



Monthly Report on the T&D System

For the Month of May 2024

June 14, 2024

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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 May 2024.

2.0 Monthly Sales Summary

Consumption in May increased by 4.0% compared to both the previous month (April) and the same month of the previous year (May 2023). In May 2024, energy sales (\$) increased by 21.6% compared to April 2024 and by 9.5% compared to May 2023.

Table 2-1. Energy billed by customer segment

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2024 May	578.2	740.1	103.2	25.7	2.1	3.4	1,452.7
2024 April	595.7	624.8	145.2	26.5	1.9	3.3	1,397.4
2023 May	583.1	658.3	125.6	24.8	1.9	3.3	1,397.0

Table 2-2. Energy sales by customer segment

Sales (\$ Million)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2024 May	148.5	204.4	29.1	11.4	0.6	0.9	394.9
2024 April	131.2	149.2	33.3	9.9	0.5	0.7	324.8
2023 May	141.7	177.7	31.3	8.5	0.5	0.8	360.5

Table 2-3. Energy sales by rate component

Energy Sales (\$ Million)	Base	FCA ¹	PPCA ²	CILT & Subsidies ³	Total ⁴
2024 May	97.7	220.7	49.8	26.7	394.9
2024 April	93.0	152.3	50.4	29.1	324.8
2023 May	96.8	197.8	41.2	24.7	360.5

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. Four (4) resulted in automatic underfrequency loadsheds. Seven (7) additional loadsheds occurred due to generation shortfall.
- Several transmission outages occurred during the month.
- No declared emergency events occurred during the month of May 2024.

Table 3-1: Significant Generation Outages

Date	Generation Outages
05/01/2024	Aguirre 1: Forced Outage Costa Sur 5: Derated Loadshed due to Generation Shortfall
05/02/2024	Costa Sur 5: Derated Loadshed due to Generation Shortfall
05/04/2024	Aguirre 1: Forced Outage Aguirre 2: Derated
05/06/2024	Aguirre 1: Derated Aguirre 2: Derated AES 2: Derated
05/07/2024	Aguirre 1: Derated AES 1: Derated AES 2: Derated
05/09/2024	Costa Sur 5: Derated
05/10/2024	AES 1: Planned Outage San Juan All TM Units: Forced Outage
05/11/2024	AES 2: Derated San Juan 5 STG: Forced Outage Costa Sur 6: Forced Outage
05/13/2024	Costa Sur 6: Derated Aguirre 1: Derated
05/14/2024	Costa Sur 5: Derated Costa Sur 6: Derated San Juan 5: Derated
05/15/2024	Aguirre 1: Derated
05/16/2024	Aguirre 1: Derated
05/17/2024	Aguirre 1: Derated
05/19/2024	AES 2: Derated EcoElectrica 1: Maintenance outage
05/21/2024	Costa Sur 5 : Derated
05/22/2024	Costa Sur 5: Derated Costa Sur 6: Forced Outage and Loadshed Loadshed due to generation shortfalls

Date	Generation Outages
05/23/2024	Eco Electrica 1/STM : Forced Outage and Loadshed Loadshed due to generation shortfall
05/24/2024	San Juan 5: Derated Costa Sur 6: Derated Aguirre 1: Derated
05/25/2024	Aguirre 1: Derated Loadshed due to Generation Shortfall
05/26/2024	Aguirre 2 : Forced Outage Loadshed due to Generation Shortfall
05/27/2024	AES 2: Derated Costa Sur 6: Derated San Juan 5: Forced Outage San Juan 9: Derated
05/28/2024	AES 2: Derated
05/29/2024	Aguirre 2: Forced Outage and Loadshed Aguirre 1: Forced Outage and Loadshed Loadshed due to generation shortfall
05/30/2024	Costa Sur 5: Derated Costa Sur 6: Derated
05/31/2024	San Juan 9: Forced Outage Aguirre 1: Derated

Table 3-2: Significant Transmission Outages

Date	Transmission Outages
05/02/2024	Substation Mirador Azul Tripped
05/04/2024	Line 36200 Tripped
05/05/2024	Line 36100 Tripped
05/07/2024	Line 50500 Tripped Hato Rey Substation Tripped
05/08/2024	Line 36100 Tripped
05/09/2024	Line 37400 Tripped Line 37200 Tripped Substation Bayamon Tripped
05/11/2024	Line 51000 Tripped
05/13/2024	Line 36100 Tripped
05/17/2024	Line 36100 Tripped Line 51000 Tripped
05/20/2024	Line 37800 Tripped Line 37900 Tripped
05/22/2024	Line 36100 Tripped Line 36200 Tripped
05/24/2024	Line 37800 Tripped

Date	Transmission Outages
05/26/2024	Line 37400 Tripped Line 50300 Tripped Line 36200 Tripped Line 39000 Tripped Hacienda San Jose 3016 Substation Tripped
05/29/2024	Line 37400 Tripped
05/30/2024	Line 50200 Tripped Line 38300 Tripped Line 51000 Tripped
05/31/2024	Line 36100 Tripped Line 36400 Tripped Line 50500 Tripped Substation Ramey 7006 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-2019-0011](#) | **Process for the Adoption of Regulation for Distribution Resource Planning (“IDP”)** – On May 1, LUMA filed a motion to submit the updated Implementation Plan in compliance with the April 11 Resolution and Order (“R&O”), providing the status of the Voltage Level Map, Interconnection Capacity Map and Grid Inventory.
- [NEPR-IN-2024-0001](#) | **Investigation on the calculation and valuation by LUMA Energy of excess kilowatts exported by Net Metering customers** – On May 3, LUMA filed its response to the April 17 R&O requiring LUMA to provide information related to the Net Metering program and the calculations used for computing amount of energy exported by individual Net Energy Metering customers and the associated compensation.
- [NEPR-MI-2019-0006](#) | **Emergency Response Plan (“ERP”)** – On May 6, LUMA submitted responses to a Request for Information (“RFI”) in compliance with the April 25 R&O. On May 9, LUMA submitted the final draft of the ERP in compliance with the April 2 R&O. On May 31, LUMA submitted to PREB the 2024 Emergency Response Preparedness Report in compliance with Act 83.
- [NEPR-MI-2021-0004](#) | **Initial Budgets** – On May 6, PREB approved LUMA’s Budget Amendment submitted on March 28 and issued a corresponding RFI regarding Vegetation Management initiatives. On May 15, LUMA submitted its second extension request to file the FY2025 Annual Budget. On the same day, LUMA submitted its Third Quarter (“Q3”) Report for Fiscal Year 2024 (“FY2024”). On May 16, LUMA submitted its response to PREB’s Vegetation Management RFI. On May 17, LUMA filed a third extension request to file the FY2025 Budget. The extension requests were made due to the timeline in receiving approval from P3 Authority for the budget allocation for FY2025. On May 24, LUMA filed its FY2025 Annual Budget, including Genera’s

budget. LUMA's filing did not include PREPA's proposed budgets based on notice from PREPA's Governing Board that such proposed budgets had yet to be approved by the Governing Board.

- [NEPR-MI-2019-0016](#) | **Interconnection Progress Reports** – On May 6, LUMA participated in a Technical Conference to discuss the Interconnection Progress Report for Distributed Generation (“DG”) from January through March 2024. On May 21, LUMA submitted partial responses in compliance with various bench orders issued during the May 6 Compliance Hearing.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On May 15, LUMA informed the PREB of eight (8) energized projects in compliance with the August 25, 2023 and September 22, 2023 R&O's. On May 17, LUMA reported to PREB the receipt of five FEMA Project Obligations, one for substation minor repairs and four for streetlighting projects.
- [NEPR-MI-2022-0001](#) | **Energy Efficiency (“EE”) and Demand Response Transition Period Plan (“TPP”)** – In compliance with the February 16, 2023, the August 29, 2023, and the March 21, 2024 R&Os; on May 15 LUMA submitted the FY2024 Q3 Consolidated TPP and Demand Response Administrative Cost Quarterly Report. LUMA also provided evidence of the processing of EE Rebates in compliance with the February 16, 2023, R&O, as modified by the August 11, 2023 R&O; and requested clarification on the source of funding for the EE programs for FY2025.
- [NEPR-MI-2024-0001](#) | **PREB Approved Investments** – On May 15, LUMA reported for the first time on all federally funded and non-federally funded approved capital projects. The first report contained data for Q3 FY2024 on [451] projects.
- [NEPR-IN-2022-0005](#) | **Bill Objection Process** – On May 16, LUMA filed the status report of MiLUMA app modifications in compliance with the April 26 R&O. On May 17, LUMA filed an Informative Motion to include the English and Spanish exhibits inadvertently excluded from the May 16 filing.
- [NEPR-MI-2021-0013](#) | **Electric Vehicle (“EV”)** – On May 24, LUMA filed the Revised Semi-Annual Report in compliance with the R&O of April 23. LUMA also requested the elimination of reporting requirements associated with the development of EV Hosting Capacity Maps and EV charging meters, and the approval of the PR-EVAP filed on May 1, 2023.
- [NEPR-MI-2020-0001](#) | **Permanent Rate** – On May 31, LUMA filed the proposed FY2025 Annual Riders for the Contribution in Lieu of Taxes to municipalities (“CILT”), subsidies (“SUBA-HH” & “SUBA-NHH”), and EE programs to be in effect from July 1, 2024, to June 30, 2025.

Other filings in May:

- [NEPR-AP-2021-0002](#) | **Xzerta Tec Solar I. LLC** – LUMA completed additional interconnection studies (May 2)
- [NEPR-MI-2021-0013](#) | **EV** – April Billing Integration Report (May 8)
- [NEPR-MI-2020-0001](#) | **Streetlights** – Quarterly Report on Streetlight Repairs (May 13)
- [NEPR-MI-2020-0019](#) | **SRP** – FY2024 Q3 Report (May 15)
- [NEPR-MI-2024-0001](#) | **PREB Approved Investments** – FY2024 Q3 PREB Approved Investment Status Report (May 15)
- [NEPR-MI-2019-005](#) | **Vegetation Management** – FY2024 Q3 Vegetation Clearing Report (May 15)

- [NEPR-MI-2021-0002](#) | **Federal Funding** – Q3 Federal Funding Report for FY2024. (May 15)

Note: Docket **NEPR-AP-2023-0003** (“Puerto Rico Electric Power Authority Rate Review”) remains in abeyance since PREB suspended the rate review calendar on April 12.

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 Relevant Legislation and 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
House Committee on Economic Development, Planification, Telecommunications, Private-Public Partnerships and Energy	House Bill 361 – <i>amends Subsection (h) of Section 4. 1 of Act 57-2014, as amended, known as the “Puerto Rico Energy Transformation and Relief Act”, which orders several government instrumentalities to publish in their respective website’s monthly updates of their billing and energy consumption, including copies of their annual energy consumption reduction plans and the corresponding evaluation of the Puerto Rico Department of Economic Development and Commerce.</i>	On May 1, LUMA was notified to submit comments regarding the Bill. LUMA submitted the required comments on May 9.
	House Resolution 249 – <i>orders a continuous investigation of the current situation of the southeastern municipalities in terms of several socioeconomical factors, to determine the priorities to address them.</i>	On May 7, LUMA was summoned to appear at an executive hearing on May 20. On May 15, the Committee sent a note rescheduling the hearing without a specific date.
	House Resolution 1049 – <i>orders continuous research into Puerto Rico’s economic growth by studying Puerto Rico’s socioeconomic advancement in topics related to technology, biotechnology, blockchain, the knowledge-based economy and key infrastructure projects at any stage of their development or construction. In addition, oversee the federal funds allocation process for the reconstruction of the generation, transmission, and distribution of energy.</i>	On May 16, LUMA was summoned to appear in an executive hearing on June 14.

Committee	Act, Bill or Resolution	LUMA Response
House Committee on Emergency Preparedness, Reconstruction, and Reorganization	House Resolution 204 – <i>orders a continuous investigation of the current situation of the southeastern municipalities in terms of several socioeconomical factors to determine the priorities to address them.</i>	On May 3, LUMA was summoned to appear at an executive hearing on May 8. LUMA participated in the hearing.
Senate Committee on Innovation, Telecommunications, Urbanism, and Infrastructure	House Bill 11 – <i>established the “Emergency Communications Act for Agencies and Instrumentalities of the Commonwealth of Puerto Rico, to establish satellite telephones, satellite data systems and low band or high frequency radio systems as indispensable and mandatory communication equipment in cases of emergency.</i>	On May 26, LUMA was notified to submit comments regarding the Bill.
	Senate Resolution 110 – <i>orders to investigate the reasons why different communities within several municipalities in Puerto Rico experience intermittent, scarcity, low pressure, or prolonged interruptions in drinking water service from PRASA.</i>	On May 22, LUMA was summoned to participate in an <i>on-site</i> executive hearing on Bo. Cuchillas in Morovis to be held on May 30. LUMA participated in the hearing.
Joint Committee on Mitigation, Adaptation and Resilience to Climate Change	Act 33-2019 – <i>created the Climate Change Mitigation, Adaptation and Resilience Plan.</i>	On May 23, LUMA was notified on to submit comments regarding Vol. 2 of the Climate Change Mitigation, Adaptation and Resilience Plan.

Table 5-2: Material Litigation Update⁵

Case No. & Parties	Description	Updates
Domingo Marrero v. Mun. de Guánica, Civil Case No. PO2021CV00963	Plaintiff alleged that pole placement in sidewalks violates the Americans with Disabilities Act (“ADA”).	On May 7, Plaintiff filed his Opposition to LUMA and PREPA’s Joint Motion for Stay. On May 24, the Court denied Plaintiff’s Opposition to the motion for stay and on May 29, it issued a judgment staying the proceedings.
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 from the April 6, 2022 event at Costa Sur that caused an island-wide blackout.	On May 3, the Supreme Court denied LUMA’s writ of Certiorari challenging the Court of Appeals decision confirming the denial to LUMA’s Motion to Dismiss the Complaint for failure to include PREPA as an indispensable party. On May 21, LUMA filed a Motion for Reconsideration that is pending adjudication.

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.

The following cases have had no significant changes since the last report:	
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.
Civil Case No. 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.
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.

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 May 7, LUMA received an RFI related to cash reconciliations and a listing of bank deposits / disbursements for December 2023. The information was submitted on May 13. On May 8, LUMA received another RFI related to the supporting evidence for the payment of penalties imposed to LUMA by the PREB. The information was submitted on May 14. On May 23, LUMA received a third RFI related to the financial journal entries and the respective supporting documentation for the bank transfers (debits) for specific transactions from the Outage Event Reserve Account and the Federally Funded Capital Account. The information was submitted on May 31.
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 Puerto Rico, and Act 9 of July 24, 1952, as amended.	On May 15 and May 17, the OCPR auditors sent RFIs in connection with the Transmission Operation Center (“TOC”) in Monacillos, related to procedures for managing scheduled generation and transmission outages, as well as a copy of the Daily Report of Available Energy for June 29 and June 30. The information for both RFIs was submitted on May 17.

Government Entity	Audit Description	Significant Updates
KPMG	Audit of PREPA Financial Statements (FY2023)	FY23 audit started during April. LUMA has been providing all the data requested by KPMG and PREPA. The expected release date is August 15, as requested by the department of Treasury. LUMA is committed to meeting this deadline.
KPMG	Audit of PREPA Single Audit (FY2022) – includes GridCo	FY22 audit started during May. LUMA has been meeting and providing all the data requested by KPMG and PREPA. The expected release date is subsequent to June 15, since KPMG and PREPA are still closing FY2020 and FY2021 single audits.
P3A FY2022 Audit – Vázquez & Vilanova	First Year (FY2022) OMA Compliance – audit for the first full year of LUMA operations.	The audit was officially kicked-off on May 16 with members of the P3A and the Vazquez & Vilanova Law Firm as auditors. Beginning on May 16, LUMA has been meeting, supporting and providing information to the P3A auditors and is committed to meeting the deadline of issuing the report by June 30.
<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.		
OCPR, No. 15720 – Audit to PREPA for the period of June 1, 2020, to September 30, 2023.		

7.0 Recent LUMA Accomplishments

LUMA reaffirms its dedication to improving the customer experience as well as building a reliable and robust transmission and distribution system for the people of Puerto Rico. Please see below some of LUMA's FY2024 Q3 accomplishments; for additional information, please refer to the Quarterly Report filed under PREB docket NEPR-MI-2021-0004 on May 15, 2024.

- LUMA submitted 48 detailed Scopes of Work (“SOW”) to FEMA worth over \$545 million. Received FEMA obligation of funds for six distribution and substation projects worth more than \$179 million.
- LUMA has cleared over 403 miles of vegetation from transmission and distribution assets.
- LUMA has replaced over 24,000 lightbulbs and replaced over 1,000 poles throughout the island.
- LUMA has activated 8,758 rooftop solar panel systems representing 56 MW.
- LUMA has submitted 17 initial SOWs for PREB’s approval towards reconstruction activities for substations and distribution lines. LUMA has installed more than 500 automated distribution devices to perform reliability analysis.

8.0 Material OMA Items

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

- May was the eighteenth (18) 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. May was also the sixth (6) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account. LUMA has issued eighteen (18) non-compliance notices to PREPA and notified P3A.
- Since January 2023, LUMA has been requesting PREPA to provide balance sheet reconciliations. After multiple requests, PREPA delivered the FY2021 balance sheet reconciliations in September 2023. After reviewing the provided documentation, LUMA concluded the documents were incomplete and insufficient to understand the account transactions. LUMA has continued to request from PREPA complete information required for these reconciliations but until today the issue remains outstanding. Until these are provided and PREPA provides a segregated opening balance sheet for the T&D system, LUMA is unable to provide certain O&M Services related to financial reporting.

LUMA's Performance Metrics

- In January 2024, PREB issued a final R&O in case NEPR-AP-2020-0025, approving LUMA's Performance Metrics with modifications. In February, LUMA filed a Motion for Reconsideration requesting PREB to vacate its ruling, arguing due process violations and interference with essential provisions of the T&D OMA through the modifications.
- PREB's decisions substantially modify both the incentive structure agreed to by the T&D OMA parties, and P3A's roles and responsibilities 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 is preparing to terminate many of the shared services provided through the Shared Services Agreements by September 30 and strongly encourages both PREPA and Genera to execute their respective implementation plans to achieve the separation by said date. LUMA remains concerned with the lack of progress made to date towards Shared Service Exit.
- The PREPA HydroCo Operational Technology (OT) Collaboration Agreement was executed among PREPA, LUMA, and P3A ("OT Collaboration Agreement") on May 21. This Collaboration Agreement sets the basis for the physical demarcation and ultimate separation of the commingled assets between Hydroelectric generation and Transmission.
- LUMA, PREPA, and Genera are working collaboratively in finalizing the Insurance and Telecommunication Services Collaboration Agreements. LUMA will continue to work with PREPA and Genera to advance the agreements between the parties with P3A.
- 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 met with Fleet Managers of both PREPA and Genera and clarified the allocations of the 49 vehicles under question. During June 2024, LUMA will be submitting the finalized allocation agreement with the updated and final status of the assets.

PREPA Title III Exit

- Judge Swain took PREPA's proposed plan of adjustment under advisement after a two-week trial from March 4 - March 19.
- Numerous parties objected to confirmation of PREPA's proposed plan of adjustment. The FOMB, AAFAF, the Fuel Line Lender group, and several other parties argued in support of confirmation.
- GoldenTree and Syncora filed a renewed motion in February to designate the votes of certain "preferred" creditors who settled with the FOMB and voted to accept the proposed plan of adjustment. The motion remains pending.
- On April 29, the bondholders filed a motion arguing that LUMA's draft energy demand forecast for the 2024 Integrated Resource Plan demonstrates that PREPA can afford to pay \$1.5 billion more to creditors than the FOMB provided for under the proposed plan of adjustment.
- On May 10, the FOMB objected to the motion, arguing that the bondholders failed to satisfy the legal standard for reopening the trial record. AAFAF also objected to the motion, arguing that the court should consider the purpose of PREPA's bankruptcy: to allow the municipal debtor to continue providing public services while restructuring its debts, not to maximize creditor recoveries.
- The bondholders filed a reply on May 14, in which they asserted that LUMA's draft energy demand forecast for the 2024 Integrated Resource Plan constitutes material evidence that is relevant to the court's decision on confirmation.
- Judge Swain quickly denied the bondholders' motion on May 15, holding that the bondholders already submitted evidence in support of their argument that the load forecast underlying PREPA's plan is unreasonable and understated and that the current record is sufficient to permit the court to address the parties' positions.
- GoldenTree and Syncora filed a motion in February seeking to renew their request for relief from the automatic stay to allow them to enforce their statutory right to obtain the appointment of a receiver. The PREPA bond trustee joined in this motion. The FOMB and AAFAF objected to what they characterized as the bondholders' fifth attempt to seek this relief. The bondholders filed a reply on May 1, arguing that the automatic stay is "destroying" their right to seek appointment of a receiver. However, on May 15, the bondholders filed an unopposed request to adjourn the hearing on this motion from May 22 to July 31 (without providing a reason for the adjournment), which the title III court promptly granted.
- On May 20, the FOMB filed (i) a statement of material facts related to PREPA's motion to reject its Collective Bargaining Agreements ("CBAs") with UTIER and UEPI and (ii) a settlement with UEPI. UTIER filed a response to the statement of facts and argued that FOMB cannot meet the legal standard for rejection of the CBA because its negotiations with UTIER have not been in good faith. PREPA's motion to reject UTIER's CBA remains pending before Judge Swain.

LUMA's Billing and Collection Efforts

- In March, LUMA changed the estimation algorithm in Customer Care & Billing system resulting in an over 40% reduction in estimated meter reads. Additional reporting enhancements have made it possible to better refine work plans and we have achieved over 50% reduction in unbilled accounts compared to the prior month.
- LUMA reached 4,091 new payment agreements with customers in May, for a total of over 81,685 since June 2021. Also in May, LUMA completed over 84,000 outbound collection calls for a total of over 2.0 million outbound calls since June 2021. LUMA's Revenue Protection team collected over \$36.9 million in May directly related to active customer collections of past due receivables. Collection efforts include outbound calls, letters, emails, and inbound calls.

Third-Party Pole Attachments ("TPA")

- In May, LUMA held a meeting with Hub Advance Networks to coordinate and confirm the billing to telecommunications companies of fees for joint use of pole attachments for fiscal years 2018 to 2021. LUMA will begin billing from fiscal year 2022 to the current fiscal year during the month of June 2024.

Net Energy Metering

- In compliance with the current regulation of distributed generation interconnection, LUMA successfully completed an additional 227 supplemental studies in May. Through these efforts, all feeders with penetration levels above 15% have been studied as of the close of May. LUMA has identified system upgrades that are required. Currently, LUMA is in the process of preparing the cost and timeline information to share with the developers. The studies cover distribution feeder voltage, thermal, and protection analyses, which are critical to maintaining the distributed system's stability and reliability. LUMA is highly concerned about the increasing demand of interconnection processes surpassing the pace of comprehensive studies, which poses a systemic risk for the customers and the energy system. LUMA has engaged in discussions with DG developers and installers in order to secure the required payments for required supplemental studies.

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 broad requirement (NEPR-MI-2024-0001) for additional detailed reporting on all capital projects. After receiving PREB's Budget Amendment approval on May 6, LUMA's finance team worked to incorporate these adjustments throughout Oracle and continue to monitor spend as we near the end of the fiscal year.
- Regarding the FY2025 Budget Process, LUMA completed an abbreviated P3A Allocation process to meet the deadlines and requirements PREB determined in the Rate Case proceeding. On May 9, the P3A made its determination on the allocation of net available funds to GridCo, GenCo and PREPA, maintaining the allocation percentages from FY2024 (GridCo 65.2%, Generation 31.8%, and HoldCo, 3%). On May 9, LUMA submitted to P3A its FY2025 Budget, where LUMA noted

that the PREPA proposed budgets for HoldCo and HydroCo exceeded the revenues allocated to each operating entity pursuant to P3A's May 9 allocation. P3A reviewed the submitted budgets and on May 17 allocated the net available funds as follows: GridCo \$692M, GenCo \$301M, HydroCo \$14M, HoldCo \$33M. This allocation included \$74M of supplemental government funding that was allocated as follows: \$67M to all entities based on existing percentages, \$3.4M additional to GenCo, \$0.165M directly to HydroCo and \$3.5M directly to PREPA for the FY2024 Audit.