

Monthly Report on the T&D System

For the Month of January 2025

February 14, 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 January 2025.

URGENT CASH MATTERS

January 2025 is the twenty-sixth (26th) 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. January 2025 is also the fourteenth (14th) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account. January 2025 is also the fourth (4th) 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.

2.0 Monthly Sales Summary

Consumption in January 2025 decreased by 15.4% compared to the previous month (December 2024) and by 5.0% compared to the same month of the previous year (January 2024). In January 2025, energy sales (\$) increased by 11.3% compared to December 2024 and by 29.3% compared to January 2024.

Table 2-1. Energy billed by customer segment

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2025 January	478.7	556.9	95.7	25.7	1.7	2.9	1,161.7
2024 December	542.3	649.0	139.7	38.0	1.8	2.8	1,373.6
2024 January	482.3	601.9	108.5	25.8	2.9	1.9	1,223.4

Table 2-2. Energy sales by customer segment

Sales (\$ Million)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total ⁴
2025 January	132.1	169.7	28.9	11.0	0.5	0.8	343.0
2024 December	112.5	150.1	31.5	13.0	0.4	0.6	308.1
2024 January	98.2	133.3	23.7	9.0	0.6	0.4	265.2

Table 2–3. Energy sales by rate component

Energy Sales (\$ Million)	Base	FCA ¹	PPCA ²	CILT & Subsidies & EE ³	Total ⁴
2025 January	84.3	186.8	49.8	22.1	343.0
2024 December	98.1	132.3	54.4	23.3	308.1
2024 January	84.9	100.9	51.5	27.9	265.2

3.0 Recent LUMA Accomplishments

Second Quarter (“Q2”) Fiscal Year (“FY”) 2025 Achievements

- LUMA completed inspections of over 537 meters and recycled 3,832 meters to improve system accuracy and efficiency.
- LUMA was able to clear over 410 miles of vegetation throughout the island.
- LUMA activated net metering for more than 12,771 rooftops solar panel system for customers.
- LUMA initiated construction on 13 federally funded projects.
- LUMA received seven project obligations from FEMA representing an estimated \$45.5 million in investments. These obligations include Distribution Pole and Conductor Repair, Transmission Priority Pole Replacements, and IT OT Telecom Systems and Network projects.
- LUMA initiated 25 Transmission & Distribution Projects with FEMA.

4.0 System Operations Update

Reported Events

- In January 2025, a total of twenty-one (21) base load generation forced outages occurred. Two (2) load sheds were performed due to generation shortfall⁵. Nine (9) load sheds occurred because of generation outages that resulted in the activation of the Under Frequency Load Shed (“UFLS”⁶).

Table 3–1: Significant Generation Outages by Site for January 2025

Site Name	Derated ⁷	Forced Outage ⁸	Loadshed ⁹	Planned / Maintenance Outages ¹⁰
San Juan 5	7	7	1	0

¹ FCA: Fuel Charge Adjustment

² PPCA: Purchased Power Charge Adjustment

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

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.

Site Name	Derated ⁷	Forced Outage ⁸	Loadshed ⁹	Planned / Maintenance Outages ¹⁰
San Juan 9	1	0	0	0
Palo Seco 3	2	3	1	0
Costa Sur 5	5	0	0	0
Costa Sur 6	3	0	0	0
Aguirre 1	13	5	1	0
AES 1	9	0	0	0
AES 2	9	1	0	0
EcoEléctrica	0	5	6	0
TOTAL	49	21	9	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
2025 January	49	21	9	2	0
2024 December	24	19	5	0	0
2024 January	35	14	5	0	1

Table 3–3: Significant Transmission Outages by Line / Transformer for January 2025

Site Name	Line Trips ¹²	Transformer Trips ¹³	Substation Trips ¹⁴
Barceloneta 38 kV Bus	0	0	2
Hatillo TC 38 kV Bus	0	0	1
Las Piedras Sector 38 kV Bus	0	0	1
Line - 36100 BO Piñas GIS - Dos Bocas HP	1	0	0
Line - 36200 Monacillos TC – Juncos TC	2	0	0
Line - 37100 San Germán TC - Guánica	1	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.

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.

Site Name	Line Trips ¹²	Transformer Trips ¹³	Substation Trips ¹⁴
Line - 37400 Barceloneta TC - Manatí TC	1	0	0
Line - 37400 Dorado TC – Vega Baja TC	3	0	0
Line - 38200 Monacillos TC – Palo Seco SP	1	0	0
Line - 38900 Berwind TC – Martin Peña GIS	1	0	0
Line - 50200 Bayamón TC – Manatí TC	1	0	0
Line - 50200 Costa Sur SP – Manatí TC	1	0	0
Line - 50400 Costa Sur SP – Mayagüez TC	1	0	0
Line - 50900 Aguas Buenas GIS – Aguirre SP	1	0	0
Line - 50900 Aguas Buenas GIS – Bayamón TC	2	0	0
Line - 51300 Costa Sur SP – Ponce TC	1	0	0
Parques y Recreo 38 kV Bus	0	0	1
Substation #1114 Minillas	0	0	1
Substation #3016 Hacienda San Jose	0	0	1
Substation #8007 Mirador Azul	0	0	1
Venezuela 38 kV Bus	0	0	2
Total	17	0	10

Table 3–4: Total Significant Transmission Outages by Month

Outage Type:	Line Trips	Transformer Trips	Substation Trips
2025 January	17	0	10
2024 December	21	3	8
2024 January	12	2	5

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-2021-0002](#) | **Federal Funding** – On January 3, 2025, LUMA submitted various contracts that have been executed in relation to the Advanced Metering Infrastructure (“AMI”) project. On January 9, LUMA submitted the Project Status Report regarding the 4 x 25 MW BESS Interconnections at LUMA 38 kV System Project. On January 15, LUMA reported to PREB receipt of one FEMA Project Obligation associated with the Distribution Pole and Conductor Repair Improvement Program. On January 21, LUMA submitted one initial Scope of Work for three Transformer Replacements related to the System Improvements Plan. On January 28, LUMA submitted the first monthly progress report regarding 4 x 25 MW BESS Interconnections at LUMA 38 kV System Project.
- [NEPR-AP-2023-0004](#) | **Review of the PREPA Integrated Resource Plan (“IRP”)** – On January 10, 2025, LUMA submitted the revised First Interim Filing of the 2025 IRP and revised work papers

on the results, assumptions, and inputs of the 2025 IRP Revised Core Scenarios 1 through 4 and the emission capacity generation and battery data.

- [NEPR-AP-2023-0003](#) | **Rate Review** – On January 10, 2025, LUMA participated in a Technical Conference. On January 18, LUMA submitted its responses to both the December 20th RFI, and the additional requests issued on January 10.
- [NEPR-IN-2024-0002](#) | **June 02 Santa Isabel Substation Major Outage Incident** – On January 13, 2025, LUMA submitted several RFI responses related to the transformer procurement process.
- [NEPR-MI-2021-0013](#) | **Electric Vehicles (“EV”)** – On January 14, 2025, LUMA submitted an update on the progress of the Department of Economic Development and Commerce (“DDEC”) Study and its ongoing collaboration with DDEC towards the commencement of the study.
- [NEPR-MI-2024-0002](#) | **LUMA’s Accelerated Storage Addition Program (“ASAP”)** – On January 14, 2025, PREB approved four Standard Offer Agreements. On January 31, LUMA submitted the ASAP Program Plan for PREB’s approval. The Program Plan includes a description of the work required for LUMA to implement and manage the entire ASAP Implementation Program.
- [NEPR-MI-2022-0001](#) | **Energy Efficiency (“EE”) and Demand Response (“DR”) Transition Period Plan** – On January 15, 2025, LUMA submitted the January 2025 Report on the Development of the Backup Generators Emergency Demand Response. On January 31, LUMA submitted the Permanent Customer Battery Energy Sharing Program Proposal. Also, on January 31, LUMA submitted the Revised Transition Period Plan for EE and DR.
- [NEPR-IN-2025-0001](#) | **Electricity Service Interruption from December 31, 2024** – On January 15, 2025, LUMA submitted an Initial Report and a sequence of events in compliance with the January 7th R&O.
- [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – On January 15, 2025, LUMA filed its RFI responses and plans for improvements for FY2025. On January 17, PREB issued an R&O with a revised template renaming and ordering historical data for all Annex IX Metrics to be included on the Third Quarter FY2025 report. In addition, the PREB ordered LUMA to respond to five RFIs by February 3.
- [NEPR-IN-2024-0003](#) | **June 12 Large-Scale Blue-Sky Customer Interruptions Incident** – On January 22, 2025, LUMA met with EPRI and PREB’s consultants to clarify the responses of the RFIs related to the June 2nd Santa Isabel Substation Major Outage Incident.
- [NEPR-IN-2023-0003](#) | **Commercial Bill Estimates** – On January 27, 2025, PREB issued an R&O regarding its investigation findings related to LUMA’s commercial bill estimates.
- [NEPR-MI-2021-0008](#) | **Commercial Bill Estimates** – On January 29, 2025, PREB issued an R&O approving LUMA’s request to implement revisions to LUMA’s Model Bill. These revisions will include information about bill adjustments and corrections directly on the LUMA Model Bill and will only affect customers who have an adjustment made to their bills.

Other Filings issued during January 2025:

- [NEPR-MI-2019-0006](#) | **Emergency Response Plan (“ERP”)** – First Quarter Meeting Report for Fiscal Year 2025 (January 9, 2025)
- [NEPR-MI-2019-0007](#) | **Legacy Performance Metrics** – Quarterly Performance Metrics Report for the months of October through December 2024 (January 21, 2025)

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
Senate of Puerto Rico	Senate Request for Information 2025-0003 – related to the FEMA funded -one time- Vegetation Clearing Program.	On January 27, 2025, LUMA received an RFI related to vegetation clearing. LUMA is currently working on a response.

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 January 9, 2025, Plaintiff Ismael Herrero filed a motion for leave to amend the complaint to include the June 12 th and December 31 st outages. On January 29, 2025, LUMA timely filed its Opposition to the Plaintiff’s motion, and asked the Court to declare a stay on the discovery until the resolution of Plaintiff’s motion. On January 27, 2025, Plaintiff Ismael Herrero submitted his responses to the first set of interrogatories.

The following cases have had no significant changes since the last report:

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
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.	

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.	On January 10, 2025, LUMA submitted its responses to OCPR’s RFI related to a copy of the Root Cause Analysis available for a sample of forced Generation Plant exits over several events / years. On this same date, LUMA also responded to OCPR’s RFI regarding samples of the Generation Plant operational exits and the potential of load shedding events over several events / years.
PREPA FY2023	KPMG Audit of PREPA Financial Statements (“FY2023”)	Audit started in April 2024. LUMA has been providing all data requested by KPMG and PREPA. The expected release date was shifted from late January 2025 to late March 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:	Audit started at the beginning of August 2024 and remains ongoing.

Government Entity	Audit Description	Significant Updates
	ManageCo & ServCo and Standalone: ServCo) – Financial Statements	Target issuance date has shifted from November to January 2025 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.	LUMA provided its final response to the Audit on December 20, 2024. LUMA is currently waiting for P3A’s feedback.
P3A FY2023 Audit – by Vázquez & Vilanova	Second Year (“FY2023”) OMA Compliance – audit for the second year of LUMA operations.	On January 17, 2025, LUMA provided the last of the responses to all RFI’s sent by P3A. LUMA is currently waiting for P3A’s feedback on the submitted responses.
P3A FY2024 Audit – by Vázquez & Vilanova	Third Year (“FY2024”) OMA Compliance – audit for the third year of LUMA operations.	On January 17, 2025, LUMA provided the last of the responses to all RFI’s sent by P3A. LUMA is currently waiting for P3A’s feedback on the submitted responses.
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 January 16, 2025, LUMA received communication from the auditors that will be providing an updated audit report.
P3A Federal Funding Audit – by Kevane Grant Thornton	Audit on the Management of Federally Funded Capital Improvements	During January 2025, LUMA hosted several meetings with Kevane’s Auditors to review LUMA’s Request for Reimbursement Process. LUMA is currently waiting on Kevane’s follow up questions.
COR3 - Central Office for Recovery, Reconstruction and Resiliency Monitoring by Deloitte	Deloitte Monitoring for Q1-FY2025 Federal Funding process.	On January 24, 2025, LUMA received a response from COR3. LUMA responded to the items due by end of January 2025. For the remaining COR3 follow ups, LUMA’s plan by their upcoming respective deadlines.
<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

- January 2025 is the twenty-sixth (26th) 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.
- January 2025 is the fourteenth (14th) consecutive month in which PREPA did not provide any funding for the Outage Event Reserve Account.
- January 2025 is the fourth (4th) consecutive month in which PREPA did not provide the required funding to replenish the Contingency Reserve Account.
- LUMA has issued twenty-six (26) 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, the Energy Bureau issued an R&O approving determinations regarding LUMA's May 25th proposed budget for FY2025, affecting the budget of two improvement programs. The Vegetation Management budget at \$50 million and The Fire Mitigation activities at \$1.9 million. However, the R&O contained a clerical error, stating the Vegetation Management budget at \$63 million in Attachment B. On December 23, LUMA filed a motion through which it identified the clerical error to PREB and requested to be corrected. On January 24, 2025, the Energy Bureau issued a *Nunc Pro Tunc* R&O, correcting the clerical error on Attachment B footnote. Nonetheless, in the Attachment B table, the Operations department budget and the Operating Expenditures were still incorrect. On January 31, the Energy Bureau issued an R&O approving the level of funding proposed in LUMA's May 25 motion. This R&O was accompanied by an updated Attachment B.
- LUMA remains concerned with the Energy Bureau's arguments regarding budget amendments or reallocations. Under the current standing orders, LUMA faces significant limitations on spending flexibility. LUMA has emphasized the importance of having certainty regarding the cutoff day for requesting budget amendments or reallocations before March 2025. The Energy Bureau has yet to respond to LUMA's November 1, 2024, motion.

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. On January 8, 2025, LUMA filed a *Writ of Certiorari* before the Puerto Rico Supreme Court.

PREPA Reorganization and Shared Services

- LUMA and Genera agreed, in good faith, to extend the existing Amended and Restated Shared Services Agreement (“A&R SSA”) until February 28, 2025, for Genera to facilitate the orderly termination of the services currently being provided.
- As required by the executed extension of the A&R SSA, PREPA is required to submit an updated separation plan through the end of February 2025. As of the end of January 2025, LUMA has not received the required updates from PREPA and LUMA is concerned that PREPA will fail yet again to assume its responsibilities under the A&R SSA and continue to burden LUMA in the provision of services far beyond the original intend of the T&D OMA.
- 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. Additionally, Genera, together with its ERP advisors, committed to developing its Asset Suite and Curator 'Cut Over' to production approach and scheduled Mock 2 testing for the first weekend in February 2025.

PREPA Title III Exit

- On January 17, 2025, in a letter to PREB, FOMB stated that it expects to certify a new fiscal plan for PREPA with an updated debt sustainability analysis “in the coming weeks” that would be followed by an amended title III plan of adjustment providing for the treatment of the claims of non-settling bondholders that is “consistent with the updated fiscal plan and their rights as holders of nonrecourse secured claims.”
- Since June 17, 2024, the parties have been participating in court-ordered mediation. The litigation stay period has been extended several times, most recently through March 24, 2025, and the mediation termination date is currently April 30, 2025.
- Although the PREPA mediation team indicated in December that the team “believes there is simply no prospect for any mediated or consensual resolution here” and “a litigated result is years away,” in their statement on January 28, 2025, the mediators stated that “the Mediation Team is once again hopeful that progress may still be possible and is moving forward with plans to renew discussions with the parties,” as well as other supporting statements. .
- On January 30, 2025, Judge Swain granted the FOMB's unopposed motion to disallow a portion of UTIER's claim against PREPA for liabilities associated with “the estimated amount of impairment to the rights and benefits” negotiated under UTIER's collective bargaining agreement with PREPA.

- All other substantive activity in PREPA's Title III restructuring case continues to be paused, likely through at least mid-March 2025. The next title III status conference is scheduled for March 19, 2025.

Net Energy Metering

- In compliance with the current regulation of distributed generation interconnection, LUMA successfully completed an additional 1,631 supplemental studies in January 2025. The studies cover distribution feeder voltage, thermal, and protection analyses, which are critical to maintaining the distributed system's stability and reliability. As of January 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

- In January 2025, LUMA continued progress on critical CC&B SRP initiatives, including User Roles & Functions (90% complete), Letter Automation (95% complete) and CELI/Streetlight balance cleanup (70% complete).
- LUMA executed a major phase of its planned CC&B data cleanup initiative, resulting in \$239M of uncollectable monies being removed from A/R. Additional phases of this critical data cleanup exercise are planned to continue into FY26.
- On January 29th, the PREB approved LUMA's bill modification motion that will result in a better, more transparent customer experience in the instances where an account requires a billing correction. This will also eliminate the need for an additional, manually produced, letter being sent to customers and include rebilled amounts and reasons in the body of the corrected invoice. This change is slated to go into production on 2/24/25.
- LUMA reached 3,372 new payment agreements with customers in January 2025, for a total of over 106,325 agreements since June 2021. Also, in January 2025, LUMA completed over 190,000 outbound collection calls for a total of over 3.3 million outbound calls since June 2021. LUMA's Revenue Protection team collected over \$27 million in January 2025 directly related to active customer collections of past due receivables. Collection efforts included outbound calls, letters, emails and inbound calls.
- Customers in danger of defaulting on payment arrangements has increased from 3% in January 2024 to 23% in January 2025.