshed San Juan 5: Forced Outage AES 1: Derated
02/09/2024	San Juan 5: Derated
02/10/2024	Aguirre 1: Derated Palo Seco FEMA: Forced Outage San Juan 6: Derated
02/11/2024	San Juan 5: Maintenance Outage Aguirre 1: Forced Outage
02/12/2024	San Juan 5: Derated
02/13/2024	Aguirre 1: Derated
02/14/2024	San Juan 6: Derated
02/15/2024	San Juan 7: Forced Outage
02/17/2024	Palo Seco FEMA: Forced Outage
02/20/2024	San Juan 9: Forced Outage
02/21/2024	Aguirre 1: Derated AES 1: Derated

Date	Generation Outages
	San Juan 9: Derated and Forced Outage Aguirre 2: Forced Outage
02/22/2024	San Juan 7: Derated
02/23/2024	San Juan 9: Derated and Maintenance Outage
02/24/2024	Costa Sur 5: Forced Outage
02/26/2024	Aguirre 2: Derated AES 1: Derated
02/27/2024	San Juan 6: Forced Outage Aguirre 2: Forced Outage Aguirre 1: Derated San Juan 7: Derated
02/28/2024	AES 2: Derated System: Renewables Rampdown and Loadshed Aguirre 1: Derated
02/29/2024	Costa Sur 5: Derated AES 1: Derated

Table 3-2: Significant Transmission Outages

Date	Transmission Outages
02/05/2024	Line 37800 Tripped
02/06/2024	Line 37200 Tripped Line 36400 Tripped
02/10/2024	Line 36400 Tripped
02/11/2024	Line 37500 Tripped
02/14/2024	Line 50100 Tripped Line 36400 Tripped
02/16/2024	Line 36100 Tripped
02/18/2024	Line 36100 Tripped
02/19/2024	Line 37800 Tripped
02/20/2024	Line 36100 Tripped
02/21/2024	Line 37400 Tripped
02/26/2024	Bus #1 Sabana Llana TC Tripped

4.0 Puerto Rico Energy Bureau Filings and Hearings

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

- [NEPR-MI-2024-0001](#) | **Approved PREB Capital Investments** – On February 8, PREB initiated a new docket for LUMA, Genera and PREPA requesting status reporting on all projects approved by PREB regardless of funding type (Federal, Non-Federal, Operating & Maintenance).

- [NEPR-MI-2021-0004](#) | **Annual Budgets** – On February 14, LUMA filed an Informative Motion notifying PREB of an upcoming request for modification to the FY2024 Budget.
- [NEPR-AP-2020-0025](#) | **LUMA’s Performance Metrics** – On February 15, LUMA filed a motion for reconsideration requesting PREB vacate its ruling in its Final Resolution & Order (“R&O”) on modifications to the Revised Annex IX to the T&D OMA. The modifications impacted baselines, base points, weights, targets, and certain metric components, definitions, and review processes. In the motion for reconsideration, LUMA argues PREB violated due process and explains that the R&O interferes with fundamental provisions of the T&D OMA by modifying the annual performance targets, incentive tiers impacting the Performance Metrics, Major Outage Events Metrics, and the reallocation of basepoints and weights. On February 26, PREB issued an R&O stating that it will consider LUMA and LECO’s motions for reconsideration and granted each party 20 days to file their respective oppositions.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On February 2, LUMA submitted a motion in compliance with the January 19 R&O, to inform PREB that FEMA has not issued a formal notification regarding the specific funding sources to acquire the Temporary Units, and thus its impact on other federally funded projects is still unknown. LUMA also submitted the Vieques & Culebra Microgrid initial Scope of Work (“SOW”) to PREB for approval. On February 7, LUMA filed a motion informing PREB of two energized projects under the Distribution Pole and Conductor Repair Program. On February 14, LUMA informed PREB of one energized project, and filed a motion informing PREB of the withdrawal of nine T&D Projects from FEMA consideration. On February 21, LUMA informed PREB about two FEMA cost-obligated projects related to Minor Substation Repairs. On February 28, LUMA submitted a motion requesting PREB approval for 13 initial SOWs.
- [NEPR-MI-2020-0001](#) | **Permanent Rate** – On February 15, LUMA filed cost projections related to interconnection costs for the Tranche 1 renewable projects, in response to the PREB’s February 5 R&O in docket NEPR-MI-2020-0012. Renewable energy and storage providers under Tranche 1 will bear the cost of a portion of the Point of Interconnection costs. Those costs above LUMA’s initial estimates will be incorporated into the PPCA factors submitted in March, to be effective April through June 2024. The Network Upgrades for certain Tranche 1 projects are pending FEMA approval for federal funding.
- [NEPR-IN-2023-0003](#) | **Commercial Bill Estimates** – On February 1, Oficina Independiente de Protección al Consumidor (“OIPC”) submitted an opposition motion to LUMA’s August 7, 2023 filing in which LUMA provided information regarding its commercial bill estimate process and practices. On February 2, LUMA filed its response to PREB’s January 2 R&O, providing additional information regarding the number of bills estimated each month and further information regarding its processes, including a process document marked as confidential. On February 8, OIPC filed a motion requesting a copy of the commercial bill estimate process. On February 21, LUMA filed a motion in response to OIPC’s February 1 motion related to the commercial bill estimate process and practices. On February 22, PREB issued a R&O granting LUMA’s request for confidentiality.
- [NEPR-MI-2023-0001](#) | **Wheeling Implementation** – On February 12, LUMA filed an updated version of the Wheeling Services Agreement, in compliance with the January 22 Final R&O. Also on February 12, LUMA filed a motion for reconsideration to challenge two of PREB’s determinations in the Final R&O: the modifications to the Annual Energy Imbalance Charge, and the denial of LUMA’s proposed capacity charges to the Retail Electricity Suppliers. On February 22, PREB issued a R&O requesting stakeholder input on the items in LUMA’s motion for

reconsideration by March 15. On February 23, LUMA filed its response to PREB's request for information ("RFI") in the January 22 R&O, regarding implementation cost comparisons for similar jurisdictions.

- [NEPR-AP-2023-0004](#) | **Integrated Resource Plan ("IRP") Review Proceeding** – In response to PREB's order in the Third IRP Prefiling Technical Conference on January 30, LUMA submitted on February 15 the revised presentation for the Technical Conference, a snapshot of the transmission system, (including high definition maps) , and the preliminary estimate of transmission transfer capabilities LUMA submitted a motion with arguments for partial waivers to Regulation 9021, the IRP Regulation, on February 29.
- [NEPR-MI-2022-0003](#) | **Generation Stabilization Plan** – On February 15, LUMA submitted the Fourth Report on Demobilization of FEMA Generation and requested LUMA's release from filing Bi-Weekly Demobilization Reports.
- [NEPR-AP-2021-0002](#) | **Xzerta PPOA** – On February 27, LUMA submitted an informative motion and request for extension to complete evaluation of revised interconnection design.

Other filings in February:

- [NEPR-MI-2022-0003](#) | **Generation Stabilization Plan** – Third Report on Demobilization of FEMA Generation (February 1)
- [NEPR-MI-2021-0013](#) | **Electronic Vehicle ("EV")** – Motion to submit the presentation from the Technical Conference. Also submitted updates for timeline to commence the Billing Integrating Interim EV Time Of Use Rate (February 1) Time of Use Billing Integration Report (February 6)
- [NEPR-MI-2022-0001](#) | **Energy Efficiency (EE) and Demand Response Transition Period Plan (TPP)** – Informative motion regarding the status of EE Programs (February 6). Quarterly Report on Administrative Costs and Expenditures of Transition Period Plan Demand Response Programs and Request to Consolidate Reporting Requirements (February 14)
- [NEPR-MI-2020-0001](#) | **Streetlights** – Quarterly Report on Streetlight Repairs for the period of October through December 2023 (February 14)
- [NEPR-MI-2021-0002](#) | **Federal Funding** – Q2 FY2024 Federal Funding Report (February 14)
- [NEPR-MI-2019-0005](#) | **Vegetation Management Plan** – FY2024 Q2 Vegetation Clearing Report (February 14)
- [NEPR-MI-2020-0019](#) | **System Remediation Plan ("SRP")** – FY2024 Q2 Quarterly Report (February 14)
- [NEPR-MI-2021-0004](#) | **Annual Budgets** – The FY2024 Q2 Report for the period of October – December 2023 (February 14)
- [NEPR-MI-2022-0001](#) | **TPP** – FY 2024 Q2 Transition Period Plan Quarterly Report (February 29)
- [NEPR-MI-2021-0013](#) | **Electric Vehicle ("EV")** – Semi-Annual Report (On February 29)

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 Governor's Office of Legislative Affairs

Committee	Act, Bill or Resolution	LUMA Response
Senate Committee on Strategic Projects and Energy	Senate Resolution 340 – <i>orders an exhaustive investigation on the power generation system.</i>	On February 7, LUMA participated in a public hearing.
House Committee on Education, Arts and Culture	House Resolution 1094 – <i>orders an investigation into the critical situation in which the General Archive of Puerto Rico operates after the collapse of the substation that provides it with electric power.</i>	On February 2, LUMA participated in a public hearing.
House Committee on the Northwestern Region Development	House Resolution 335 – <i>orders to conduct a broad and continuous analysis of all matters related to the socioeconomic development of the municipalities of Arecibo, Hatillo and Camuy.</i>	On February 1, LUMA received a notice to appear in an executive hearing, scheduled for February 9.
House Committee on Education, Arts and Culture	House Bill 2001 – <i>which amends the "Puerto Rico Education Reform Act" for the purpose of making it an obligation of parents, guardians and/or caregivers to receive their children's report cards on a semi-annual basis and for other purposes.</i>	On February 5, LUMA was summoned to participate in a public hearing, scheduled for February 12. LUMA submitted comments related to the Bill on February 9, and was excused from the hearing.
House Committee on the Northern Region Development	House Resolution 648 – <i>orders a study on the needs of the population of the municipalities of Barceloneta, Manatí, Vega Baja, Vega Alta, Dorado, Toa Baja, Toa Alta, Naranjito, Comerío, Corozal, Morovis, Orocovis, Ciales and Florida; and for other related purposes.</i>	On February 5, LUMA received a notice to appear in an executive hearing, scheduled for February 9.
House Committee on Economic Development,	House Resolution 1077 – <i>orders to conduct an exhaustive investigation into the procedure and the work methodology adopted by LUMA from the moment a subscriber files a complaint until it is</i>	On February 6, LUMA received a notification rescheduling a public hearing for February 12. On February

Committee	Act, Bill or Resolution	LUMA Response
Planification, Telecommunications, Private-Public Partnerships and Energy	<i>attended and resolved; and for other related purposes.</i>	15, LUMA received a RFI. On February 26, LUMA delivered the information requested. On February 27, LUMA was summoned to participate on an on-site executive hearing to held at the LUMA (CIM) Contact center on March 18. On February 28, LUMA submitted additional information related to the February 15, RFI.
House Committee on the Southern Region Development	House Resolution 303 – <i>orders to conduct exhaustive investigation related to the economic and social situation of the municipalities of Guánica, Yauco, Guayanilla, Peñuelas, Ponce, Jayuya, Adjuntas, Utuado and Lares; and for other related purposes.</i>	On February 12, LUMA received a RFI. LUMA submitted the information requested on February 13.
Senate Committee on Strategic Projects and Energy	Join House Resolution 604 – <i>orders the PREB to issue a resolution to leave without effect the provisions contained in subsection (3) of Article B (Review Through Supplementary Study and Expedited Process) in Regulation Number 8915 of the Distribution System Interconnection of PREPA and Participate In Net Metering Programs of February 6, 2017, which orders interconnected customers with photovoltaic energy systems to pay the amount of \$300. 00 to PREPA for the purpose of conducting a supplemental energy capacity study; among other related purposes.</i>	On February 15, LUMA received a request for comments. On February 19, LUMA submitted the comments requested.

Table 5-2: Material Litigation Update⁵

Case No. & Parties	Description	Updates
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.	The Initial Conference was held on February 26, and the court issued a scheduling order requiring the parties to meet to coordinate the discovery, among other things.

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.*

Case No. & Parties	Description	Updates
Civil Case No. SJ2022CV02868 – Ismael Herrero Domenech and the class composed of all residential electrical energy customers of LUMA Energy LLC v. LUMA Energy LLC, Wendco of Puerto Rico Inc. et al. v. LUMA Energy LLC	Consolidated class actions claiming damages stemming from April 6, 2022, event at Costa Sur that caused an island-wide blackout.	On February 7, the Court of Appeals denied LUMA's Petition for <i>Certiorari</i> to review the Court of First Instance's Resolution denying the Motion to Dismiss for Lack of an Indispensable Party. On February 22, LUMA filed a Motion for Reconsideration. On February 29, the Court of Appeals denied the motion.
Domingo Marrero v. Mun. de Guanica, Civil Case No. PO2021CV0096	Plaintiff alleged that pole placement in sidewalks violates the Americans with Disabilities Act ("ADA").	The Municipality filed a Third Party Complaint against LUMA. LUMA was served on February 7.
Civil Cases No. SJ2023CV02513, No. SJ2023CV01793 (consolidated) – LUMA Energy ServCo, LLC v. Municipio Autónomo de Manatí	Challenge to Manatí Municipality's construction excise tax determinations for LUMA.	On February 28, the parties jointly filed a motion requesting the extension of the discovery deadline.
Case No. 17- 04780 PROMESA Title III	PREPA Bankruptcy	The Puerto Rico Government and FOMB continue to work toward confirmation of PREPA's proposed Plan of Adjustment ("POA"). A hearing to confirm the proposed POA is scheduled to begin on March 4.
<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.	

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. 15671 (LUMA)	Audit to PREPA operator (LUMA Energy ServCo, LLC) from the period of 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 February 16, LUMA received an RFI related to communications about funding of LUMA's Service Accounts; the information was submitted on February 22. On February 26, LUMA received another RFI related to PREPA's non-compliance letters and communications with PREPA and P3A about Service Account funding. The information was submitted on March 4.
KPMG	Audit of PREPA Financial Statements (FY2022)	LUMA has delivered all the necessary information requested by the external auditors and PREPA consultants. The PREPA Financial Statements has an expected issuance date of mid- March. LUMA and PREPA are working on closing open items prior to the issuance date.
PwC	Audit of ServCo and ManageCo (FY2020 and FY2021)	The ServCo and ManageCo Financial Statements had an original expected issuance date of December 31; however, this date has shifted towards March 2024.
<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. 15592 – Audit to PREPA during the period of June 1, 2018, to June 30, 2021.		
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.		
OCPR, No. 15720 – Audit to PREPA from the period of June 1, 2020, to September 30, 2023.		

7.0 Material OMA Items

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

- February was the fifteenth (15) consecutive month in which PREPA did not fully fund one or more of the Service Accounts and failed to comply with its contractual obligations, in breach of the T&D OMA. February was also the second (2) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account. LUMA has issued fifteen (15) non-compliance notices to PREPA and notified P3A.
- On January 25, 2023, LUMA requested PREPA provide balance sheet reconciliations. After repeated requests over eight (8) months, PREPA delivered the FY2021 balance sheet

reconciliations in September 2023. Upon review of the provided documents, LUMA concluded the documents were incomplete and insufficient to understand the account transactions. This incomplete data further indicates the need for the PREPA Accounting Issues Remediation project, which has not yet been initiated by Puerto Rico Treasury Department (Hacienda). LUMA cannot provide certain O&M services related to financial reporting until the PREPA Accounting Issues are remediated. LUMA has communicated concerns to P3A and FOMB that this issue may also impact reporting contemplated under the Title III proposed POA. LUMA continues to escalate this matter.

LUMA's Performance Metrics

- On January 26, PREB issued a final R&O in case NEPR-AP-2020-0025, in which it approved LUMA's Performance Metrics with modifications to the Revised Annex IX to the T&D OMA on the baselines, base points, weights, targets, and to certain metric components, definitions, and review processes. On February 15, LUMA filed a motion for reconsideration requesting PREB to vacate its ruling. In the reconsideration motion LUMA argued due process violations. LUMA explains that the R&O interferes with essential provisions of the T&D OMA by modifying the annual performance targets, incentive tiers impacting the Performance Metrics, Major Outage Events Metrics, and the reallocation of basepoints and weights.
- On February 26, PREB issued a R&O stating it will consider LUMA and LECO's motions for reconsideration and granted each party 20 days to file their respective oppositions.
- PREB's decisions include substantial modifications not only to the incentive structure agreed to by the parties to the T&D OMA, but also to the roles and responsibilities assigned to P3A as Administrator of the contract. LUMA is highly concerned that PREB's decision deprives LUMA of a reasonable opportunity to earn the Incentive Fee.

PREPA Reorganization and Shared Services

- LUMA, PREPA, and Genera have yet to finalize collaboration agreements between the parties to document clear roles and responsibilities related to the provision of insurance, facilities, and IT/OT services. LUMA is increasingly concerned by the lack of progress from PREPA and Genera and continues to work with PREPA and Genera to advance the agreements between the parties.
- Following the execution of the Capital Contribution Agreements ("CCA") in June 2023, 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 the completion of 49 asset transfers, as requested by LUMA on August 28, 2023 to be completed by a deadline of September 8, 2023. After several follow-ups, LUMA escalated its concerns to PREPA's Executive Director in November and December, however, the matter remains unresolved as of February 29.

PREPA Title III Exit

- LUMA continues to communicate to the FOMB and government agencies that there are several material issues from LUMA's perspective that require resolution prior to Exit from Title III:
 1. PREB Approval of PREPA Legacy Debt Charge and PREPA Legacy Pension Charge.
 2. PREB approval of new bill design with transparency and clarity of a separate rider for PREPA Legacy Debt Charge and PREPA Legacy Pension Charge.

3. Implementation of CC&B system changes to facilitate new PREPA charges.
 4. Establishment of a government run process and call center to manage Legacy Debt Charge Exemption Program.
 5. Finalization and execution of the Calculation Agent Agreement, including a clear transition plan associated with legacy Accounts Receivable.
 6. Formal recognition of LUMA's contractual obligations that are directly and indirectly impacted by the Plan of Adjustment.
 7. Completion of PREPA Accounting Issues Remediation Project to ensure financial reporting obligations required by the Plan of Adjustment can be achieved.
- The Puerto Rico Government and FOMB continue to work toward confirmation of PREPA's proposed POA. A hearing to confirm the proposed POA is scheduled to begin on March 4.
 - According to the voting declaration filed by FOMB's claims and noticing agent on February 12, seven of the fourteen classes of creditors entitled to vote on the proposed POA voted to accept it, and seven voted to reject it.
 - Numerous parties have objected PREPA's proposed POA, including GoldenTree, Syncora, Assured, the PREPA bond trustee, the ad hoc group of non-settling PREPA bondholders, UTIER, SREAEE, and miscellaneous creditors and other parties in interest.
 - FOMB filed in its omnibus reply to the various plan objections and other, brief in support of confirmation FOMB defends the plan's claim classification and treatment and the various settlements underlying the plan. The FOMB argues that the proposed plan meets the statutory requirements, in that the treatment of claims in classes that voted to reject the plan is "fair and equitable" and the plan is feasible, in the best interests of creditors, and proposed in good faith. Other creditors supporting confirmation of the plan also filed replies.
 - In general, objecting PREPA bondholder parties filed multiple motions seeking to delay the confirmation hearing, while FOMB issued some modifications to the POA to shore up support while maintaining the same basic proposed settlement. Judge Swain ruled that other objections made by Golden Tree and Syncora and moves by these parties to appoint a receiver will be heard during the confirmation hearing.

LUMA's Billing and Collection Efforts

- LUMA has finalized testing for an estimation algorithm change that will more accurately estimate usage if an actual meter reading is not available for billing purposes. This change is set to be deployed in March. Additional initiatives will deploy enhancements and corrections with a focus on improving and reducing estimated bills over the next several months. Additionally, an equipment upgrade was successfully completed in all Regional Customer Offices that will now allow customers to pay with ATH Movil, Apple Pay & Samsung Pay.
- LUMA reached 5,656 new payment agreements with customers in February, for a total of over 67,000 since June 2021. In February, LUMA completed over 90,000 outbound collection calls for a total of over 1.85 million outbound calls since June 2021. LUMA's Revenue Protection team collected over \$27 million in February directly related to active customer collections of past due receivables including outbound calls, letters, emails, and inbound calls.

Third-Party Pole Attachments (“TPA”)

- On February 27, LUMA sent a formal communication to P3A informing that LUMA would file a motion with the Puerto Rico Telecommunications Bureau (“TEB”), to compel the telecommunication companies to produce copies of the most recent TPA Agreements and/or any missing TPA Agreements. LUMA is currently drafting the motion for the TEB.

Net Energy Metering

- In January 2024, Act 10 was approved, postponing PREB’s study on net metering until 2030. Likewise, it stipulates those customers who, as of the date that the PREB issues a final determination, have a Net Metering agreement will remain the same for the next twenty years for their compensation for energy exported by customers with net metering.
- LUMA has advanced the process required to complete the supplementary studies to distributed generation interconnection. Customers have been notified about the need for the study and the following steps to complete it.

LUMA Budget Approval, Amendment and Reallocation

- LUMA continues to be concerned with PREB’s procedure and Orders on LUMA’s budgets, reporting and related activities. Issues remain outstanding stemming from PREB’s decisions on the budgets for FY2022, FY2023 and FY2024, as well as excessive reporting requirements including a new very broad requirement in a new case (NEPR-MI-2024-0001) for additional detailed reporting on all capital projects quarterly. These concerns will be reiterated as part of the FY2025 Rate Case submission. The team is actively working to prepare LUMA’s FY2024 Budget Amendment that largely is a reallocation of funds between sources for critical project spend. PREB has not responded to the informative motion filed February 14.

Second Quarter FY2024 Report Filing

- On February 14, LUMA submitted its Quarterly Report for Q2 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 Q2, LUMA had a year-to-date budget of \$323 million for expenditures funded by Base Rate revenues while actual expenditures were at \$279 million, creating a positive variance of approximately \$44 million. Federally Funded Capital Expenditures year-to-date were \$330 million compared to a budget of \$329 million.