



Monthly Report on the T&D System

For the Month of September 2024

October 14, 2024

Contents

- 1.0 Mission, Goals and Areas of Responsibility 1
- 2.0 Monthly Sales Summary 2
- 3.0 Recent LUMA Accomplishments..... 2
- 4.0 System Operations Update..... 3
- 5.0 Puerto Rico Energy Bureau Filings and Hearings..... 5
- 6.0 Legislative Matters & Material Legal Update..... 6
- 7.0 Ongoing External Audits..... 9
- 8.0 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 September 2024.

URGENT CASH MATTERS

September 2024 is the twenty-second (22nd) 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. In August and September, PREPA also failed to meet the threshold of 2/3 funding of the required amount for the Operating Account, the Capital Federally Funded, the Capital Account Non-Federally Funded, and the Purchased Power Account. Each of these constitute, if notified, an Owner Event of Default. September 2024 is also the tenth (10th) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account. Failing to fund this account promptly to the required level of \$30 million is, if notified, an Owner Event of Default. LUMA has communicated repeatedly and consistently with PREPA and P3A that it is highly concerned with this continuing breach of PREPA's obligations, and that this working capital shortfall threatens progress of the electric sector operations and reconstruction.

As of September 16, Service Accounts were collectively underfunded by approximately \$616 million. Specifically, in September, PREPA funded LUMA's Operating Account to less than 27% of its minimum balance under the T&D OMA, the Capital Account – Non-Federally Funded to less than 18% of its minimum balance, the Purchased Power Account funded to less than 61% of its minimum required balance, and the Fuel Account to less than 45% of its minimum required balance.

Given the low account balances in the other Service Accounts, on September 27, after receiving authorization from the P3A, LUMA was forced to withdraw \$30,000,000 from the Contingency Reserve Account to fund payments to vendors and service providers.

LUMA notes that it has successfully and consistently operated within its budget, and that there is a need to properly fund working capital. This is PREPA and P3A's responsibility under the T&D OMA. PREPA's bankruptcy, including the inability to obtain financing, further constrains the mechanisms available to appropriately fund operation and maintenance activities as well as capital improvements.

On September 30, the Energy Bureau ("PREB") declined to adjust the Fuel Cost Adjustment factors despite a deficit of over \$100 million between actual fuel costs and the billings from the FCA rider. In light of the above, the inability to fully recover incremental fuel and purchased power costs places additional pressure on the energy system's liquidity position and reduces the cash available to fund operations by approximately \$100 million. In September LUMA was forced to delay the execution of certain work in order to avoid further deterioration of working capital.

2.0 Monthly Sales Summary

Consumption in September decreased by 6.8% compared to the previous month (August) and by 7.3% compared to the same month of the previous year (September 2023). In September 2024, energy sales (\$) decreased by 8.1% compared to August 2024 and increased by 12.4% compared to September 2023.

Table 2–1. Energy billed by customer segment

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2024 September	647.7	668.1	112.1	23.3	1.7	3.4	1,456.3
2024 August	692.9	703.5	136.5	23.9	2.1	3.5	1,562.4
2023 September	679.2	714.8	146.1	26.4	1.4	3.4	1,571.3

Table 2–2. Energy sales by customer segment

Sales (\$ Million)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2024 September	149.7	165.8	29.8	9.0	0.5	0.8	355.6
2024 August	172.9	169.8	33.6	9.4	0.5	0.9	387.1
2023 September	130.1	148.2	28.4	8.8	0.3	0.6	316.4

Table 2–3. Energy sales by rate component

Energy Sales (\$ Million)	Base	FCA ¹	PPCA ²	CILT & Subsidies & EE ³	Total ⁴
2024 September	97.9	176.7	57.6	23.4	355.6
2024 August	100.9	198.5	59.9	27.8	387.1
2023 September	103.8	141.5	42.7	28.4	316.4

3.0 Recent LUMA Accomplishments

- LUMA replaced over 54 structures to finalize the rebuild project of a 38 kV transmission line to connect with the Santa Isabel substation. This line was out of service since Hurricane María in 2017. This project improves resiliency and offers more redundancy to over 24,000 customers in Santa Isabel and Coamo.
- LUMA completed the relocation of a 115 kV to 38 kV transformer from Maunabo to Santa Isabel to replace damaged equipment.
- LUMA completed over 27,535 service meter walkdowns and visual inspections in various communities during the month of September, as part of Phase 1 of the Smart Meter Initiative.
- LUMA started a public campaign to educate customers on topics such as the importance of public safety around power lines and best practices to handle electricity safely in homes and businesses, LUMA's progress, hurricane preparedness, and the vegetation reset program.

¹ FCA: Fuel Charge Adjustment

² PPCA: Purchased Power Charge Adjustment

³ CILT: Contribution In Lieu of Taxes and EE: Energy Efficiency

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

- LUMA increased customer engagement through distribution of three (3) customer newsletters aimed at providing useful and relevant information such as Energy Efficiency programs, Progress Dashboard updates, Fuel Cost Adjustment (“FCA”) and Purchase Power Charge Agreement (“PPCA”).
- LUMA published two opinion pieces penned by our President and CEO, Juan Saca to provide customers updates on current challenges and reaffirm LUMA’s commitment to serve Puerto Rico.

4.0 System Operations Update

Reported Events

- During September a total of ten (10) generation forced outages occurred. Six (6) loadsheds were required due to generation shortfalls (these occur when the demand for electricity becomes higher than the available supply) and four (4) loadsheds occurred because of system underfrequency (these occur when generation capacity is lost, and the electricity demand becomes higher than the available supply).
- During the month of September, LUMA Emergency Operations Center was not activated.

Table 3–1: Significant Generation Outages by Site for September 2024

Site Name	Derated ⁵	Forced Outage ⁶	Loadshed ⁷	Planned / Maintenance Outages ⁸
San Juan 5	1	0	0	0
San Juan 6	0	0	0	0
San Juan 7	4	0	0	0
San Juan 9	14	1	0	1
Palo Seco 3	3	0	0	0
Costa Sur 5	7	0	0	0
Costa Sur 6	6	0	0	0
Aguirre 1	13	3	0	0
Aguirre 2	0	0	0	0
AES 1	9	0	0	0
AES 2	8	2	0	0
EcoEléctrica	1	5	4	1
Total	66	11	4	2

⁵ Derated: A reduction in power generation capacity, typically due to technical limitation.

⁶ Force Outage: Unplanned shutdown of a power station, generation unit, transmission or distribution lines due to unexpected breakdown or failure.

⁷ Loadshed: A protective Electric System mechanism to curtail demand for electric power, typically due to power supply shortfalls or disturbances.

⁸ Maintenance Outages: A generating unit shutdown for planned maintenance service.

Table 3–2: Total Significant Generation Outages by Month

Outage Type:	Derated	Forced Outage	Loadshed	Loadshed due to Generation Shortfall ⁹	Planned / Maintenance Outages
2024 September	66	11	4	6	2
2024 August	50	22	10	6	0
2023 September	25	5	4	6	0

Table 3–3: Significant Transmission Outages by Line / Transformer for September 2024

Name	Line Trips ¹⁰	Transformer Trips ¹¹	Substation Trips ¹²
Aguas Buenas 38 kV Bus	0	0	1
Fajardo Substation #2001	0	0	1
Fajardo Substation #2005	0	0	1
Line – 36100 Bo Piñas GIS – Ciales	1	0	0
Line – 36100 Dos Bocas HP – Bo Piñas GIS	5	0	0
Line – 36100 Dos Bocas HP – Ciales	3	0	0
Line – 36200 Monacillos TC – Juncos TC	2	0	0
Line – 36300 Humacao TC – Rio Blanco HP	5	0	0
Line – 36400 Dos Bocas HP – Jayuya	6	0	0
Line – 36400 Ponce TC – Jayuya	6	0	0
Line – 36700 Mayagüez PLT – San Sebastian	1	0	0
Line – 36800 Canóvanas TC – Palmer TC	2	0	0
Line – 36800 Palmer TC – Fajardo TC	1	0	0
Line – 37100 Acacias TC – San German TC	2	0	0
Line – 37200 Mayaguez PLT – Mayaguez TC	2	0	0
Line – 37400 Barceloneta TC – Cambalache TC	3	0	0
Line – 37400 Bayamon TC – Hato Tejas	1	0	0
Line – 37400 Vega Baja TC – Dorado TC	1	0	0
Line – 37800 Buen Pastor – Caguas TC	1	0	0
Line – 37800 Monacillos TC – Buen Pastor	1	0	0
Line – 37800 Monacillos TC – Caguas TC	3	0	0
Line – 38200 Monacillos TC – Palo Seco SP	2	0	0
Line – 38900 Berwind TC – Martin Peña GIS	1	0	0
Line – 39000 Barranquitas TC – Toro Negro 1	2	0	0
Line – 39000 Ponce TC – Juana Díaz TC	2	0	0

⁹ Loadshed due to Generation Shortfall: Occurs when the demand for electricity becomes higher than the available supply.

¹⁰ Line Trips: A protective disconnection of a transmission or distribution line due to a fault or abnormal condition.

¹¹ Transformer Trips: The automatic shutdown of a transformer triggered by protective relays due to faults such as overloads or internal issues.

¹² Substation Trips: The protective disconnection of electrical equipment within a substation, often caused by faults or abnormal operating conditions.

Name	Line Trips ¹⁰	Transformer Trips ¹¹	Substation Trips ¹²
Line – 41400 Juncos TC – Humacao TC	1	0	0
Line – 50200 Costa Sur SP – Manatí TC	8	0	0
Line – 50200 Manatí TC – Bayamón TC	2	0	0
Line – 50400 Mayagüez TC – Costa Sur SP	3	0	0
Line – 50500 Mayagüez TC – Mora TC	2	0	0
Line – 50500 Mora TC – Cambalache GP	2	0	0
Line – 50700 Yabucoa TC – AES	3	0	0
Line – 50800 Sabana Llana TC – Yabucoa TC	1	0	0
Line – 50900 Aguirre SP – Aguas Buenas GIS	1	0	0
Line – 51200 Costa Sur SP – Cambalache GP	1	0	0
Ponce TC 38 kV Bus 2	0	0	1
Rio Blanco 115 kV Bus	0	0	1
San Sebastian 38 kV Bus	0	0	1
Substation #1619 Cerámica	0	0	1
Substation #1657 Villamar	0	0	1
Substation #1658 Mundo Feliz	0	0	1
Substation #1801 Cataño PDS	0	0	1
Victoria TC 38 kV Bus #1	0	0	1
Villamar 38 kV Bus	0	0	1
Yabucoa TC Bank 2 230/115 kV	0	1	0
Total	77	1	12

Table 3–4: Total Significant Transmission Outages by Month

Outage Type:	Line Trips	Transformer Trips	Substation Trips
2024 September	77	1	12
2024 August	60	10	8
2023 September	44	2	9

5.0 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-2019-0009](#) | **Interconnection Regulation** – On September 5, LUMA filed a motion to submit its position regarding modification of threshold to require Supplemental Studies. On September 17, LUMA re-submitted the revised Technical Bulletin regarding Smart Inverter

Settings Sheets issued by LUMA to provide updated technical guidance aligned with the IEEE 1547–2018 standard for interconnection and interoperability of distributed energy resources.

- [NEPR-MI-2021-0013](#) | **Electric Vehicles (“EV”)** – On September 5, LUMA submitted its responses to the PREB’s Request for Information (“RFI”) of August 26, regarding the implementation of the Interim Electric Vehicle Time of Use (“EV–TOU”) Pilot Program for Net Energy Metering (“NEM”) customers.
- [NEPR-MI-2019-0006](#) | **Emergency Response Plan (“ERP”)** – On September 6, LUMA submitted its response to the PREB’s July 24 R&O regarding LUMA’s approach towards conducting stress tests to its Outage Management System (“OMS”).
- [NEPR-MI-2024-0002](#) | **LUMA’s Accelerated Storage Addition Program (“ASAP”)** – On September 16, LUMA submitted the draft Standard Offer Agreement for PREB’s evaluation as well as background information and a description of the Standard Offer Agreement outlining the development process and its major features.
- [NEPR-MI-2024-0005](#) | **System Improvements Plan** – On September 9, LUMA submitted the presentation for the Virtual Technical Workshop scheduled for September 11, in compliance with PREB’s August 9 R&O. On September 11, LUMA participated in the Virtual Technical Workshop.
- [NEPR-AP-2023-0004](#) | **Integrated Resource Plan (“IRP”)** – On September 11, LUMA submitted its responses to the Fifth Set of 2024 IRP Prefiling RFI from PREB regarding the results of the base case and the assumptions and parameters used by LUMA and its technical consultant. On September 18, LUMA participated in a Confidential Technical Conference with the IRP technical consultant. On September 27, LUMA submitted a motion requesting reconsideration of the IRP filing schedule set by the PREB in its August 20 R&O.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On September 11, LUMA submitted the updated 90–Day Plan for Transmission and Distribution (“T&D”) Projects. On September 20, LUMA submitted one FEMA Project Obligation for the Distribution Automation Improvement Program.
- [NEPR-MI-2022-0001](#) | **Energy Efficiency (“EE”) and Demand Response (“DR”) Transition Period Plan** – On September 16, LUMA requested the PREB clarify the timeline for completion of the Market Baseline and Potential Studies and requested modification of the deadline to submit the draft of the Three–Year EE and DR Plan and associated tasks and deadlines to align with the expected publication date for such studies.

6.0 Legislative Matters & 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 Consumer Rights, Banking Services, and the Insurance Industry	House Resolution 229 – <i>orders a general study of the current situation of the municipalities that make up the South–Central region, in terms of socioeconomic, urban and rural development, environmental development, unemployment, housing, recreation, education, transportation, public protection and infrastructure, as well as all those areas of interest to said municipalities.</i>	<p>On September 3, LUMA was summoned to participate in an <i>on–site</i> hearing at the USERAS substation site.</p> <p>On September 5, LUMA submitted responses to an RFI received.</p> <p>On September 6, LUMA participated in the <i>on–site</i> hearing. On September 10, LUMA submitted responses to an RFI received during the hearing.</p> <p>On September 11, LUMA received another RFI related to the hearing.</p> <p>On September 19, LUMA submitted responses to the RFI. On September 19, LUMA was summoned to participate in an <i>on–site</i> hearing at the USERAS substation site.</p> <p>The hearing was converted to a joint hearing with the House Committee on Economic Development, Planification, Telecommunications, Private–Public Partnerships and Energy.</p>
Rep. Víctor Parés	Send an email summoning LUMA to a meeting.	<p>On September 4, LUMA received an email rescheduling the meeting called for September 9, to September 18.</p> <p>On September 4, LUMA received an email, requesting LUMA to participate in a meeting related to the “energy crisis” scheduled for September 6.</p>
Senate Committee on Essential Services and Consumer Affairs	Under the provision of Section 6.1 of the Senate Rules of Procedures, the President of the Senate can entrust to a Standing or Special Committee any matter which he deems to be of an urgent nature or in the public interest, when the Senate is not in Ordinary or Extraordinary Session.	<p>On September 4, LUMA received an RFI from the Committee related to the public hearing held on August 22.</p> <p>On September 10, LUMA received another RFI from the Committee related to the public hearing held on August 22.</p> <p>On September 11, LUMA was summoned to participate in a joint <i>on–site</i> hearing at the indoor court at the Rafael Esparra Cartagena School in the Parcelas Vázquez neighborhood in the municipality of Salinas.</p>

Committee	Act, Bill or Resolution	LUMA Response
		<p>On September 18, LUMA received another RFI from the Committee related to the public hearing held on August 22.</p> <p>On September 18, LUMA submitted the response to the RFI.</p> <p>On September 19, LUMA received an RFI from the Committee related to the joint <i>on-site</i> public hearing held on September 16.</p>
House Committee on the Southeastern Region Development and Public Funds Oversight	House Resolution 204 – <i>to conduct a general study of the current situation of the municipalities that make up the southeast region of the country, in terms of socioeconomic, urban and rural development, environmental development, unemployment, housing, recreation, education, transportation, public protection and infrastructure, as well as all those areas of interest to said municipalities.</i>	On September 6, LUMA was summoned to participate in an <i>on-site</i> hearing at the indoor court at the Rafael Esparra Cartagena School in the Parcelas Vázquez neighborhood in the municipality of Salinas. On September 9, LUMA received an email rescheduling the meeting for September 16. LUMA participated in the <i>on-site</i> hearing on September 16, and it was a joint hearing with the Senate Committee on Essential Services and Consumer Affairs.
House Committee on Economic Development, Planification, Telecommunications, Private–Public Partnerships and Energy	House Resolution 1049 – <i>orders a continuous investigation on issues linked to economic priorities aligned with Puerto Rico’s socioeconomic advancement; examine the planning and monopolistic structure; evaluate advancement in technology, biotechnology, blockchain, the knowledge–based economy and key infrastructure projects at any stage of their development or construction. In addition, oversee federal issues linked to federal funds allocated for the reconstruction of the generation, transmission, and distribution of energy by Public–Private Partnerships.</i>	<p>On September 9, LUMA received an RFI from the Committee. On September 16, LUMA submitted a request for an extension, which was granted. On September 18, LUMA submitted the response to the RFI.</p> <p>On September 24, LUMA received an RFI from the Committee.</p>
House Committee on the Southwestern Region Development and Public Funds Oversight	House Resolution 303 – <i>orders an exhaustive investigation related to the economic and social situation of the municipalities of Guánica, Yauco, Guayanilla, Peñuelas, Ponce, Jayuya, Adjuntas, Utuado and Lares; particularly in the areas of infrastructure, public roads, transportation, development of the tourism sector, housing, health facilities, employment, education,</i>	On September 24, LUMA was summoned to participate in an <i>on-site</i> public hearing scheduled for September 30. On September 30, LUMA participated in the <i>on-site</i> hearing.

Committee	Act, Bill or Resolution	LUMA Response
	<i>sports and recreational facilities, security, allocation of state and federal public funds, their use, the provision of essential services, among other matters.</i>	

Table 5–2: Material Litigation Update¹³

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 from the April 6, 2022, event at Costa Sur that caused an island-wide blackout.	On September 20, the Plaintiffs served the first set of interrogatories to LUMA.
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 September 23, LUMA provided supplemental answers to the written discovery.
<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.	
Domingo Marrero v. Mun. de Guánica, Civil Case No. PO2021CV00963	Plaintiff alleged that pole placement in sidewalks violates the Americans with Disabilities Act ("ADA").	

7.0 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
Comptroller's Office of Puerto Rico ("OCPR"), No. 15592 (PREPA)	Audit to PREPA during the period of June 1, 2018 – 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 September 12, OCPR auditors sent an RFI in connection with the Transmission Operation Center ("TOC") in Monacillos, regarding data reports for forced, programmed and coordinated outages / personnel ranking managing the data and the name and copy of the definition and criteria for such. The information was submitted on September 18.

¹³ 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.

Government Entity	Audit Description	Significant Updates
OCPR, No. 15671 (LUMA)	Audit to LUMA Energy ServCo, LLC for the period of June 1, 2020 – February 28, 2023, by Article III, Section 22 of the Constitution of the Commonwealth of Puerto Rico, and Act 9 of July 24, 1952, as amended.	<p>On September 12, OCPR auditors sent an RFI related to the Outage Events data gathered by LUMA from National Oceanic and Atmospheric Administration (“NOAA”), Grey Sky Days, outages floor and Customer Interrupted and Outage jobs dates. The information for this RFI was submitted on September 20.</p> <p>On September 17, OCPR auditors sent a second RFI related to the supporting evidence of the Federally funded Capital Expenditures and Non–Federally Capital Expenditures for June 2021 to June 2024 as reported by LUMA The information for this RFI was submitted on September 23.</p> <p>On September 25, OCPR auditors sent a third RFI related to journal entries, supporting documents and approvals for four transactions within the Federally Funded Capital Account. The information for this RFI was submitted on October 1.</p> <p>On September 30, OCPR Auditors send a fourth RFI related to Outage Events and its determination, including verification on how Gray Sky Days are calculated, as well as requesting evidence of P3A agreement. The RFI due date is October 7.</p>
OCPR, No. 15720 (LUMA)	Audit to LUMA Energy ServCo, LLC for the period of June 1, 2020 – September 30, 2023, by Article III, Section 22 of the Constitution of the Commonwealth of Puerto Rico, and Act 9 of July 24, 1952, as amended.	On September 25, OCPR auditors sent an RFI related to the LUMA Limits of Authority Policy. The information for this RFI was submitted on September 27.
PREPA FY2023	KPMG Audit of PREPA Financial Statements (FY2023)	Audit started in April. LUMA has been providing all the data requested by KPMG and PREPA. The expected release date was shifted from October 31 to mid–November, based on a revised timeline. LUMA is committed to supporting PREPA’s updated deadline.
PREPA FY2022	KPMG Audit of PREPA Single Audit (FY2022) – includes GridCo.	Audit started in May. LUMA has been meeting and providing all data requested. The release date is expected to be after October 31 and the FY23 PREPA Financial Statements are issued.

Government Entity	Audit Description	Significant Updates
PR Treasury Department & Municipalities by PwC	PwC Audit of LUMA Energy, LLC 2022 (Consolidated: ManageCo & ServCo and Standalone: ServCo) – Financial Statements	Audit started at the beginning of August and remains ongoing. Target issuance date is by the end of October.
P3A FY2022 Audit – by Vázquez & Vilanova	First Year (FY22) OMA Compliance – audit for the first full year of LUMA operations.	P3A FY22 Audit is completed. By the end of September, all of the FY22 RFIs had been submitted to the auditors. On September 19, P3A provided LUMA with a draft report. LUMA provided all remaining items on September 24 and responded to the draft report on September 25.
P3A FY2023 Audit – by Vázquez & Vilanova	Second Year (FY23) OMA Compliance – audit for the second year of LUMA operations.	The audit is ongoing nearing the closing stages. By the end of September, approximately 92% of the FY23 LUMA RFIs that have been agreed to with P3A and the Auditors had been completed by LUMA and pending closure or fully closed by the auditors.
P3A FY2024 Audit – by Vázquez & Vilanova	Third Year (FY24) OMA Compliance – audit for the third year of LUMA operations.	The audit remains ongoing. By the end of September, approximately 52% of the FY24 RFIs had been completed by LUMA and pending closure or fully closed by the auditors.
Union Pension Plan Compliance (“NEBF”) 2023 (Calendar) Audit – by Withum	Pursuant to Article 6, Sections 6.7 and 6.8 of the Restated Employees Benefit Agreement and Trust for the National Electrical Benefit Fund, the Trustees of the Fund have established a Payroll Audit Program.	On September 19, LUMA provided the auditors and their legal counsel with a confidentiality agreement for their review and sign-off. This was returned and signed on September 30, as of that date LUMA continued to provide the requested information to the auditors to execute their audit.
Department of the Treasury (Internal Revenue Service) & Department of Labor (DOL) – Financial Statements and Form 5500 audit by Galindez, LLC	Audit of the LUMA Energy 401k PR Retirement Savings Plan Financial Statements and Form 5500 – 2023 Calendar year.	On August, LUMA started to meet with the auditors and provide the required information to execute the audit of the LUMA Energy 401k Retirement Plan. LUMA is committed to supporting the auditors aligned with the deadline of October 15.
<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.		

8.0 Material OMA Items

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

- September 2024 is the twenty-second (22nd) 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.
- September 2024 is also the tenth (10th) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account.
- LUMA has issued twenty-two (22) non-compliance notices to PREPA and notified P3A as Administrator. This account underfunding is particularly worrying at a time where LUMA may need to deploy resources to restore electrical services during the hurricane season.
- Since January 2023, LUMA has been requesting PREPA to provide balance sheet reconciliations. LUMA has continued to request from PREPA complete information required for these reconciliations, nonetheless the issue remains outstanding. Until initial balance sheet reconciliations are provided, including a segregated opening balance sheet for the T&D system, LUMA is prevented from providing certain O&M Services related to financial reporting under T&D OMA. On August 20, FTI was contracted by AAFAF to define the scope of PREPA's Accounting Remediation project, including the balance sheet separation efforts.

LUMA's Performance Metrics

- PREB's Final Reconsideration in case NEPR-AP-2020-0025 contains due process violations, represents a substantial modification to the T&D OMA, and deprives LUMA of a reasonable opportunity to earn the Incentive Fee. On July 15, LUMA filed for judicial review before the Puerto Rico Appeals Court. On July 19, the Appeals Court issued an Order notifying that it will proceed to rule on this case. In September, PREB presented its opposition to LUMA's request for judicial reviews. PREB's filing was made after the deadline that was established by the court. As of the end of September 2024, court ruling is still pending.

PREPA Reorganization and Shared Services

- The original Amended and Restarted Shared Services Agreements ("A&R SSA") with Genera expired on September 30, 2024. However, LUMA and Genera agreed, in good faith, to extend the Shared Services until January 31, 2025, to facilitate the orderly termination of the services currently being provided. As of the end of September, the agreement extension with Genera was pending PREPA's signature to finalize the execution.
- The A&R SSA with PREPA expired on September 30, 2024. As of October 14, 2024, the proposed extension to the Shared Services Agreement with PREPA remains unexecuted, after PREPA's inactivity towards approving LUMA's draft agreement. Nonetheless, LUMA agreed, in good faith, to extend the agreement until February 28, 2025. This extension is intended to provide PREPA with additional time to finalize its Memorandum of Understanding ("MOU") with Autoridad de Asesoría Financiera y Agencia Fiscal de Puerto Rico ("AAFAF") and allow the orderly termination of the services currently being provided.
- LUMA's Collaboration Agreements with Genera are significantly delayed despite numerous attempts to find common ground. These delays have an impact on the reconstruction efforts. At

this stage, LUMA requires P3A's involvement to bridge the gaps and enable the finalization of the Collaboration Agreements. Specifically, LUMA and PREPA have been in substantial agreement with the drafted OT Collaboration Agreement since May 2024, but Genera is not. Additionally, PREPA sent a final draft of the Insurance Collaboration Agreement in June 2024, but Genera has not agreed to sign, and negotiations have slowed significantly. Finally, Genera has also failed to engage in efforts to finalize the Telecommunications Collaboration Agreement. Without the signed Collaboration Agreements, LUMA has no legal basis to continue to provide these services.

PREPA Title III Exit

- On September 5, the mediation team requested a 30-day extension of the litigation stay, through October 8, 2024, which Judge Swain promptly granted.
- On September 17, FOMB filed a status report prior to the scheduled omnibus hearing on September 18, in which it noted, "As a result of several factors, including (a) the uncertainty of amounts and timing relating to PREPA's receipt of money from FEMA and (b) PREPA's need (i) for equipment integral to supplying power and (ii) to complete maintenance, including, among other things, vegetation management, PREPA may require more funds than on hand in the near term. The [FOMB] is looking into different methods of raising necessary cash as it continues work on the next PREPA fiscal plan."
- In sum, substantive activity in PREPA's Title III case has been stayed since July 10, 2024, and there is currently no date set to resume litigation or progress towards confirmation of a plan of adjustment for PREPA.

Third-Party Pole Attachments ("TPA")

- On September 4, the Puerto Rico Courts of Appeals issued a judgement determining that the request for dismissal due to lack of jurisdiction was not admissible, and that the request to revoke the suspension of the proceedings was also not admissible.
- On September 10, the Telecommunications Bureau ("NET", for its Spanish acronym) filed a Motion and a copy of the administrative file number NET-2024-PA-0001, as ordered by the Courts of Appeals.
- On September 27, LUMA filed with the PR Court of Appeals a Motion to Clarify the NET's September 17, motion. LUMA's clarifications consisted of (i) reiterating that the NET does not have authority or jurisdiction to impose fixed rates for pole attachments; (ii) reiterating that there are Pole Attachment contracts in place with Telecommunication companies; (iii) expressing that the NET does not have authority to set standards applicable to utility poles and (iv) offering a procedural background pertaining to the Telecommunication Companies' noncompliance.
- On September 30, the PR Court of Appeals issued a judgement declaring that the NET's order No. NET-2024-PA-0001 is null and void for not having followed the formal process of issuing legislative regulations pursuant to administrative law.

Net Energy Metering

- In compliance with the current regulation of distributed generation interconnection, LUMA successfully completed an additional 4,718 supplemental studies during September 2024. The studies cover distribution feeder voltage, thermal, and protection analyses, which are critical to maintaining the distributed system's stability and reliability. As of September 30, all feeders with

penetration levels above 15% have been studied. Through this process, LUMA has identified the required system upgrades. LUMA is in the process of preparing the cost and timeline information to share with the developers. LUMA is highly concerned about the increasing number of interconnections surpassing the pace of comprehensive studies, which poses a systemic reliability risk. LUMA has engaged in discussions with Distributed Generation developers and installers to secure the payments for required supplemental studies.

LUMA's Billing and Collection Efforts

- LUMA continues development and testing of system changes necessary to implement the Plan of Adjustment, once approved. User Acceptance Testing ("UAT") is 90% complete and will conclude in mid-October.
- The team processed a \$3.6M Home Energy Assistance Program ("HEAP") payment benefiting almost 120K customers.
- Successfully launched a critical CC&B User Roles & Responsibilities initiative to assess and ensure appropriate levels of permission across all CC&B users. Revenue Protection, Energy Irregularities and Payment Processing teams have been audited and appropriate configuration changes went into production in September.
- Estimated bill percentages returned to pre-Ernesto levels.
- LUMA reached 3,085 new payment agreements with customers in September 2024, for a total of over 94,389 since June 2021. Also, during September 2024, LUMA completed over 143,000 outbound collection calls for a total of over 2.6 million outbound calls since June 2021. LUMA's Revenue Protection team collected over \$28 million during September 2024 directly related to active customer collections of past due receivables. Collection efforts include outbound calls, letters, emails and inbound calls.

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. On September 17, PREB issued a Resolution and Order denying LUMA's request for an evidentiary hearing and rejecting the reconsideration of the calculation methodology for the 5% threshold when reporting on variances within the Operating, non-Federally Funded, or Federally Funded budgets. PREB reserved its decision on LUMA's request to reconsider the timing of budget reallocation/amendment requests and gave LUMA 30 days to file with support of its alternate proposal, reasons therefore, and the reasons it asserts the current timing requirement is not appropriate.