

Monthly Report on the T&D System

For the Month of November 2024

December 19, 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 November 2024.

URGENT CASH MATTERS

November 2024 is the twenty-fourth (24th) 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. October 2024 is also the twelfth (12th) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account. Funding the Service Accounts, including the Outage Event Reserve Account, is an obligation of the Owner, pursuant to Section 7.5 of the T&D OMA. To date, PREPA has failed to identify a funding source to meet its obligations under the T&D OMA. As previously communicated to PREPA and the P3A, as Administrator, LUMA is highly concerned with PREPA's continued breach of its obligations and detrimental impact such inaction has on the overall recovery of the energy system and service to customers.

2.0 Monthly Sales Summary

Consumption in November decreased by 13.2% compared to the previous month (October) and increased by 0.1% compared to the same month of the previous year (November 2023). In November 2024, energy sales (\$) decreased by 22.3% compared to October 2024 and by 7.0% compared to November 2023.

Table 2-1. Energy billed by customer segment

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2024 November	582.6	656.1	122.8	24.0	1.8	3.8	1,391.1
2024 October	694.4	727.5	152.6	23.8	1.8	3.4	1,603.5
2023 November	569.0	656.4	133.5	26.0	1.7	3.1	1,389.7

Table 2-2. Energy sales by customer segment

Sales (\$ Million)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2024 November	104.9	131.6	23.8	7.4	0.3	0.7	268.7
2024 October	140.3	163.3	33.3	8.0	0.4	0.7	346.0
2023 November	111.3	141.1	27.0	8.6	0.4	0.7	289.0

Table 2–3. Energy sales by rate component

Energy Sales (\$ Million)	Base	FCA ¹	PPCA ²	CILT & Subsidies & EE ³	Total ⁴
2024 November	97.8	102.0	46.9	23.4	268.7
2024 October	109.9	157.2	54.5	26.3	346.0
2023 November	95.2	127.4	35.0	31.4	289.0

3.0 Recent LUMA Accomplishments

- Completed the installation and energization of more than seven replacement breakers at the Barceloneta substation, improving service reliability to over 150,000 customers.
- Completed the energization of a new distribution feeder in Salinas improving the service reliability to over 3,500 customers.
- Increased overall service quality by reducing the number of service interruptions by 17%, when compared to Quarter One (“Q1”) Fiscal Year (“FY”) 2024, and outage duration by 6%, when compared to Q1 FY2024.
- Enhanced customer outreach programs through the Safety and Energy Efficiency Holiday campaign to promote energy conservation and best practices to ensure safe electrical connections during the holiday season.

4.0 System Operations Update

Reported Events

- During November 2024, a total of fourteen base load generation forced outages occurred. No load sheds were performed due to generation shortfall.⁵ However, two load sheds occurred because of generation outages that resulted in the activation of the Under Frequency Load Shed (“UFLS”).⁶
- As a preventive measure, LUMA partially activated the LUMA Emergency Operations Center (“LEOC”) during election day to monitor the electrical system and be ready to provide a fast response in case of an interruption in any voting center. LUMA successfully supported the General Elections quickly and safely restoring service to 15 voting centers.

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.

⁵ Manual load sheds occur when the electric power demand is higher than the electric power generation supply or to correct the frequency when the UFLS isn’t enough to correct the frequency.

⁶ Under Frequency Load Sheds occur when the system frequency drops below 59.2 Hz.

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

Site Name	Derated ⁷	Forced Outage ⁸	Loadshed ⁹	Planned / Maintenance Outages ¹⁰
San Juan 5	4	5	1	2
San Juan 7	0	0	0	0
San Juan 9	2	2	0	0
Palo Seco 3	4	2	0	0
Costa Sur 5	2	0	0	0
Costa Sur 6	4	0	0	0
Aguirre 1	0	2	0	0
AES 1	4	2	0	0
AES 2	9	1	1	0
EcoEléctrica	0	0	0	0
TOTAL	29	14	2	2

Table 3–2: Total Significant Generation Outages by Month

Outage Type:	Derated	Forced Outage	Loadshed	Loadshed due to Generation Shortfall ¹¹	Planned / Maintenance Outages
2024 November	29	14	2	0	2
2024 October	40	18	11	5	2
2023 November	25	10	7	1	2

⁷ Derated: A reduction in power generation capacity, typically due to technical limitation.

⁸ Force Outage: Unplanned shutdown of a power station, generation unit, transmission or distribution lines due to unexpected breakdown or failure.

⁹ Loadshed: A protective Electric System mechanism to curtail demand for electric power, typically due to power supply shortfalls or disturbances.

¹⁰ Maintenance Outages: A generating unit shutdown for planned maintenance service.

¹¹ Loadshed due to Generation Shortfall: Occurs when the demand for electricity becomes higher than the available supply.

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

Name	Line Trips ¹²	Transformer Trips ¹³	Substation Trips ¹⁴
230/115 kV Bank 2 Yabucoa TC	0	1	0
38 kV Bus #1 From Victoria TC	0	0	2
Cataño 38 kV Bus	0	0	1
Isla Grande Sect. 38 kV Bus #2	0	0	1
Line - 36100 Dos Bocas HP – Bo. Piñas GIS	4	0	1
Line - 36200 Monacillos TC – Juncos TC	1	0	1
Line - 36300 Shell – Juan Martin	1	0	0
Line - 36300 Yabucoa TC -Shell	1	0	0
Line - 36400 Dos Bocas HP – Ponce TC	2	0	0
Line - 36400 Ponce TC – Jayuya	2	0	0
Line - 36800 Palmer TC – Fajardo TC	2	0	0
Line - 36800 Sabana Llana TC – Canóvanas TC	1	0	0
Line - 37400 Cambalache TC – Barceloneta TC	1	0	0
Line - 37400 Hato Tejas TC – Bayamon TC	1	0	0
Line - 37800 Caguas TC – Buen Pastor	1	0	0
Line - 37800 Monacillos TC – Caguas TC	3	0	0
Line - 38900 Berwind TC – Martin Peña GIS	5	0	0
Line - 41400 Juncos TC – Humacao TC	1	0	0
Line - 50100 Cambalache Plant - Manati TC	1	0	0
Line - 50200 Manati TC – Costa Sur SP	7	0	0
Line - 50400 Costa Sur SP – Mayagüez TC	1	0	0
Line - 50700 Yabucoa TC - AES	2	0	0
Line - 50800 Sabana Llana TC - Yabucoa TC	1	0	0
Mayaguez Plant Unit 1 115/13 kV XMR	0	1	0
Mayaguez Plant Unit 2 115/13 kV XMR	0	1	0
Yabucoa TC 230/115 kV Bank #1	0	1	0
Total	38	4	6

¹² Line Trips: A protective disconnection of a transmission or distribution line due to a fault or abnormal condition.

¹³ Transformer Trips: The automatic shutdown of a transformer triggered by protective relays due to faults such as overloads or internal issues.

¹⁴ Substation Trips: The protective disconnection of electrical equipment within a substation, often caused by faults or abnormal operating conditions.

Table 3–4: Total Significant Transmission Outages by Month

Outage Type:	Line Trips	Transformer Trips	Substation Trips
2024 November	38	4	6
2024 October	47	4	3
2023 November	28	7	14

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. During the month of November, PREB issued 188 individual Request for Information (“RFIs”) and LUMA responded to a total of 79 outstanding RFIs.

- [NEPR-MI-2021-0004](#) | **Initial Budgets** – On November 1, 2024, LUMA filed a motion in response to PREB’s September 17th Resolution and Order (“R&O”) to submit evidence in support of LUMA’s proposal and position regarding PREB’s requirement for the timing and established process for budget amendments and reallocation, which are unreasonable and contrary to prudent utility practice. LUMA understands that the PREB’s current level of budgetary oversight, together with its orders regarding variance thresholds, is counterproductive to the adequate operation and management of the T&D System.
- [NEPR-AP-2020-0025](#) | **LUMA’s Performance Metrics** – On November 8, 2024, the Court of Appeals ruled on Case KLRA202400375 and disagreed with LUMA’s argument that PREB exceeded its legal authority and denied the arguments on violations of due process of law. On November 25, 2024, LUMA filed a motion for reconsideration of the November 8th Court of Appeals’ ruling.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On November 8, 2024, LUMA reported to PREB the receipt of four (4) FEMA Project Obligations.
- [NEPR-MI-2024-0002](#) | **LUMA’s Accelerated Storage Addition Program (“ASAP”)** – On November 12, 2024, LUMA submitted, under request for confidential treatment, the final versions of three Standard Offer Agreements with participants of Phase 1 and evidence of submittal of these agreements to the Puerto Rico Electric Power Authority (“PREPA”) for subsequent steps towards their execution in compliance with the November 1st R&O. The ASAP will add utility-scale Battery Energy Storage Systems (“BESS”) at existing facilities owned by Independent Power Producers. The three contracts submitted would result in the addition of 90 MW of new BESS that will lower overall energy costs to customers and improve system reliability.
- [NEPR-MI-2019-0009](#) | **Interconnection Regulations** – On November 15, 2024, LUMA submitted the Final Technical Bulletin regarding Smart Inverter Settings Sheets in compliance with November 7th R&O.
- [NEPR-AP-2023-0004](#) | **Review of the PREPA Integrated Resource Plan (“IRP”)** – On November 18, 2024, LUMA responded to the Sixth Set of IRP Prefiling Period RFI’s and Requests for Confidential Treatment in compliance with the October 29 R&O. On November 25, 2024, LUMA

submitted the First Interim Filing of the 2025 IRP, in compliance with the above-mentioned R&O. This interim filing included the preliminary base case results as well as other information.

- [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – On November 20, 2024, LUMA submitted the Quarterly Performance Metrics Report for the months of July through September 2024. In this filing, LUMA incorporated PREB's revised template, submitted its annual reliability metric revision for FY2024 and complied with all the orders from October 18, 2024, R&O.

Other Filings issued during November 2024:

- [NEPR-MI-2020-0001](#) | **Streetlights Report** – Quarterly Report on Streetlights Repairs for the period of July through September 2024 (November 13, 2024)
- [NEPR-MI-2020-0019](#) | **System Remediation Plan** – Q1- FY2025 Report for the period of July-September 2024 (November 14, 2024)
- [NEPR-MI-2021-0004](#) | **Initial Budgets** – Q1- FY2025 Report for the period of July-September 2024 (November 14, 2024)
- [NEPR-MI-2024-0001](#) | **PREB Approved Investments** – Q1- FY25 PREB Approved Investments status Quarterly Report (November 14, 2024)
- [NEPR-MI-2022-0001](#) | **Energy Efficiency (“EE”) and Demand Response (“DR”) Transition Period Plan** – Q1- FY2025 Consolidated Transition Period Plan and Demand Response Administrative Cost Quarterly Report (November 14, 2024)
- [NEPR-MI-2019-0016](#) | **DG Interconnection Quarterly Reports** – Interconnections Progress Quarterly Report for July through September 2024 (November 14, 2024)
- [NEPR-MI-2019-0005](#) | **Vegetation Management** – Q1- FY2025 Vegetation Management Progress Report (November 14, 2024)
- [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – Quarterly Performance Metrics Report for the months of July through September 2024 (November 20, 2024)
- [NEPR-MI-2021-0002](#) | **Federal Funding** – FY2025 Q1 Federal Funding Report (November 14, 2024)

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 Economic	House Resolution 1049 – <i>orders a continuous investigation on issues linked to economic priorities aligned with Puerto Rico's socioeconomic advancement;</i>	LUMA did not received any requests from the Puerto Rico Senate,

Committee	Act, Bill or Resolution	LUMA Response
Development, Planification, Telecommunications, Private-Public Partnerships and Energy	<i>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.</i>	House of Representatives or Governor's Office of Legislative Affairs for the month of November 2024.
House Committee on Consumer Rights, Banking Services, and the Insurance Industry	House Resolution 259 – <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>	

Table 5–2: Material Litigation Update¹⁵

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 November 6, 2024, the parties jointly filed a motion requesting a scheduling order for the first phase of the bifurcated discovery.
Civil Cases No. SJ2023CV01793, No. SJ2023CV02513 (consolidated) – LUMA Energy ServCo, LLC v. Municipio Autónomo de Manatí	Challenge to Manatí Municipality's construction excise tax determinations for LUMA.	On November 7, 2024, LUMA filed a Motion for Summary Judgment. On November 26, 2024, Manatí requested until February 3, 2025, file its Opposition to the Motion for Summary Judgment. On November 27, 2024, the Court granted Manatí's request for extension of time.
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.	

¹⁵ *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
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 multiple audits related to its activities under the T&D OMA. LUMA takes all required audits under T&D OMA very seriously and therefore allocates considerable resources and time to completion of these.

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 November 7, 2024, OCPR sent an RFI related to the job description of the Manager, Energy Management, the names and job responsibilities of the employees reporting to this Manager, and the name, purpose, frequency, reviewer and systems used of the reports prepared by this Manager. The information for this RFI was submitted by Energy Management to OCPR on November 12, 2024.
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.	On October 21, 2024, OCPR sent an RFI related to a representation letter from LUMA to the OCPR confirming the information provided by LUMA as an agent of PREPA during the 15671 Audit. The information for this RFI was submitted on November 15, 2024.
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 November 22, 2024, OCPR sent an RFI related to a representation letter from LUMA to the OCPR confirming the information provided by LUMA as an agent of PREPA during the 15720 Audit. The due date for the submission is December 9, 2024.
PREPA FY2023	KPMG Audit of PREPA Financial Statements (“FY2023”)	Audit started in April 2024. LUMA has been providing all the data

Government Entity	Audit Description	Significant Updates
		requested by KPMG and PREPA. The expected release date was shifted from late November 2024 to January 2025, 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 2023. LUMA has been attending related meetings and providing all requested data. The release date is expected to be after the FY2023 PREPA Financial Statements are issued.
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 2024 and remains ongoing. Target issuance date has shifted from November to December 2024.
P3A FY2022 Audit – by Vázquez & Vilanova	First Year (“FY2022”) OMA Compliance – audit for the first full year of LUMA operations.	P3A FY2022 Audit is complete. LUMA received the final auditor’s report on October 21. LUMA has prepared a response letter to the audit report that is expected to be issued by December 13, 2024.
P3A FY2023 Audit – by Vázquez & Vilanova	Second Year (“FY2023”) OMA Compliance – audit for the second year of LUMA operations.	The audit is ongoing nearing the closing stages. By the end of November 2024, LUMA had provided responses to 100% of all the requested information based on P3A’s latest updated RFI list. Nonetheless, there are additional questions on ~8% on them for which LUMA was diligently compiling additional documentation and should complete by December 13. 53% of items had been closed by auditors. For the remaining items, LUMA is awaiting P3A Auditor review of the submitted responses and documentation. Currently the P3A Auditor is awaiting an extension on their contract to resume their fieldwork.

Government Entity	Audit Description	Significant Updates
P3A FY2024 Audit – by Vázquez & Vilanova	Third Year (“FY2024”) OMA Compliance – audit for the third year of LUMA operations.	The audit remains ongoing. By the end of November 2024, approximately 62% of the FY2024 RFIs had been completed by LUMA and closed or pending closure by the auditors. For the open item for which LUMA has submitted responses and documentation, LUMA is awaiting P3A Auditor review. Currently the P3A Auditor is awaiting an extension on their contract to resume their fieldwork.
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 November 4, 2024, LUMA received the auditors drafted report. An exit meeting was scheduled between LUMA and the auditors for December 2, 2024.
P3A Federal Funding Audit – by Kevane Grant Thornton	Audit on the Management of Federally Funded Capital Improvements	On November 14, 2024, LUMA met for a kick-off meeting with P3A and Kevane as related to the audit of the Federal Funding process. Kevane sent LUMA an RFI listing, which will be submitted to the auditors by December 6, 2024.
COR3 - Central Office for Recovery, Reconstruction and Resiliency Monitoring by Deloitte	Deloitte Monitoring for Q1- FY2025 Federal Funding process.	On November 21, 2024, LUMA met with the auditors for a site visit and responsive documents were provided on such visit. The remaining information is being gathered for submitting on December 6, 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. 15637 – Audit of the Municipality of Guánica.		

8.0 Material OMA Items

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

- November 2024 is the twenty-fourth 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.
- October 2024 is the twelfth consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account.
- November 2024 is the second consecutive month in which PREPA did not provide the required funding to replenish the Contingency Reserve Account.
- LUMA has issued twenty-four non-compliance notices to PREPA and notified P3A as Administrator of the T&D OMA.
- Since January 2023, LUMA has been requesting PREPA provide balance sheet reconciliations. 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.
- On November 13, 2024, P3A sent LUMA a letter authorizing the reopening of previously closed accounting periods for PREPA to make corrections in relation to its FY2023 Audit. LUMA disagrees with P3A's determination due to this practice deviation from the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework, the Generally Accepted Accounting Principles ("GAAP"), Generally Accepted Government Auditing Standards ("GAGAS"), and other acceptable accounting frameworks and standards. The reopening of prior accounting periods increases the risk of errors or mistakes, has the potential for misleading the audience of the intended financial reports, and may affect the results of previously reported unaudited financials, including those delivered to the external stakeholders and oversight bodies, affecting LUMA's ability to comply with its responsibilities under Annex I(VI)(B) of the T&D OMA.

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, 2024, LUMA filed for judicial review before the Puerto Rico Appeals Court. On July 19, 2024, 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. On November 8, 2024, the Court of Appeals ruled on Case KLRA202400375. The Court understood that none of LUMA's arguments were sufficient in law, disagreeing with LUMA's argument that the PREB exceeded its legal authority and denied the arguments on violations of due process of law. On November 25, 2024, LUMA filed a motion for reconsideration of the November 8 Court of Appeals' ruling.

PREPA Reorganization and Shared Services

- LUMA, PREPA and Genera agreed, in good faith, to extend the existing Amended and Restated Shared Services Agreement (“A&R SSA”) until January 31, 2025, for Genera and February 28, 2025, for PREPA to facilitate the orderly termination of the services currently being provided.
- LUMA has been working on the separation of the Curator libraries related to Legacy Generation Assets within the Enterprise Resource Planning (“ERP”) and expects to transfer the corrected libraries to Genera as soon as practical and ideally by the end of Monday, December 9, 2024.
- As required by the executed extension of the A&R SSA, PREPA is required to submit an updated separation plan by the end of October 2024. To this date, no such plan has been received.
- LUMA and Genera have held daily meetings to advance the data request migration of GenCo’s AssetSuite, Curator and Oracle EBS to Genera’s new Enterprise Resource Planning (“ERP”) systems. Through these meetings, LUMA has successfully transferred a full copy (Mock1) of AssetSuite GenCo data and is currently in the process of finalizing the corresponding Mock 1 Curator libraries. LUMA expects to transfer the Curator libraries corresponding to Mock 1 AssetSuite copy by the end of day Monday, December 9, 2024.
- Genera, together with its ERP advisors, committed to developing its Asset Suite and Curator ‘Cut Over’ to production approach and schedule in anticipation of Mock 2 testing completion before 27 December 2024. Once the ‘Cut Over’ to production approach and schedule is received, Genera agreed to hold meetings with LUMA to ensure appropriate coordination throughout the transition.
- The Insurance Collaboration Agreement between LUMA, Genera, PREPA and P3A has been signed by PREPA, LUMA and P3A. Currently, it is pending signature by Genera for its final execution. The fully executed Insurance Collaboration Agreement is expected to be received before December 13, 2024.

PREPA Title III Exit

- At the status conference in PREPA’s Title III case on November 7, 2024, the parties told Judge Swain that they had reached an impasse in the mediation and expressed their frustration with the negotiations. The bondholders also complained about the lack of a new fiscal plan for PREPA and the overall delay, especially since, in their view, PREPA is spending the bondholders’ collateral during the Title III case without giving them “adequate protection” for the use of that collateral. Judge Swain encouraged the parties to continue their settlement talks and advised them that she would not permit the resumption of litigation unless she were “persuaded that the issues are framed narrowly enough to make a material difference in the restructuring process” and, in that case, she would hold them to a “tight” litigation schedule.
- All substantive activity in PREPA’s Title III restructuring case continues to be paused, until January 31, 2025. Although the parties are discussing a schedule for the resumption of litigation, the timing and scope of the issues to be litigated are currently unknown.

Net Energy Metering

- In compliance with the current regulation of distributed generation interconnection, LUMA successfully completed an additional 1,897 supplemental studies during November 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 November 30, all feeders with

penetration levels above fifteen percent (15%) have been studied. Through this process, LUMA has identified the required system upgrades. LUMA is currently 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 payments for required supplemental studies.

LUMA's Billing and Collection Efforts

- LUMA continues to maintain industry standard results for estimation and unbilled accounts at 7.59% and 1.04%, respectively.
- LUMA processed and applied \$2.1M in payments from Energy Assistance Programs.
- LUMA reached 2,615 new payment agreements with customers in November 2024, for a total of over 100,096 since June 2021. Also, during November 2024, LUMA completed over 137,000 outbound collection calls for a total of over 2.9 million outbound calls since June 2021. LUMA Revenue Protection team collected over \$32 million during November 2024 directly related to active customer collections of past due receivables. Collection efforts include outbound calls, letters, emails and inbound calls.
- Letters were mailed to 151 customers with positive energy irregularities, meaning LUMA has adjusted their invoice to account for energy that was consumed and not appropriately billed due to the presence of an energy irregularity (example – theft). Two customers have entered into payment arrangements, seven have filed bill objections and the majority have not responded as of November 30, 2024. Unpaid charges will follow a standard collections process.
- Significant progress (51% completion) was made on a critical CC&B initiative to clean up and automate the annual CELI & Streetlight reconciliation process within CC&B.

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, 2024, PREB issued a R&O denying LUMA's request for an evidentiary hearing and rejecting the reconsideration of the budget reallocation using the 5% calculation methodology contemplated in the T&D OMA. LUMA submitted a response to provide an alternative proposal on the timing to request budget amendments and reallocations, arguing that PREB's order is counterproductive to the adequate operation and management of the T&D System and contrary to OMA requirements.
- Previously, on June 26, 2024, PREB approved a modified FY2025 budget which misallocates Non-Federally Funded Capital and Operating Expenditure budgets by reducing \$13.5 million from the Billing Accuracy and Back Office program to increase the Vegetation Management program (including Fire Mitigation activities). On July 16, LUMA submitted a motion for reconsideration requesting PREB restore the Billing Accuracy and Back Office budget as \$11.4 million of the program's budget is allocated to outsourced billing services - including bill rendering, printing and mailing. As of November, PREB had not yet issued a determination. Consequently, on November 12th, LUMA requested PREB to re-issue the June 26th R&O and include legal notices required to any request for judicial review.