

Work Plan for T&D Front-End Transition

1. GENERAL	
Parties:	<p>The Puerto Rico Electric Power Authority (“<u>Owner</u>”)</p> <p>The Puerto Rico Public-Private Partnerships Authority (“<u>Administrator</u>”)</p> <p>The Puerto Rico Energy Bureau (“<u>PREB</u>”)</p>
Background	<p>The Puerto Rico Energy Public Policy Act, Act. No. 17-2019, requires Owner to enter into a public-private partnership contract through which it shall transfer the operation and maintenance of the transmission and distribution system.</p> <p>Owner, Administrator, LUMA Energy, LLC (“<u>ManagementCo</u>”) and LUMA Energy ServCo, LLC (together with ManagementCo, the “<u>Operator</u>”) entered into The Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (the “<u>O&M Agreement</u>”), on June 22, 2020.</p> <p>The Regulation for the Procurement, Evaluation, Selection, Negotiation and Award of Partnership Contracts and Sale Contracts for the Transformation of the Electric System under Act No. 120-2018 requires that Administrator, Owner and PREB jointly prepare a work plan for the supervision of the O&M Agreement in order to comply with the provisions of Article 10(d) of Act 29-2009 and ensure the optimum use of the resources of each entity (the “<u>Work Plan</u>”).</p>
Purpose:	<p>The purpose of the Work Plan is to comply with the requirements of the regulatory framework, and allow for the Administrator, with the assistance of Owner and PREB, to oversee the performance and compliance of Owner and Operator with the terms of the O&M Agreement.</p>
Work Plan Effective Date:	<p>October 23, 2020</p>
Term:	<p>The Work Plan shall be effective from the Work Plan Effective Date through the earlier of (i) the Service Commencement Date or (ii) the first (1st) anniversary of the Work Plan Effective Date. If Service Commencement is not achieved prior to the first (1st) anniversary of the Work Plan Effective Date the Parties shall enter into a new work plan (the “<u>Extended Front-End Transition Work Plan</u>”) that shall be effective as of the first (1st) anniversary of the Work Plan Effective Date; <u>provided</u> that the Extended Front-End Transition Work Plan shall terminate upon the earlier of (i) the Service Commencement Date or (ii) the second (2nd) anniversary of the Work Plan Effective Date.</p> <p>The Parties will enter into a new work plan prior to the Service Commencement Date that shall be effective as of the Service Commencement Date through the end of the initial Contract Year. Thereafter, the Parties will enter into a new work plan for each Contract Year.</p>
Defined Terms	<p>Capitalized terms used but not defined in this Work Plan have the respective meanings set forth in the O&M Agreement.</p>

2. WORK PLAN			
Item	Responsible Party	Task	Timing
Oversight of Operator <i>Section 4.2(b); Section 4.2(l)</i>	Administrator	Administrator may request weekly, monthly and other periodic reports with respect to ManagementCo's performance under the Front-End Transition Services, including progress against the Handover Checklist and any other completion schedules and milestones included in the Front-End Transition Plan.	Ongoing.
		Administrator, with ManagementCo, will review and adjust the Handover Checklist if necessary.	
Progress Meetings <i>Annex II</i>	Administrator	Bi-weekly progress meetings with Operator.	Ongoing.
	Owner		
	Administrator	Monthly progress meetings with Operator transition leadership.	Ongoing.
	Owner		
Administrative Expense Treatment <i>Section 4.1(c)</i>	Owner	File motion with the Title III Court seeking administrative expense treatment for any accrued and unpaid amounts required to be paid by Owner to Administrator during the Front-End Transition	Complete.
	Administrator	Extend waiting period, if necessary, for approval by the Title III Court of Owner's Administrative Expense Motion. Extension may be for 45-days at Administrator's sole discretion, or for a longer period with the consent of ManagementCo.	Complete.
Access <i>Section 4.3(b)</i>	Owner	Owner will provide ManagementCo, its Front-End Transition Subcontractors and their Representatives with access to the T&D System and T&D System sites.	Ongoing.

Item	Responsible Party	Task	Timing
Demarcation <i>Section 4.3(k)</i>	Owner	Owner will provide Operator with a description and demarcation of the T&D System	As soon as practicable following the Effective Date.
	Administrator	Oversee demarcation of the T&D System.	Ongoing.
Asset Acquisition <i>Annex II</i>	Owner	Assist Operator with identifying assets related to the facilities, furnishings, materials, supplies, equipment and IT systems required for T&D System Operations.	Prior to Service Commencement.
	Administrator	Review and approve Operator’s plan for securing assets related to the facilities, furnishings, materials, supplies, equipment and IT systems required for T&D System Operations.	
	Owner	Assist Administrator with the task above.	
System Contracts and Generation Supply Contracts <i>Section 4.3(c); Section 4.3(d); Section 4.3(e)</i>	Administrator	With the assistance of ManagementCo: (i) identify all material existing System Contracts and all Generation Supply Contracts, (ii) supply copies to Administrator and ManagementCo and (iii) identify which of the material existing System Contracts and Generation Supply Contracts do not comply with the Federal Funding Requirements and provide ManagementCo and Administrator with a list thereof.	Within one hundred eighty (180) days following the Effective Date.
	Owner		
	Owner	Notify each counterparty to a System Contract or Generation Supply Contract in writing or Owner’s delegation of authority to Operator, obtain all required consents and take all steps necessary to comply with Sections 5.2(a) and 5.13 of the O&M Agreement.	As soon as practicable.
	Administrator	If it is necessary to amend an existing or enter into a new System Contracts or Generation Supply Contracts, Administrator will work with ManagementCo to implement the amendments or new System Contract or Generation Supply Contract. Administrator will determine if there is a need to make an amendment or enter into a new agreement.	Prior to the submission of the Initial Budgets to PREB.

Item	Responsible Party	Task	Timing
System Remediation Plan <i>Section 4.1(d)</i>	Administrator	Participate in planning team with respect to the System Remediation Plan.	Prior to submission of the System Remediation Plan to Administrator
	Owner		
	Administrator	Provide ManagementCo comments on the appropriateness of the proposed System Remediation Plan and recommend any changes or modifications it believes are necessary or appropriate.	Within thirty (30) days of receipt of proposed System Remediation Plan.
		Approve the proposed System Remediation Plan to be submitted to PREB.	
PREB	Review and approve, deny or propose modifications to proposed System Remediation Plan.	Within ninety (90) days of receipt of the proposed System Remediation Plan or any update thereto.	
Federal Funding Procurement Manual <i>Section 4.1(e)</i>	Administrator	Participate in planning team with respect to the Federal Funding Procurement Manual.	Prior to submission of the Federal Funding Procurement Manual to Administrator.
	Owner		
	Administrator	Provide ManagementCo comments on the appropriateness of the proposed Federal Funding Procurement Manual and recommend any changes or modifications it believes are necessary or appropriate.	Within forty-five (45) days of receipt of the proposed Federal Funding Procurement Manual.
Non-Federal Funding Procurement Manual <i>Section 4.1(f)</i>	Administrator	Participate in planning team with respect to the Non-Federal Funding Procurement Manual.	Prior to submission of the Non-Federal Funding Procurement Manual to Administrator.
	Owner		
	Administrator	Provide ManagementCo comments on the appropriateness of the proposed Non-Federal Funding Procurement Manual and recommend any changes or modifications it believes are necessary or appropriate.	Within forty-five (45) days of receipt of the proposed Non-Federal Funding Procurement Manual.

Item	Responsible Party	Task	Timing
		Approve proposed Non-Federal Funding Procurement Manual.	Prior to Service Commencement Date.
Initial Budgets <i>Section 4.1(g); Section 4.2(e)</i>	Owner	Prepare the Generation Budget	As soon as practicable following the Effective Date.
	Administrator	In connection with the submission of the Initial Budgets to PREB, Owner and Administrator will agree to apply for the inclusion of a Liability Waiver.	Prior to the submission of the Initial Budgets to PREB.
	Owner		
	Administrator	Provide ManagementCo comments on the appropriateness of the proposed Initial Budgets and recommend any changes or modifications it believes are necessary or appropriate.	Within thirty (30) days following the receipt of the proposed Initial Budgets.
	PREB	Review and approve, deny or propose modifications to the proposed Initial Budgets.	Within ninety (90) days of receipt of the proposed Initial Budgets or any update thereto.
Issue a Rate Order sufficient to fund the Initial Budgets.		Prior to Service Commencement.	
Performance Metrics <i>Section 4.2(f)</i>	Administrator	Participate in planning team with respect to the Performance Metrics.	Prior to submission of Performance Metrics to Administrator.
	Owner		
	Administrator	Provide ManagementCo comments on the appropriateness of the proposed Performance Metrics and recommend any changes or modifications it believes are necessary or appropriate.	Within thirty (30) days of receipt of the proposed Performance Metrics.
	PREB	Review and approve, deny or propose modifications to the proposed Performance Metrics	Within ninety (90) days of receipt of the proposed Performance Metrics or any update thereto.

Item	Responsible Party	Task	Timing
System Operation Principles <i>Section 4.1(h)</i>	Administrator	Participate in planning team with respect to the System Operating Principles.	Prior to submission of System Operation Principles to Administrator.
	Owner		
	Administrator	Provide ManagementCo comments on the appropriateness of the proposed System Operating Principles and recommend any changes or modifications it believes are necessary or appropriate. Approve the proposed System Operating Principles to be submitted to PREB.	Within thirty (30) days of receipt of the proposed System Operating Principles.
	PREB	Review and approve, deny or propose modifications to proposed System Remediation Plan.	Within ninety (90) days of receipt of the proposed System Operating Principles or any update thereto.
Federal Funding and Integrated Resource Plan <i>Section 4.3(j)</i>	Administrator	Participate in planning team with respect to review the current status of Federal Funding and the Integrated Resource Plan.	Ongoing.
	Owner		
Employees <i>Section 4.2(j); Section 4.3(h)</i>	Owner	Owner will provide Operator with the opportunity to hire Owner Employees, and, upon request, provide ManagementCo with the following information regarding Owner Employees: (i) job description for their current and any prior position occupied by such Owner Employee, (ii) dates of employment and (iii) current salary.	Ongoing; promptly following request from ManagementCo.
	Administrator	Provide Operator the opportunity to hire Owner Employees.	Ongoing.
Compensation <i>Section 4.6</i>	Owner	Establish and maintain the Front-End Transition Account.	Prior to the commencement of the Front-End Transition Services; Ongoing.

Item	Responsible Party	Task	Timing
		Pay ManagementCo the Front-End Transition Fee.	Within thirty (30) days of Administrator's receipt of monthly invoices.
		Replenish the Front-End Transition Account so as to maintain a balance in the Front-End Transition Account at the end of each calendar month equal to the sum of the anticipated Front-End Transition Service Fee for the subsequent four and a half (4.5) months.	No later than the tenth (10 th) Business Day of each month during the Front-End Transition Period.
	Administrator	Provide evidence of funding of the Front-End Transition Account.	Ongoing.
		Review all invoices and supporting documentation.	Ongoing.
		Administrator may audit the books and records of Operator or any Subcontractor.	Ongoing.
	Governmental Approvals <i>Section 4.4(a)</i>	Administrator	Work with ManagementCo to identify all Commencement Date Governmental Approvals.
Owner			
Owner		Submit complete applications and take all other steps necessary under Applicable Law to obtain and maintain all required Commencement Date Governmental Approvals and will provide ManagementCo and Administrator with copies of such Commencement Date Governmental Approvals.	Prior to Service Commencement.
Administrator		Cooperate with Owner in identifying, preparing, applying for, obtaining and maintaining the Commencement Date Governmental Approvals.	Prior to Service Commencement.
Tax Assurance <i>Section 4.4(b)</i>	Administrator	Cooperate with Operator and provide support and assist in securing the Tax Assurances.	Prior to Services Commencement.
	Owner		

Item	Responsible Party	Task	Timing
Pre-Existing Environmental Conditions <i>Section 4.5(f)</i>	Owner	Engage a qualified environmental consultant to prepare and issue, prior to Service Commencement, a final baseline environmental study that reasonably identifies Pre-Existing Environmental Conditions that present a risk of material liability.	Prior to Service Commencement.
Federal Funding <i>Section 4.5(i)</i>	Owner	Receive, or have access to, adequate funding for Capital Costs for the first three (3) years of the Term.	Prior to Service Commencement.
Back-End Transition Plan <i>Section 4.2(i)</i>	Administrator	Review and approve ManagementCo’s suggested Back-End Transition Plan.	Prior to the Target Service Commencement Date
Service Accounts	Owner	Open and fund the Service Accounts	As soon as practicable following the Effective Date.
Shared Services Agreement <i>Section 4.5(s)</i>	Administrator	Develop and negotiate the Shared Services Agreement with Operator.	Prior to Service Commencement.
	Owner		
FOMB Protocol Agreement <i>Section 4.5(u)</i>	Administrator	Negotiate and execute a FOMB Protocol Agreement with Operator and FOMB.	Prior to Service Commencement.
	Owner		
Subcontractors during the Front-End Transition <i>Section 4.9</i>	Administrator	Approve any Material Front-End Subcontractors engaged by ManagementCo.	Within ten (10) Business Days after being notified of Operator’s engagement or intention to engage a Front-End Subcontractor
		Conduct background checks on Front-End Subcontractors engaged to perform, directly or indirectly, any of the Front-End Transition Services.	Ongoing
	Administrator	Cooperate with ManagementCo to avoid, mitigate and neutralize any discovered conflicts with respect to Front-End Subcontractors.	

Item	Responsible Party	Task	Timing
	Owner		
Closing of Front-End Transition Period <i>Section 4.7</i>	Administrator	Respond to ManagementCo's notice with respect to completion of the items included on the Handover Checklist.	Within ten (10) Business Days receipt of notice.
General Cooperation <i>Section 4.1(b)</i>	Administrator	Owner and Administrator will take all actions reasonably necessary to enable or assist ManagementCo in providing the Front-End Transition Services, including: (i) providing ManagementCo's Representatives with a designated space and facilities at Owner's principal offices for their use throughout the Front-End Transition Period, (ii) allowing access, during normal business or operational hours (as may be applicable and relevant) and at such other times as are required, to Owner's premises for the purpose of providing the Front End Transition Services, (iii) cooperating with and assisting, and causing its Representatives to cooperate with and assist, ManagementCo in its performance of the Front-End Transition Services and its efforts to timely satisfy the ManagementCo Service Commencement Date Conditions and (iv) encouraging and facilitating a positive and cooperative working relationship with respect to the implementation and completion of the Front End Transition Plan and the performance of the Front End Transition Services.	Ongoing
	Owner		