



Monthly Report on the T&D System

For the Month of May 2022

[June 14, 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 May 2022.

2.0 Monthly Sales Summary

The information included in this report is based on **preliminary fuel data** provided by PREPA for April and May 2022 and it is subject to change.

- Consumption was higher in May both month over month (22.27%) and year over year (1.57%). The April data was affected due to the April 6, 2022 outage event.
- Billed sales in May increased 4.1% from the previous month and increased 25.1% compared to the same month a year ago.
- Fuel costs for PREPA's generation facilities and EcoEléctrica are substantially higher compared to the same month last year due to increased global market prices and updated supply contract terms. These costs are reflected in higher Fuel Adjustment Clause in rates compared to last year.

Table 2--1. Energy billed by customer segment¹

Consumption (GWh)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total
2022 May	533.1	694.3	178.5	22.4	2.1	3.1	1,433.5
2022 Apr.	485.7	529.9	128.9	23.3	2.0	2.6	1,172.4
2021 May	596.4	627.4	159.6	23.2	2.0	2.8	1,411.4

Table 2-2. Energy sales by rate component¹

Energy Sales (\$M)	Base	FCA ²	PPCA ³	CILT & Subsidies ⁴	Total
2022 May	115.9	235.4	45.7	21.1	418.1
2022 Apr.	108.4	187.3	37.2	14.4	347.3
2021 May	98.8	119.7	41.1	21.8	281.4

Table 2--3. Energy sales by customer segment¹

Energy Sales (\$M)	Residential	Commercial	Industrial	Public Lighting	Agriculture	Other Authorities	Total
2022 May	144.6	205.1	47.9	19.1	0.6	0.8	418.1
2022 Apr.	130.0	172.4	34.9	8.7	0.6	0.7	347.3
2021 May	117.2	132.9	28.9	1.4	0.5	0.5	281.4

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

- No Emergencies or Major Outage Events were recorded in May 2022.
- Several forced outages occurred throughout the month that resulted in load shed events.

Table 3-1: Significant Generation Outages

Date	Description of outage
05/03/2022	Palo Seco 2-1: Forced Outage
05/07/2022	Costa Sur 5: Derated Costa Sur 6: Derated Aguirre 2: Derated
05/08/2022	Costa Sur 5: Derated Costa Sur 6: Derated AGCC 2-4: Forced Outage
05/09/2022	Palo Seco 4: Forced Outage
05/11/2022	Costa Sur 6: Planned Outage
05/13/2022	Aguirre 2: Derated
05/14/2022	Eco Electrica CT2: Forced Outage and Load Shed
05/15/2022	AES 1: Derated AES 2: Derated
05/16/2022	Costa Sur 5: Derated
05/17/2022	AES 1: Derated
05/18/2022	Aguirre 2: Derated
05/19/2022	Palo Seco 3: Derated San Juan 9: Derated
05/20/2022	Palo Seco 4: Derated
05/21/2022	Aguirre 2: Forced Outage
05/22/2022	Eco Electrica CT2 + Steam: Forced Outage and Load Shed Costa Sur 5: Derated

	Palo Seco 3: Derated
05/24/2022	San Juan 7: Derated
05/27/2022	Aguirre 2: Forced Outage AES 1: Limited
05/30/2022	AES 2: Derated Palo Seco 3: Planned outage Costa Sur 6: Derated
05/31/2022	AES 1: Derated

Table 3-2: Significant Transmission Outages

Date	Description of outage
05/04/2022	Line 36200 Monacillos - Juncos: Forced outage
05/13/2022	Line 37900 Monacillos - Encantada tripped and reclosed Humacao TC 115kV Bus 1 and Bus 2 tripped. Line 36300 Humacao TC-Yabucoa TC Line 36300 Humacao TC-Rio Blanco tripped. Loose OHGW on Line 36300 Humacao-Yabucoa Segment.

4.0 PREB Filings & Hearings

As part of LUMA's commitment to transparency, LUMA participated in and supported discussions with the Energy Bureau across a broad range of topics. LUMA has been actively involved in supporting the Energy Bureau's independent coordinator, ACCION Group, for Tranche 2 of the renewable procurement process.

- [NEPR-AP-2020-0025](#) | **LUMA's Performance Metrics** – On May 9, 2022, LUMA submitted the responses and objections to LECO's eight discovery request. On May 11, 2022, LUMA submitted Lee Wood's supplemental rebuttal testimony and filed a motion to strike portions of LECO's supplemental expert testimony of Augustin Irizarry-Rivera. The Energy Bureau issued a Resolution and Order on May 13, 2022, partially granting LUMA's request to compel ICPO to respond to discovery by May 20, 2022.
- [NEPR-IN-2022-0002](#) | **April 6th Incident** – On May 9, 2022, LUMA filed an updated public executive summary and a detailed, confidential report on the April 6th Incident that included response to data requests from the PREB outlined in the April 22, 2022 Resolution and Order. This was the second update to PREB on the April 6 incident.
- [NEPR-MI-2021-0013](#) | **Electric Vehicles** – On May 31, 2022, LUMA filed a Draft Electric Vehicle Rate Design Proposal which will be discussed on June 15, 2022, during the Compliance Hearing with the PREB.
- [NEPR-MI-2019-0016](#) | **DG Interconnection** – On May 18, 2022, LUMA submitted the quarterly Distributed Generation (DG) Interconnection Progress Report and presented the materials during a Compliance Hearing.
- [NEPR-MI-2019-0009](#) | **Interconnection Regulation** – On May 19, 2022, LUMA filed the Technical Interconnection Requirements (TIR) document with the PREB. LUMA also held a series of stakeholder meetings to discuss the TIR and respond to questions.
- [NEPR-MI-2020-0012](#) | **Renewable Procurement** – On May 31, 2022, LUMA filed 21 final technical interconnection studies reports for projects in Tranche. The report packages include

system impact studies, point of interconnection facility studies, network upgrades facility studies, and Minimum Technical Requirements (MTR) compliance studies.

- [NEPR-MI-2021-0004](#) | **LUMA's Initial Budgets** – On May 16, 2022, LUMA submitted its Quarterly Report for the third quarter of Fiscal Year 2022 (January 1, 2022 to March 31, 2022) which outlines LUMA key activities and expenses for the period. This report also supports compliance requirements in the System Remediation Plan docket and the Federal Funding docket. On May 23, 2022, LUMA submitted a motion requesting an agenda for the June 10, 2022, virtual conference. On May 26, 2022, LUMA submitted the Spanish translation of the executive summary of Annual Budgets and a response to an RFI.
- [NEPR-MI-2021-0002](#) | **Federal Funding** – On May 9, 2022, LUMA submitted two FEMA approvals of the Distribution Streetlighting T&D projects. On May 20, 2022, LUMA submitted a Test Lab initial Scope of Work (SOW) to the Energy Bureau for approval. On May 24, 2022, LUMA submitted a FEMA approval of the Cataño Substation FAASSt project. On May 27, 2022, LUMA submitted three additional FEMA approvals for Distribution Streetlighting T&D projects.
- [NEPR-MI-2020-0018](#) | **Physical Security Plan** – On May 12, 2022, LUMA submitted the fifth Physical Security Progress Report.
- [NEPR-MI-2019-0006](#) | **Emergency Response Plan** – On May 27, 2022, LUMA submitted the annual Emergency Preparedness Report.

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
House Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy	House Resolution 446	May 2, 2022	<p>The HR 446 instructs the Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy of the House of Representatives to conduct an ongoing investigation on all matters related to the performance, execution, and compliance of LUMA with the obligations assumed in the public-private partnership agreement with the Puerto Rico Electric Power Authority, and for other related purposes.</p> <p>On May 2, 2022, the requests for production of documents were submitted to LUMA. The Committee requested: (i) the account receivables of all commercial, including</p>

			<p>private and/or public customers, including municipalities of LUMA; (ii) all documents regarding the Costa Sur fire incident of April 6, 2022; (iii) Information regarding the LUMA Emergency Operations Center (LEOC) and its activation during the incident of April 6, 2022.</p> <p>On May 5, 2022, LUMA delivered to the Committee the documentation requested regarding item (i) and (ii). On May 10, 2022, the information regarding item (iii) was delivered.</p>
<p>House Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy</p>	<p>House Resolution 446 and House Resolution 243</p>	<p>May 4, 2022</p>	<p>The HR 446 orders the Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy of the House of Representatives to conduct an ongoing 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, and for other related purposes.</p> <p>HR 243 orders the Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy of the House of Representatives to conduct an ongoing investigation on all matters related to the economic priorities, consistent with the socioeconomic development of Puerto Rico; to analyze planning and monopoly in its various manifestations; to study the progress of technology and biotechnology, the knowledge economy and strategic infrastructure projects that promote economic development in any stage of planning or construction; to oversee federal economic development issues, the interaction of purposes, resources and efforts of government agencies or between the public and private sector related to economic development and for other related purposes.</p> <p>On May 4, 2022, LUMA delivered to the Committee the information requested in April regarding all bank statements related to the accounts established under section 7.5 of the T&D OMA.</p>

			<p>On May 12, 2022, the Committee submitted a request for production of documents regarding the optimization of the Maunabo and Aguada Streetlighting Plan, and the SOW submitted or that will be submitted to FEMA. On May 19, 2022, LUMA delivered the information required.</p> <p>On May 23, 2022, LUMA received a third Request for Production of Documents asking for more detailed answers in response to the questions previously asked. On May 26, 2022, LUMA delivered to the Committee the requested documents.</p>
Senate Committee on Treasury, Federal Affairs & Fiscal Oversight and Management Board	Senate Resolution 66	May 4, 2022	<p>SR 66 orders the Committee on Treasury, Federal Affairs and Fiscal Oversight Board of the Senate to conduct an exhaustive investigation, of an ongoing nature, on the administration, use, and expenditure of public funds allocated and administered by the public agencies and instrumentalities of the Commonwealth of Puerto Rico, as well as the execution and compliance with the strategic plans of each public instrumentality; in order to evaluate whether it is necessary to take legislative or administrative actions to promote an efficient operation and ensure the adequate budget of the public agencies and instrumentalities for the benefit of the citizens.</p> <p>On May 4, 2022, LUMA delivered further information that was requested during the Public Hearing held on April 25, 2022.</p> <p>On May 18, 2022, LUMA received a letter from the Committee requesting additional information. The response was delivered on May 20, 2022.</p>
House Committee for the Development and Public Funds Oversight of the Western Region	House Resolution 617	May 5, 2022	<p>The HR 617 instructs the Committee on Development and Public Funds Oversight of the Western Region; and the Committee on Economic Development, Planning, Telecommunications, Public-Private Partnerships and Energy of the House of Representatives to conduct a comprehensive and ongoing investigation of all matters related to the performance, execution and compliance of LUMA Energy to the Representative District No. 20, which includes sectors in the municipalities of Cabo Rojo, Hormigueros and San Germán; and for other related purposes.</p>

			<p>On May 5, 2022, the Committee requested LUMA to submit our comments in respect to the legislative bill.</p> <p>On May 19, 2022, LUMA complied with the request and on May 20,2022, additional information was provided.</p>
House Committee on Public Funds Oversight	House Resolution 9 and House Resolution 301	May 9, 2022	<p>HR 301 instruct the Committee on Public Funds Oversight of the House of Representatives to establish the necessary procedures and structures to monitor, follow up and carry out continuous evaluations on the use and management of resources, tools, programs, state and federal funds administered by the agencies, instrumentalities, public corporations and municipalities of the Commonwealth of Puerto Rico or any other entity that receives public funds or incentives; to evaluate whether the economic resources provided are being adequately used to meet the needs of the citizens and to determine whether it is necessary to take legislative or administrative measures to promote the efficient operation and ensure the adequate budget of public agencies and instrumentalities for the benefit of the citizens; and for other related purposes.</p> <p>HR 9 orders the Committee on Public Funds Oversight of the House of Representatives to establish the necessary procedures and structures to monitor, follow up and carry out continuous evaluations on the use and management of federal resources, tools, programs and funds by the agencies, instrumentalities, public corporations, and municipalities of the Commonwealth of Puerto Rico: and for other related purposes.</p> <p>On May 9, 2022, LUMA delivered further information that was requested during the Public Hearing held on April 28, 2022.</p>
House Committee for the Development and Fiscal Control of Public Funds of the Western Region	House Resolution 206	May 12, 2022	<p>HR 206 instruct the Committee for the Development and Fiscal Control of Public Funds of the Western Region of the House of Representatives of the Commonwealth of Puerto Rico, to conduct an exhaustive investigation related to the economic and social situation of the municipalities of Mayagüez and San Germán, which compose Representative District Number 19,</p>

			<p>particularly in the areas of infrastructure, public roads, transportation, development of the tourism sector, housing, health facilities, employment, education, sports and recreational facilities, security, allocation of state and federal public funds, their use, the provision of essential services, among other matters. All this for the purpose of identifying measures and actions, both of a legislative and administrative nature, to be implemented by the agencies of the Government of Puerto Rico; to establish priorities and responsibilities, if any, of the pertinent governmental entities in the due attention of these needs for the development, welfare, and progress of this District; and for other related purposes.</p> <p>On May 12, 2022, LUMA received a citation for a Public Hearing that took place on May 19, 2022. During said Hearing, the Committee requested information.</p> <p>On May 27, 2022, LUMA delivered the documents requested.</p>
<p>House Committee for the Development and Oversight of Public Funds of the Northern Region</p>	<p>House Resolution 648</p>	<p>May 12, 2022</p>	<p>HR 648 instruct the Committee for the Development and Oversight of Public Funds of the Northern Region of the House of Representatives of the Commonwealth of Puerto Rico to conduct a study of the needs of the population of the municipalities of Barceloneta, Manatí, Vega Baja, Vega Alta, Dorado, Toa Baja, Toa Alta, Naranjito, Comerío, Corozal, Morovis, Orocovis, Ciales and Florida; on all matters related to these municipalities and the programs and funds allocated, both governmental and federal, as well as their oversight; emphasizing field research and the summoning of regional directors of the entities that implement them; to establish priorities for action through an integrated development plan, with the purpose of improving the quality of life of the residents of these municipalities; and for other related purposes.</p> <p>On May 12, 2022, LUMA received a citation for an On-site Public Hearing on May 20, 2022, in the Municipality of Vega Baja.</p>

Table 5-2: Material Litigation Activity⁵

Case No.	Party Names	Description	Significant Updates
Adv. Proc. No. 21-00041	UTIER v. Pierluisi et al.	Plaintiffs are requesting to 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.	The Court has not yet ruled on the pending Motion to Dismiss.
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.	Petitioner did not request reconsideration and represented before the Puerto Rico Energy Bureau that it will not seek recourse from the Puerto Rico Supreme Court. On April 11, 2022, Petitioner filed a Motion requesting Adjudicative Procedure before the PREB and a Motion requesting Investigation and Relief, On April 14, 2022, PREB granted said motions and initiated an adjudicative proceeding regarding the Modified Terms of Service and notified the parties that a procedural itinerary would be issued.
SJ2022CV02868	Ismael Herrero Domenech and the class composed of all residential electrical energy consumers that are customers of LUMA Energy LLC v. LUMA Energy LLC,	Plaintiffs filed a class action claim seeking over \$125 million the damages allegedly suffered by residential customers as a result of the April 6, 2022, incident that provoked a large-scale blackout in Puerto Rico	The case was transferred from the San Juan to the Ponce Court on May 9, 2022. On May 13, 2022, the plaintiffs requested that this case be consolidated with the Wendco case. On May 17, 2022, the Court entered an order consolidating both cases as requested. LUMA has not been served.

Case No.	Party Names	Description	Significant Updates
SJ2022CV03139	Wendco of Puerto Rico, Inc.; MultiSystem Restaurant, Inc.; Restaurant Operators, Inc.; Apple Caribe, Inc.; todos por sí y en representación de todos los Comerciantes que hacen negocios en el Estado Libre Asociado de Puerto Rico y son abonados de LUMA Energy LLC (la Clase A); Manuel Couvertié Barrera por sí y en representación de todos los abonados residenciales de LUMA Energy, LLC denominados como (la Clase B) v. LUMA Energy LLC	Plaintiffs are commercial and residential customers who claim to have suffered \$400 million in economic and equipment losses as a result of the April 6, 2022, incident and LUMA's alleged failure to improve an obsolete electrical grid, inspect and eliminate deteriorated poles, clear vegetation, and replace equipment identified as critical to the stability of the grid.	The case was transferred to the Ponce Superior Court on May 12, 2022. On May 17, 2022, the Ponce Court consolidated this case with the Herrero case at the requests of plaintiffs in the Herrero case. LUMA has not been served.

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 and Title III Exit:**
 - On May 17, 2022, LUMA issued a letter to PREPA expressing its deep concern with the slow pace of progress of the PREPA reorganization and highlighted the need for the PREPA Governing Board to approve the plan of reorganization and the PREPA-GenCo-HydroCo Operating Agreement (“GGHOA”), Legacy Generation Assets Interconnection Agreement (“LGAIA”) and Agreed Operating Procedures (“AOP”) in the same form as agreed to by the Parties in December 2021.
 - It is LUMA’s understanding that on May 18, 2022, the PREPA Governing Board approved an “interim” GGHOA, LGAIA, and AOP. The concept of an “interim” approval creates unnecessary complications and uncertainty for all parties. LUMA is committed to working with PREPA and P3A to agree on a final version of the GGHOA, LGAIA, and AOP so these important documents can be submitted to the PREB for formal approval as soon as possible.
 - LUMA continues to wait for PREPA to submit the PREPA Reorganization plan for approval to the PREB. This plan was finalized in December 2021.
 - A PREPA Transformation Governance framework involving LUMA, PREPA and the P3A has been established to oversee and coordinate the PREPA Transformation.

- Judge Swain designated a mediation team appointed to facilitate mediation over a PREPA plan of adjustment. The deadlines for this process have been adjusted.