



Monthly Report on the T&D System

For the Month of February 2022

March 15th, 2022

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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 Transmission and Distribution Operating 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 February 2022.

2.0 Monthly Sales Summary

- Overall, billed sales in February decreased 7% from the previous month and increased 5% compared to the same month a year ago.
- Compared to the same month last year, Residential, Commercial, and Industrial billed sales increased.
- Fuel costs for PREPA's generation facilities and EcoElectrica are substantially higher compared to same month last year due to increased global market prices and updated supply contract terms.

Table 2-1. Energy billed by customer segment¹

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total
2022 Feb.	430.8	550.7	141.3	21.9	1.8	2.4	1,148.9
2022 Jan.	511.1	542.9	163.1	23.5	2.2	2.5	1,245.3
2021 Feb.	441.5	479.8	147.0	21.1	2.3	2.0	1,093.7

Table 2-2. Energy sales by rate component¹

Energy Sales (\$M)	Base	FCA ²	PPCA ³	CILT & Subsidies ⁴	Total
2022 Feb.	88.6	173.0	33.4	20.9	315.9
2022 Jan.	79.6	186.0	40.4	20.2	326.2
2021 Feb.	78.2	47.1	47.7	14.1	187.1

Table 2-3. Energy sales by customer segment¹

Energy Sales (\$M)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total
2022 Feb.	111.3	158.7	36.3	8.8	0.5	0.3	315.9
2022 Jan.	131.7	144.0	40.4	8.6	0.6	0.9	326.2
2021 Feb.	69.3	88.0	22.9	6.1	0.4	0.4	187.1

Footnotes

- 1: As billed.
- 2: FCA: Fuel Charge Adjustment
- 3: PPCA: Purchased Power Charge Adjustment
- 4: CILT: Contribution In Lieu of Taxes

3.0 Outage Summary

Reported Events

Table 3-1: Reported Events

Date	Cause	Description
2/4/2022 – 2/8/2022	Heavy Thunderstorms & Flooding	Heavy thunderstorms and rain impacted over 42,000 customers at the peak on February 5, 2022 at 20:00 hours. LUMA's Crisis Management Committee met on February 6, 2022 and a Notification of Outage Event was sent to P3A and the PREB on February 7, 2022.

Table 3-2: Significant Generation Outages

Date	Description of outage
02/01/2022	Aguirre 1: Derated Palo Seco 3: Derated
02/02/2022	Aguirre 1: Derated Eco CT1: Forced Outage
02/04/2022	Daguao 1-2: Forced Outage
02/06/2022	San Juan 6: Forced Outage Aguirre 1: Planned Outage
02/11/2022	Aguirre 1: Forced Outage
02/12/2022	San Juan 7: Forced Outage San Juan 6: Planned Outage
02/13/2022	Aguirre 1: Derated
02/14/2022	AES 2: Derated
02/15/2022	Aguirre 1: Derated
02/16/2022	Aguirre 1: Derated Daguao 1-2: Forced Outage
02/18/2022	AES 2: Forced Outage - Load Shed
02/19/2022	Costa Sur 6: Forced Outage - Load Shed Palo Seco 3: Derated
02/21/2022	AES 2: Derated San Juan 6: Transmission event causing a Forced Outage of the generating unit. San Juan 9: Transmission event causing a Forced Outage of the generating unit. Palo Seco 3: Transmission event causing a Forced Outage of the generating unit. Aguirre 2: Transmission event causing a Forced Outage of the generating unit.
02/22/2022	AES 2: Derated

Date	Description of outage
	Palo Seco 3: Forced Outage
02/24/2022	AES 1: Derated
02/26/2022	AES 1: Derated AES 2: Planned Outage
02/28/2022	AES 2: Forced Outage AGCC 1-1: Forced Outage

Table 3-3: Significant Transmission Outages

Date	Description of outage
02/21/2022	Disturbance caused outage in Metro-Northeast zone following a fault on Line 38100 between San Juan and Viaducto substations.

4.0 PREB Filings & Hearings

As part of our commitment to transparency, LUMA participated in and supported discussions with the Energy Bureau across a broad range of topics.

- [NEPR-AP-2020-0025](#) | **LUMA's Performance Metrics** – On February 1 and 17, 2022 LUMA filed rebuttal written testimony on Intervenors' written testimony. On February 11, 2022 LUMA submitted a Summary of LUMA's Proposed Annex IX Performance Metrics in Spanish. On February 7 and 17, 2022 LUMA filed an Opposition to LECO's Rebuttal Discovery Requestion and Additional Metrics as requested in the December 22, 2021 Resolution and Order and submitted a Request to Strike Portions of Jose Alameda's Expert Testimony, respectively.
- [NEPR-MI-2019-0007](#) | **Performance Metrics** – On February 24, 2022 LUMA participated in the Technical Conference with PREB and PREPA with regard to LUMA's December submission of Performance Metrics.
- [NEPR-MI-2021-0013](#) | **Electric Vehicles** – On February 24, 2022, LUMA submitted a presentation for the Electric Vehicles Compliance Hearing scheduled for March 4, 2022.
- [NEPR-MI-2019-0016](#) | **DG Interconnection Progress Report** – On February 18, 2022, LUMA submitted the quarterly Distributed Generation (DG) Interconnection Progress Report and presented the materials in a Compliance Hearing on February 23, 2022.
- [NEPR-MI-2021-0009](#) | **Puerto Rico Cost Test** – On February 8, 2022 LUMA participated in a Technical Conference to discuss the results of the Energy Bureau's Avoided Cost Study.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On February 2, 2022, LUMA submitted three Scopes of Work (SOWs) to the Energy Bureau for approval.
- [NEPR-MI-2021-0008](#) | **Customer Bill** – On February 11, 2022 LUMA received a Resolution and Order from the Energy Bureau, approving the LUMA model bill and ordered LUMA to provide notification within 15 days of the LUMA bill launch.
- [NEPR-MI-2021-0004](#) | **Initial Budget** – On February 15, 2022, LUMA submitted its Quarterly Report for the second quarter of Fiscal Year 2022 (October 1, 2021 to December 31, 2021) which outlines LUMA key activities and financial results for the period. This report also supports compliance requirements in the System Remediation Plan docket and the Federal Funding docket. On February 25, 2022 LUMA submitted responses to the questions issued by the Energy Bureau in the January 21, 2022 Order on the LUMA Procurement Manual.

5.0 Legislative and Legal Matters

- 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 weeks and months on some occasions.
- Responding to these inquiries requires considerable resources and time from LUMA.

Table 5-1: Summary of Requests for Comments or Legislation Filed in the Puerto Rico Senate or House of Representatives

Committee	Bill or Resolution	Requesting Comments On or Filed	LUMA Response or Legislation Title
<p>House Committee on Transportation, Infrastructure and Public Works</p>	<p>House Resolution 179</p>	<p>February 18, 2022 “On-site Hearing”</p>	<p>The Committee on Transportation, Infrastructure and Public Works of the House of Representatives is conducting an ongoing investigation on any type of infrastructure of governmental agencies or public corporations, and for other related purposes.</p> <p>LUMA was invited to participate in an “on-site” hearing which took place at Sector Meléndez in the Municipality of Cidra. Community stakeholders stated their issues with voltage fluctuation and their concern with the condition of some utility poles.</p> <p>A letter was received from the Committee on February 24, 2022, requesting that LUMA provide a written statement indicating our plans to repair bent poles, repair</p>

			voltage fluctuations, replace a damaged transformer, control vegetation, and conduct an electrical load study for Sector Meléndez in the Municipality of Cidra.
House Committee on Development and Public Fund Oversight of the Southeastern Region	House Resolution 606	February 18, 2022 “On-site Hearing”	<p>The Resolution orders the Committee to conduct an exhaustive and continuous investigation on all matters related to the performance, execution and compliance of LUMA Energy with the obligations assumed in the public-private partnership agreement with the Puerto Rico Electric Power Authority, with regard to the quality and effectiveness of the services provided by LUMA Energy to House District No. 31.</p> <p>The “on-site” hearing took place in Caguas Customer Experience (CX) and field offices. No actions or information was requested by the Committee.</p>
House Committee on Small and Medium Business and Permits	House Bill 780	February 17, 2021	To add a subsection (g) to Section 3 of Act 454-2000, as amended, known as the "Small Business Regulatory and Administrative Flexibility Act," for the purpose of providing that the regulations for the provision of essential services that contain a payment or deposit bond shall allow the prorated payment of the

			<p>required amount; provided, however, that the corresponding government entity may impose a charge equivalent to five (5%) percent of the total required bond, when the deferred payment thereof is granted.</p> <p>The Committee did not specify a date in which LUMA's response has to be submitted. It will be submitted when completed.</p>
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Table 5-2: Material Litigation Activity⁵

Case No.	Party Names	Description	Significant Updates
Adv. Proc. No. 21-00059 (D.P.R. removed from state court on June 3, 2021)	Senate of P.R. v. Commonwealth of P.R., et al.	Senate seeks to invalidate the OMA because it was not registered in the Puerto Rico Property Registry.	<p>On February 7, 2022, Judge Swain issued a Memorandum and consequent Judgment ordering the PR Senate to withdraw the Complaint because PREPA's contract rights are among the property interests protected by section 362(a)(3) of the Bankruptcy Code, the relief sought in the Complaint violates the automatic stay by seeking to "exercise control over property of the [debtor]."</p> <p>Given that the relief sought in the Complaint would invalidate, nullify, and prevent any attempt to protect the O&M Agreement, the Complaint does not constitute a mere request for clarification about Puerto Rico law. Therefore, the Oversight Board's Withdrawal Motion was granted, and the Complaint was declared null and the pending Motion to Remand to local court was denied as moot. The Complaint was withdrawn on February 14, 2022.</p>
Adv. Proc. No. 21-00041	UTIER v. Pierluisi et al.	Plaintiffs are requesting to	The Court has not yet ruled on the pending Motion to Dismiss.

Case No.	Party Names	Description	Significant Updates
		annul the OMA because they claim that it violates the Contracts Clause and does not comply with Act 120-2018, given that it allegedly does not recognize UTIER's collective bargaining agreement.	
Adv. Proc. No. 21-00049	SREAEE v. PIERLUISI et al.	Similar claims to 21-00041. In addition, alleges that the OMA violates ERISA and would damage the SREAEE due to lack of funds.	The Court has not yet ruled on the pending Motion to Dismiss.
Case No. KLRA202100406	In re Revisión de los Términos de Servicio de LUMA	ICSE seeks order to annul and overturn PREB's approval of Modified Terms of Service and Liability Waiver. They argue the waiver is an infringement of PR's Civil Law tradition.	The case is now submitted pending adjudication by the Puerto Rico Court of Appeals.

Footnote

5: 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.

6.0 Material OMA Items

- **PREPA Reorganization:** No updated status provided by PREPA and P3A after PREPA's Governing Board approved the creation of three subsidiaries (GenCo, HydroCo and NewCo) but not the form of Capital Contribution Agreements in December. LUMA continues to wait for the PREPA and P3A to act. LUMA appointed an executive this month to focus on LUMA's role in PREPA restructuring and PREPA's exit from Title III.
- **GridCo-GenCo Operating Agreement:** There were no material updates in February. LUMA awaits action from PREPA's Governing Board on this overdue agreement.