

Monthly Report on the T&D System

For the Month of December 2024

January 17, 2025



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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 December 2024.

URGENT CASH MATTERS

December 2024 is the twenty-fifth (25th) 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. December 2024 is also the thirteenth (13th) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account. Similarly, December 2024 is the third (3rd) consecutive month in which PREPA did not provide the required funding to replenish the Contingency Reserve Account. Funding the Service Accounts, including the Outage Event Reserve Account and the Contingency 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 December 2024 decreased by 1.3% compared to the previous month (November 2024) and increased by 1.1% compared to the same month of the previous year (December 2023). In December 2024, energy sales (\$) increased by 14.7% compared to November 2024 and by 17.4% compared to December 2023.

Table 2-1. Energy billed by customer segment

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2024 December	542.3	649.0	139.7	38.0	1.8	2.8	1373.6
2024 November	582.6	656.1	122.8	24.0	1.8	3.8	1,391.1
2023 December	536.9	651.6	138.2	26.1	2.5	3.4	1,358.7

Table 2-2. Energy sales by customer segment

Sales (\$ Million)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2024 December	112.5	150.1	31.5	13.0	0.4	0.6	308.1
2024 November	104.9	131.6	23.8	7.4	0.3	0.7	268.7
2023 December	98.1	128.7	26.5	8.0	0.5	0.6	262.4

Table 2–3. Energy sales by rate component

Energy Sales (\$ Million)	Base	FCA ¹	PPCA ²	CILT & Subsidies & EE ³	Total ⁴
2024 December	98.1	132.3	54.4	23.3	308.1
2024 November	97.8	102.0	46.9	23.4	268.7
2023 December	90.9	102.6	36.5	32.4	262.4

3.0 Recent LUMA Accomplishments

- Announced the completion of the procurement and contract process for 1.5 million smart meters ([LINK](#)).
- Shared our Year-End Progress press release highlighting reliability improvements across the island ([LINK](#)).
- Completed significant improvements to increase reliability for over 9,000 customers in the Western Region. ([LINK](#)).
- Restored service to over 95% of customers, 28 hours after the island-wide blackout on December 31, 2024. ([LINK](#)).

4.0 System Operations Update

Reported Events

- In December 2024, a total of nineteen (19) base load generation forced outages occurred. No load sheds were performed due to generation shortfall⁵. However, five (5) load sheds occurred because of generation outages that resulted in the activation of the Under Frequency Load Shed (“UFLS”⁶).
- On December 31, 2024, at 05:29, the electric system experienced a blackout initiated by an event in the Costa Sur switchyard that is currently under investigation. To support and expedite the restoration of the electric system, LUMA activated its Emergency Operation Center (“LEOC”).

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 December 2024

Site Name	Derated ⁷	Forced Outage ⁸	Loadshed ⁹	Planned / Maintenance Outages ¹⁰
San Juan 5	1	5	1	0
Palo Seco 3	2	3	0	0
Costa Sur 5	2	2	1	0
Costa Sur 6	0	2	2	0
AES 1	8	1	0	0
AES 2	11	1	0	0
EcoEléctrica	0	5	1	0
TOTAL	24	19	5	0

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 December	24	19	5	0	0
2024 November	29	14	2	0	2
2023 December	33	14	6	0	0

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 December 2024

Name	Line Trips ¹²	Transformer Trips ¹³	Substation Trips ¹⁴
Acacias Bank 115/38 kV	0	1	0
Aguas Buenas Sector 38 kV Bus	0	0	1
Amelia 38 kV Bus	0	0	1
Berwind Bank 115/38 kV	0	1	0
Berwind Bank 38/13 kV	0	1	0
Bus #1 38 kV Victoria TC	0	0	2
Cayey TC 115/38 kV Bank 1	0	0	0
Cayey TC 115/38 kV Bank 2	0	0	0
Cayey TC 38 kV Bus	0	0	1
Costa Sur TC 230kV	0	0	1
Line - 36100 Bayamon TC – Cana	1	0	0
Line - 36200 Monacillos TC – Juncos TC	2	0	0
Line - 36400 Dos Bocas HP – Jayuya	1	0	0
Line - 37100 San German TC – Guánica TC	1	0	0
Line - 37200 Mayaguez TC – Mayaguez Plant	1	0	0

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.

Name	Line Trips ¹²	Transformer Trips ¹³	Substation Trips ¹⁴
Line - 37400 Cambalache TC – Dos Bocas	1	0	0
Line - 37400 Dorado TC - Vega Baja TC	1	0	0
Line - 37800 Caguas TC – Buen Pastor	1	0	0
Line - 37800 Cayey TC – Caguas TC	1	0	0
Line - 37800 Monacillos TC – Buen Pastor	1	0	0
Line - 37800 Monacillos TC – Caguas TC	2	0	0
Line - 38300 San Juan SP – Monacillos TC	1	0	0
Line - 39000 Aguas Buenas GIS – Hacienda San Jose	1	0	0
Line - 39000 Barranquitas TC – Toro Negro	1	0	0
Line - 39000 Toro Negro – Juana Diaz	1	0	0
Line - 51000 Aguas Buenas GIS – Aguirre SP	1	0	0
Line - 51200 Cambalache GP – Costa Sur SP	3	0	0
Monacillos TC 115 kV Bus #3	0	0	2
Total	21	3	8

Table 3–4: Total Significant Transmission Outages by Month

Outage Type:	Line Trips	Transformer Trips	Substation Trips
2024 December	21	3	8
2024 November	38	4	6
2023 December	13	2	6

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. In December 2024, PREB issued 8 individual Request for Information (“RFIs”) and LUMA responded to a total of 4 outstanding RFIs.

- [NEPR-MI-2020-0019](#) | **System Remediation Plan** – On December 2, 2024, LUMA submitted its response to PREB’s October 29th Resolution and Order (“R&O”). This order included a series of Request for Information (“RFI”), related to the system remediation process.
- [NEPR-AP-2020-0025](#) | **LUMA’s Performance Metrics** – On December 3, 2024, the Court of Appeals denied LUMA’s motion for reconsideration.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On December 3, 2024, LUMA reported to PREB three FEMA Project Obligations associated with the Distribution Pole and Conductor Repair Improvement

Program. On December 11, 2024, LUMA submitted to PREB the updated 90-Day Plan for T&D Projects. On December 12, 2024, LUMA submitted three initial Scope of Work (“SOW”): two for Transmission Line Rebuilds and one for Substation Rebuild.

- [NEPR-MI-2024-0002](#) | **LUMA’s Accelerated Storage Addition Program (“ASAP”)** – On December 3, 2024, LUMA submitted a confidential motion requesting PREB to vacate its November 22nd R&O. LUMA also submitted a memorandum supporting confidential treatment for the November 12th Exhibit related to PREPA’s Board approval of Phase 1 agreements. On December 11, 2024, LUMA submitted evidence of the PREPA Governing Board’s approval of three Phase 1 Standard Offers. On December 19, 2024, LUMA submitted the proposed Phase 2 agreement. Finally on December 23, 2024, LUMA submitted the final Phase 1 agreement for the fourth participant.
- [NEPR-MI-2020-0001](#) | **Permanent Rate** – On December 4, 2024, LUMA filed its responses to PREB’s November 22nd first information requests related to economic dispatch. On December 6, 2024, PREB issued an additional second information request on economic dispatch. On December 11, 2024, LUMA filed its responses to PREB’s December 6th information requests. On December 20, 2024, PREB issued an R&O approving the Fuel Cost Adjustment (“FCA”) and Purchase Power Charge Adjustment (“PPCA”) quarterly factors, as filed by LUMA, to be in effect from January to March 2025.
- [NEPR-AP-2023-0004](#) | **Review of the PREPA Integrated Resource Plan (“IRP”)** – On December 4, 2024, LUMA filed a motion submitting a revised presentation included in the responses to the Second Set of IRP Prefiling Period Requests of Information. On December 10, LUMA filed a motion submitting Supporting Materials to the First Interim Filing of the 2025 IRP.
- [NEPR-MI-2019-0016](#) | **Distributed Generation (“DG”) Interconnection Quarterly Reports** – On December 9, 2024, LUMA filed a motion submitting a revised Interconnection Progress Report for July through September 2024 and supporting materials in compliance with the Bench Orders issued by PREB at the Compliance Hearing held on December 5, 2024. On December 16, 2024, LUMA submitted a motion in compliance with outstanding Bench Orders of December 5th including its explanation of the plan to address concerns regarding Net Energy Metering (“NEM”) and DG customers installing bidirectional meters, which will be replaced by Advance Metering Infrastructure (“AMI”).
- [NEPR-MI-2023-0001](#) | **Wheeling Implementation** – On December 9, 2024, PREB issued an R&O in which it ordered LUMA to file an updated Wheeling Service Agreement (“WSA”) as well as respond to a set of information requests contained in the January 13, 2023, R&O. On December 23, 2024, LUMA filed a motion in compliance with PREB’s December 9th Order.
- [NEPR-AP-2023-0003](#) | **Rate Review** – On December 10, 2024, PREB issued an R&O establishing the Rate Case filing requirements. On December 11, 2024, LUMA issued a notice of *Pro Hac Vice Appearance* and Request for Notice. On December 16, 2024, PREB issued an Order scheduling a Technical Conference for December 20, 2024. On December 20, 2024, after the Technical Conference, PREB issued an R&O in which it scheduled an additional Technical Conference for January 10, 2025.
- [NEPR-MI-2019-0006](#) | **Emergency Response Plan (“ERP”)** – On December 13, 2024, LUMA submitted the ERP Draft Version 1.
- [NEPR-MI-2020-0018](#) | **Physical Security Plan** – On December 16, LUMA submitted its responses to PREB’s RFIs regarding the Physical Security Plan.

- [NEPR-IN-2024-0003](#) | **June 12 Large-Scale Blue-Sky Customer Interruptions Incident** – On December 17, 2024, LUMA submitted to PREB a request for partial extension until January 13, 2025, to submit its responses to RFI's of Attachment A of the December 4th Order. On December 23, 2024, LUMA submitted its response to PREB's RFIs from the December 4th R&O.
 - [NEPR-MI-2021-0004](#) | **Initial Budgets** – On December 23, 2024, LUMA submitted its responses to PREB's RFI's included on Attachment A of the December 2nd R&O. Additionally, LUMA submitted an informative motion to notify PREB of the implementation and functionality of the software platform that will be used to streamline the identification, tracking, and billing of all new and existing Third-Party Attachments ("TPA") in compliance with PREB's June 26th R&O.
 - [NEPR-IN-2024-0002](#) | **June 02 Santa Isabel Substation Major Outage Incident** – On December 23, 2024, LUMA submitted its responses to PREB's RFIs regarding the June 2nd - Santa Isabel Substation Major Outage Incident.
 - [NEPR-MI-2024-0005](#) | **System Improvements Plan** – On December 23, 2024, LUMA submitted its responses to PREB's RFIs regarding the System Improvements Plan.
 - [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – On December 26, 2024, PREB issued a R&O in which it analyzed LUMA and Genera's performances over fiscal year 2024 and indicated how both performed according to the fiscal year 2020 baseline values.
- Other Filings issued during December 2024:**
- [NEPR-MI-2020-0001](#) | **Permanent Rate** – Quarterly FCA and PPCA factors filing. (December 17, 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 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.</i>	LUMA did not received any requests from the Puerto Rico Senate, House of Representatives or Governor's Office of Legislative Affairs for the month of December 2024.
House Committee on	House Resolution 259 – <i>orders a general study of the current situation of the municipalities that make up the</i>	

Committee	Act, Bill or Resolution	LUMA Response
Consumer Rights, Banking Services, and the Insurance Industry	<i>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 December 2, 2024, the parties jointly filed the Initial Case Management Report under Civil Procedure Rule 37. The Initial Conference was held on December 11, 2024, and the Court granted the parties' joint motion requesting that the case be bifurcated to address the certification of the class first. The Court also granted 120 days to finalize discovery as to the first phase (class certification) and issued several orders scheduling discovery at this stage. A status hearing was scheduled for June 16, 2025.
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.	
Domingo Marrero v. Mun. de Guánica, Civil Case No. PO2021CV00963	Plaintiff alleged that pole placement in sidewalks violates the Americans with Disabilities Act (“ADA”).	
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.	

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.

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 of 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.	<p>On December 2, 2024, OCPR sent an RFI related to a representation letter from LUMA to OCPR confirming the information provided by LUMA as an agent of PREPA during the 15592 Audit. The letter was submitted on December 9, 2024.</p> <p>On December 4, 2024, OCPR requested a second RFI, regarding planned and coordinated outages for the date of May 24, 2022. The information was submitted on December 11, 2024.</p> <p>On December 4, 2024, OCPR requested a third RFI, regarding reports for Gas Generation Plants exits and limitations, as well as the resources responsible for receiving and using such reports. The information was submitted on December 12, 2024.</p> <p>On December 4, 2024, OCPR requested a fourth RFI, regarding the daily registry prepared by the Transmission Operations Center (“TOC”) personnel for the day of May 22, 2024. The information was submitted on December 11, 2024.</p> <p>On December 4, 2024, OCPR requested a fifth RFI, regarding a copy of the daily registry prepared by the TOC personnel for May 22, 2024. The</p>

Government Entity	Audit Description	Significant Updates
		<p>information was submitted on December 11, 2024.</p> <p>On December 4, 2024, OCPR requested a sixth RFI, regarding a copy of the Root Cause Analysis available for a sample of forced Generation Plant exits over several events / years. LUMA expects to respond by January 13, 2025.</p> <p>On December 9, 2024, OCPR requested a seventh RFI, regarding the clients affected by a sample of 2 forced Generation Plant exits. The information was submitted on December 10, 2024.</p> <p>On December 10, 2024, OCPR requested eight RFI, regarding a sample of Generation Plant operational exits and the potential of load shedding events over several events / years. LUMA expects to respond by January 13, 2025.</p>
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 December 2, 2024, OCPR sent an RFI related to a representation letter from LUMA to OCPR confirming the information provided by LUMA as an agent of PREPA during the 15671 Audit. The letter was submitted on December 9, 2024.</p> <p>On December 5, 2024, OCPR sent a second RFI related to PREPA's Revenue from June 1, 2020, to June 30, 2024. The information was submitted on December 6, 2024.</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	On November 22, 2024, OCPR sent an RFI to a representation letter from LUMA to OCPR confirming the information provided by LUMA as an agent of PREPA during the 15720

Government Entity	Audit Description	Significant Updates
	Rico, and Act 9 of July 24, 1952, as amended.	<p>Audit. The letter was submitted on December 9, 2024.</p> <p>On December 16, 2024, OCPR sent a second RFI related to copies of bank statements for the months of June 2022 and August 2022, as well as ACH batch transactions for October 2021 and April 2023. The information was submitted on December 17, 2024.</p>
PREPA FY2023	KPMG Audit of PREPA Financial Statements (“FY2023”)	Audit started in April 2024. LUMA has been providing all the data requested by KPMG and PREPA. The expected release date was shifted from late November 2024 to January 2025. 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 for FY22. FY2023 target issuance date is March 2025 and FY2025 by June 2025.
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, 2024. LUMA prepared a response letter which was issued on December 20, 2024.
P3A FY2023 Audit – by Vázquez & Vilanova	Second Year (“FY2023”) OMA Compliance – audit for the second year of LUMA operations.	The audit is ongoing and nearing the closing stages. By the end of December 2024, LUMA provided responses to 100% of the requested information based on P3A’s latest updated RFI list. LUMA is awaiting P3A Auditor review of the submitted responses and documentation. Currently the P3A Auditor is awaiting

Government Entity	Audit Description	Significant Updates
		an extension on their contract to resume their fieldwork.
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 December 2024, approximately 91% of the FY2024 RFIs had been completed by LUMA and closed or pending closure by the auditors. 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 December 2, 2024, LUMA met with the auditors in an exit meeting for the drafted report. In that meeting LUMA requested additional clarifications from the auditors. LUMA formally responded on December 27, 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 for an audit of the Federal Funding process. Kevane sent LUMA an RFI listing, which was submitted to the auditors on December 6, 2024. Following this submission, interviews with various LUMA teams were requested and LUMA coordinated the sessions expected to be held in January 2025.
COR3 - Central Office for Recovery, Reconstruction and Resiliency Monitoring by Deloitte	Deloitte Monitoring for Q1-FY2025 Federal Funding process.	On December 6, 2024, LUMA received a drafted report of the COR3 preliminary observations. LUMA responded on December 20, 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

- December 2024 is the twenty-fifth (25th) 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.
- December 2024 is the thirteenth (13th) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account.
- December 2024 is the third (3rd) consecutive month in which PREPA did not provide the required funding to replenish the Contingency Reserve Account.
- LUMA has issued twenty-five (25) 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 Operation and Maintenance (“O&M”) Services related to financial reporting under T&D OMA. On August 20, 2024, FTI was contracted by AAFAF to define the scope of PREPA’s Accounting Remediation project, including the balance sheet separation efforts. To date, LUMA has not been informed of the FTI project results.

LUMA Budget Approval, Amendment and Reallocation

- On December 2, 2024, PREB issued a determination on LUMA’s Request for Partial Reconsideration of the FY2025 Annual Budget. In its decision, PREB restored \$11.4 million for billing activities within the Customer Experience Operating Budget, allowed \$1.9 million for fire mitigation activities under the Compliance and Studies program, and reconsidered and reinstated LUMA’s original request for \$50 million in vegetation management funding, while urging increased federal funding for the program in FY2025. Additionally, PREB indicated it will reevaluate other budgetary priorities and decided to reexamine the New Business Connections and Meter Replacement and Maintenance programs, leading to a Requirement of Information (“ROI”) that LUMA submitted on December 23, 2024.
- LUMA remains concerned with PREB’s procedure and orders on LUMA’s annual budgets, including specifically their request to examine and reevaluate budgetary priorities well into the fiscal year. LUMA has already incurred costs related to O&M Services, as well as capital expenses necessary to ensure the safe and reliable operation of the electric system.
- LUMA also reiterated and urged PREB to consider its November 1, 2024, arguments on budget amendments. Under the current standing orders, LUMA faces significant limitations on spending flexibility. LUMA also emphasized the importance of having certainty regarding the cutoff day for requesting budget amendments or reallocations before March 2025.

LUMA’s Performance Metrics

- PREB’s Final Reconsideration in case NEPR-AP-2020-0025 contains due process violations, represents a substantial modification of 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 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 8th Court of Appeals' ruling but it was denied on December 3, 2024. As a final recourse, LUMA may file a writ of certiorari before the Puerto Rico Supreme Court, which would be due January 8, 2025.

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 until February 28, 2025, for PREPA to facilitate the orderly termination of the services currently being provided.
- As required by the executed extension of the A&R SSA, PREPA was required to submit an updated separation plan by the end of October 2024. No separation plans were received from PREPA as of December 2024.
- LUMA and Genera have held daily meetings to advance the data migration of GenCo's AssetSuite, Curator and Oracle EBS to Genera's new Enterprise Resource Planning (“ERP”) system. Through these meetings, LUMA has successfully transferred a full copy ('Mock1') of AssetSuite GenCo data including all corresponding Curator libraries related to Legacy Generation Assets within the ERP.
- In December 2024, LUMA concluded all internal activities for the successful migration of PREPA domains (PREPA.com and AEEPR.com) and it is currently waiting for Genera's confirmation to finalize the domains migration. Currently the agreed date to complete the domains transfer with Genera and PREPA is February 14, 2025.
- 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 December 27, 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 'Cut Over' plan meeting is scheduled for January 2025.
- 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 was expected to be completed before December 13, 2024, but LUMA has yet to receive the final signature from Genera.

PREPA Title III Exit

- The Title III court entered a separate order extending the PREPA mediation termination date to January 31, 2025.
- On December 9, 2024, the mediation team filed a status report in which it stated that the team “believes there is simply no prospect for any mediated or consensual resolution here” and “a litigated result is years away.”
- On December 9, 2024, FOMB filed a status report in which it stated that “it will endeavor to certify [an updated PREPA fiscal plan] by December 31, 2024, or as soon as practicable thereafter” and noted that it “is actively engaged in discussions with LUMA” regarding the data underlying the fiscal plan.
- On December 11, 2024, the Title III court held a status conference in which the objecting bondholder group reiterated their mediation settlement proposal. Judge Swain directed the parties to continue mediation efforts.

- All substantive activity in PREPA's Title III restructuring case continues to be paused, likely through at least January 31, 2025. The next Title III status conference is scheduled for February 5, 2025.

Third-Party Pole Attachments (“TPA”)

- On December 19, 2024, LUMA issued fiscal year 2024 invoices to telecommunication companies in accordance with the terms of the joint use of poles agreements. These invoices reflect the costs associated with the shared use of utility poles as outlined in the agreements, which govern the allocation of expenses and responsibilities between LUMA and the telecommunications providers. The issuance of these invoices marks an important step in ensuring compliance with the financial and operational obligations under the joint use framework.

Net Energy Metering

- In compliance with the current regulation of distributed generation interconnection, LUMA successfully completed an additional 1,681 supplemental studies in December 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 December 30, 2024, 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

- In December 2024, LUMA continued progress on critical CC&B SRP initiatives, including User Roles & Functions (78% complete), Letter Automation (46% complete) and CELI/Streetlight balance cleanup (60% complete).
- LUMA continues to maintain industry standard results for estimation and unbilled accounts at 7.9% and 1.08%, respectively.
- LUMA processed and applied \$2.0 million in payments from Energy Assistance Programs.
- LUMA reached 2,857 new payment agreements with customers in December 2024, for a total of over 102,953 agreements since June 2021. Also, in December 2024, LUMA completed over 184,000 outbound collection calls for a total of over 3.1 million outbound calls since June 2021. LUMA's Revenue Protection team collected over \$35 million in December 2024 directly related to active customer collections of past due receivables. Collection efforts included outbound calls, letters, emails and inbound calls.
- LUMA is concerned with the 48% customer reconnection rate after customers have been disconnected for non-payment. Of the 48% of customers not reconnecting, LUMA has determined ~30% of the sites are (and have been) vacant. The lack of reconnection reduces LUMA's load and impacts on the rate of collections on A/R.