

Work Plan for T&D Interim Period Services

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>June 1st, 2022.</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 Interim Period Services Work Plan</u>”) that shall be effective as of the first (1st) anniversary of the Work Plan Effective Date; provided that the Extended Interim Period Services 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
<p>Owner Responsibilities Section 6.1</p>	<p>Owner</p>	<p>Owner’s rights and responsibilities with respect to the T&D System include, among others:</p> <ul style="list-style-type: none"> i. grant and assure Operator access to the T&D System for the performance of Operator’s O&M obligations; ii. pay the Service Fee and any other amounts due to Operator, and fund the Service Accounts, all in accordance with the terms and conditions of this Agreement; iii. ensure that, to the extent PROMESA requires Owner to submit any budget to the FOMB for approval, such budget provides that Owner is authorized to pay amounts due to Operator under this Agreement and fund the Service Accounts in accordance with Section 7.5 (Service Accounts); iv. cooperate with Operator such that the budgets and funds in support of O&M Services are sufficient in amount to enable Operator to meet the Contracts Standards and provide a reasonable opportunity for Operator to achieve the Performance Metrics; v. (A) respond promptly (and in any event within thirty (30) days or shorter period required by this Agreement) to all requests of Operator with respect to all matters requiring the approval, review or consent of Owner (and in each such case, unless otherwise specifically stated in this Agreement, Owner shall not unreasonably withhold, delay or condition any such approval, review or consent) and as to such other matters relating to the obligations of Operator hereunder in respect of which Operator shall reasonably request the response of Owner in accordance with the provisions of this Agreement, (B) provide Operator with such information, data and assistance as may be reasonably necessary or appropriate for Operator to perform its obligations (including with respect to any PREB rate or other proceeding or requirement) hereunder, and (C) from time to time, as and when requested by Operator, execute and deliver, or cause to be executed and delivered, all such documents and instruments and take, or cause to be taken, all such reasonable actions, as may be reasonably necessary for 	<p>Ongoing</p>

Item	Responsible Party	Task	Timing
		<p>Operator to perform its obligations under this Agreement;</p> <ul style="list-style-type: none"> vi. except as otherwise contemplated by Section 5.12 (Legal Matters), manage Owner’s legal matters, including Owner’s reporting and related legal compliance; vii. cooperate with Operator and Administrator in obtaining and maintaining all Governmental Approvals; viii. ensure that Operator, as an independent contractor, remains at all times during the Term a beneficiary to all Easements vested on Owner as provided in Regulation 7282 of January 25, 2007; ix. execute and file any condemnation proceeding reasonably requested by Operator to acquire any fee interest, real property right, including leasehold estates, or Easement; provided that (A) Operator shall submit a request to Administrator to approve such condemnation proceeding, including a statement of reasons supporting, and justification of Owner’s right to initiate, any such proceeding, and (B) the cost and expense related to such condemnation proceeding shall be included in an amendment to then-current approved Budgets in accordance with Section 7.3(e) (Budgets – Amendments to Budgets); x. take all other actions, and cause its employees and other Representatives to take all other actions, reasonably required or reasonably requested by Operator to permit Operator to perform the O&M Services in compliance with the Contract Standards and this Agreement, including with respect to (A) the constitution of Easements and enforcement of rights thereunder and (B) the acquisition of fee interests or real property rights, including leasehold estates; 	
Oversight of Operator Section 6.2(a)	Administrator	<p>Administrator's rights and responsibilities with respect to the T&D System include, among others:</p> <ul style="list-style-type: none"> i. the right to oversee compliance with Budgets; ii. the right to review and approve Budgets, including modifications thereto, to ensure compliance with a Rate Order; iii. the right to oversee Operator's performance of its obligations, including performance of the O&M Services; 	Ongoing

Item	Responsible Party	Task	Timing
		<ul style="list-style-type: none"> iv. the responsibility to respond promptly to all requests of Operator with respect to matters requiring the approval, review or consent of Administrator and as to such other matters relating to the obligations of Operator as to which Operator shall reasonably request the response of Administrator; v. the responsibility to cooperate with Operator by providing Operator such information, data and assistance as may be reasonably necessary for Operator to perform its obligations; vi. the right to oversee Operator's compliance with Federal Funding Requirements. 	
Reporting; Audits Section 6.3	Administrator	i. Request to be made available for inspection all information related to the O&M Agreement or the T&D System.	Ongoing
	PREB	<ul style="list-style-type: none"> ii. Perform or cause to be performed any test, study or investigation in connection with the T&D System or the O&M Services. iii. Conduct a partial or full Audit related to all Federally Funded Capital Improvements. 	
Contracts Sections 5.2, 5.13(f)	Administrator	<p>Authorize any new or replacement System Contracts.</p> <p>Supervise and ensure Operator's compliance with the Procurement Manual.</p>	Ongoing
System Remediation Plan Section 5.4	PREB	Supervise and ensure Operator's compliance.	Ongoing
Capital Improvements Section 5.5	Administrator	<ul style="list-style-type: none"> i. Review reports of Capital Improvements proposed to be made, owned and funded by Operator. ii. Review reports of physical inventory of capital assets prepared by Operator. 	Ongoing
	PREB	Supervise and ensure Operator's compliance.	Ongoing
Integrated Resource Plan Section 5.6 (f)	PREB	Supervise and ensure Operator's compliance.	Ongoing
Rate Proceedings Section 5.6 (g)	PREB	Conduct the Rate Proceedings according to law.	Not Applicable

Item	Responsible Party	Task	Timing
			at this moment
System Operation Principles Section 5.13	PREB	Supervise and ensure Operator's compliance.	Ongoing
Service Fee Section 7.1	Administrator	Review invoices and supporting documentation for the payment by Owner of the Fixed Fee. The Interim Period Service Fee shall be invoiced and paid in monthly installments, each due and payable by Owner monthly in advance on the first Business Day of each month following the month in which Operator has submitted an invoice pursuant to Section 7.1(b)(iii) of the O&M Agreement.	Ongoing
Governmental Approvals Section 6.1(a)(vi)	Administrator	Cooperate with Owner and Operator in obtaining and maintaining Governmental Approvals.	Ongoing
Budgets Section 7.3	Administrator	Review and ensure Budget compliance with the applicable Rate Order and Section 7.4 of the O&M Agreement	Complete
	PREB	Review and approve Budget	Ongoing
Performance Metrics Section 7.4 (d)	PREB	Propose, approve, supervise and ensure Operator's compliance.	Ongoing
Review Notifications or Reports Sections 5.14; 10.5; 8.2	Administrator	i. Receive notices from Operator of any material accident or incident related to the T&D System and of material claims or potential material claims against Operator.	Ongoing
	PREB	ii. Receive notifications from Operator regarding material emergencies related to the T&D System and of Operator's proposed response to such events. iii. Review Guarantor's audited and unaudited financial statements provided by Operator. iv. Review Monthly, Quarterly and other periodic reports.	