

July 19, 2024

To: Public Private Partnerships Authority ("P3A")

Attention: Rubén Lugo,

Contract Compliance and Control Manager

PO BOX 42001

San Juan, Puerto Rico 00940-2001

RE: LUMA's response to P3A Request for Information (0041) Regarding FEMA Funding Obligation in Connection with the Clearing Vegetation Plan

On July 10, 2024, P3A sent a letter to LUMA titled *"Request for Information Regarding FEMA Funding Obligation in Connection with the Clearing Vegetation Plan"*, in which P3A requested LUMA to submit its comments on the July 8, 2024 ("Article of July 8") news article published by elVocero.com and to provide a copy of the Performance Work Statements ("PWs) relating to the vegetation management plan.

I. El Vocero Article from July 8, 2024

With regards to the El Vocero Article of July 8, LUMA acknowledges its existence and denies every implicit or explicit allegation towards LUMA's performance related to submitting vegetation management plans for FEMA's approval. Nonetheless, LUMA is highly invested in expediting FEMA's approval of the vegetation management plan in order to improve the grid's reliability and resilience.

II. Vegetation Clearing Initiative

The vegetation clearance program is one of LUMA's top priorities in its effort to transform the grid. Since commencement, LUMA has worked diligently with COR3, FEMA and the P3A to identify opportunities and leverage available funds. Development of the vegetation clearing program was particularly challenging given it represents the first time FEMA agreed and approved to fund such efforts. To facilitate FEMA and COR3 reviews, LUMA proceeded to split the vegetation clearing program into 6 groups, in line with LUMA's 6 operational regions, for a total of 36 projects.

The table below shows a list of areas by project and municipalities that LUMA plans to address.

Region	Municipalities	Work	Group	Total Miles/Acres	Start Date	End Date
San Juan	San Juan, Trujillo Alto, Carolina, Loiza, Canovanas, Rio Grande, Luquillo, Fajardo, Ceiba	FAAST [Region 1 San Juan Distribution - Non-Sensitive (Vegetation)]	A	688.74	6/19/2024	2/12/2025
		FAAST [Region 1 San Juan Transmission 38kV - Non-Sensitive (Vegetation)]	B	210.09	11/3/2025	4/7/2026
		FAAST [Region 1 San Juan Transmission 38kV/Distribution EHP sensitive areas] (Vegetation)	C	1472.63	6/1/2026	5/11/2028
		FAAST [Region 1 San Juan Transmission - 115kV] (Vegetation)	D	153.47	11/30/2026	2/25/2027
		FAAST [Region 1 San Juan Substation/Telecom]	E	33.95	1/4/2027	2/15/2027
Caguas	Juncos, San Lorenzo, Yabucoa, Las Piedras, Humacao, Naguabo, Caguas, Aguas Buenas, Gurabo, Cidra, Cayey, Aibonito, Comerio, Naranjito, Barranquitas, Oroquieta, Corozal	FAAST [Region 4 Caguas Distribution - Non-Sensitive (Vegetation)]	A	929.15	9/2/2024	7/1/2026
		FAAST [Region 4 Caguas Transmission 38kV - Non-Sensitive (Vegetation)]	B	98.48	11/3/2025	4/14/2026
		FAAST [Region 4 Caguas Transmission 38kV/Distribution EHP sensitive areas] (Vegetation)	C	2075.31	6/1/2026	9/12/2028
		FAAST [Region 4 Caguas Transmission - 115kV] (Vegetation)	D	133.97	11/30/2026	3/8/2027
		FAAST [Region 4 Caguas Substation/Telecom]	E	36.08	1/4/2027	2/4/2027
Bayamon	Dorado, Toa Baja, Bayamon, Corozal, Naranjito, Cetano, Guayanabo	FAAST [Region 3 Bayamon Distribution - Non-Sensitive (Vegetation)]	A	957.80	9/2/2024	6/8/2026
		FAAST [Region 3 Bayamon 38kV - Non-Sensitive (Vegetation)]	B	32.65	11/3/2025	1/13/2026
		FAAST [Region 3 Bayamon Transmission 38kV/Distribution EHP sensitive areas] (Vegetation)	C	475.08	6/1/2026	7/21/2027
		FAAST [Region 3 Bayamon Transmission - 115kV] (Vegetation)	D	83.44	11/30/2026	1/18/2027
		FAAST [Region 3 Bayamon Substation/Telecom]	E	24.65	1/4/2027	2/17/2027
Mayaguez	Lejias, Cabo Rojo, San German, Sabana Grande, Hormigueros, Mayaguez, Maricao, Las Marias, Leres, Anasco, San Sebastian, Rincon, Aguada, Moca, Aguadilla	FAAST [Region 5 Mayaguez Distribution - Non-Sensitive (Vegetation)]	A	619.40	9/2/2024	4/15/2026
		FAAST [Region 5 Mayaguez Transmission 38kV - Non-Sensitive (Vegetation)]	B	14.85	11/3/2025	11/17/2025
		FAAST [Region 5 Mayaguez Transmission 38kV/Distribution EHP sensitive areas] (Vegetation)	C	2220.58	6/1/2026	10/5/2028
		FAAST [Region 5 Mayaguez Transmission - 115kV] (Vegetation)	D	106.12	11/30/2026	2/18/2027
		FAAST [Region 5 Mayaguez Substation/Telecom]	E	42.80	1/4/2027	2/5/2027
Arecibo	Adjuntas, Utuado, Jayuya, Ciales, Morovis, Florida, Manati, Barceloneta, Arecibo, Hatillo, Camuy, Quebradillas, Isabela, Vega Baja, Vega Alta	FAAST [Region 2 Arecibo Distribution - Non-Sensitive (Vegetation)]	A	595.77	9/2/2024	12/9/2025
		FAAST [Region 2 Arecibo Transmission 38kV - Non-Sensitive (Vegetation)]	B	38.64	11/3/2025	2/3/2026
		FAAST [Region 2 Arecibo Transmission 38kV/Distribution EHP sensitive areas] (Vegetation)	C	1762.62	6/1/2026	5/15/2028
		FAAST [Region 2 Arecibo Transmission - 115kV] (Vegetation)	D	73.38	11/30/2026	4/15/2027
		FAAST [Region 2 Arecibo Substation/Telecom]	E	26.90	1/4/2027	1/29/2027
Ponce	Maunabo, Patillas, Arroyo, Guayama, Salinas, Santa Isabel, Coamo, Juana Diaz, Villalba, Ponce, Penuelas, Guayanilla, Yauco, Guenica	FAAST [Region 6 Ponce Distribution - Non-Sensitive (Vegetation)]	A	141.26	6/7/2027	11/30/2027
		FAAST [Region 6 Ponce Transmission 38kV - Non-Sensitive (Vegetation)]	B	663.07	9/2/2024	3/20/2026
		FAAST [Region 6 Ponce Transmission 38kV/Distribution EHP sensitive areas] (Vegetation)	C	1833.44	11/3/2025	12/2/2025
		FAAST [Region 6 Ponce Transmission - 115kV] (Vegetation)	D	146.97	6/1/2026	5/5/2028
		FAAST [Region 6 Ponce Substation/Telecom]	E	48.45	11/30/2026	1/28/2027
		Region 6 230kV	F	113.32	6/7/2027	11/9/2027
				16001.33		



The scope covers the San Juan, Arecibo, Bayamon, Caguas, Mayaguez, and Ponce regions across all Substation, Transmission, Distribution and Telecom facilities. Execution will be prioritized by region and asset classification. The alignment of assets into each of the groups was derived from feedback and discussions sustained with FEMA during a 5-month period.

Other than the San Juan Group A, the remaining Group A and Group B regions have been divided into High-Density Urban Area & Low-Density Urban Area subcategories. These were divided via an agreement between LUMA and FEMA to enable FEMA to expedite environmental reviews. The High-Density Urban Area is defined by an area having lower amounts of vegetation which is measured by the level of reflection of infrared light. Lower levels of reflection from vegetation are due to the lower level of vegetation density. The Low-Density Urban Area is defined by an area having more vegetation density which is determined by a higher level of reflection of infrared light.

Projects Obligation with FEMA are expected to support this execution strategy. In general, for the Distribution projects (Group As and parts of Group C) the FEMA Obligation will take 3 to 6 months from the LUMA submittal date. The Transmission projects (Groups B, C, D, and F) can take up to 18 months or more depending on the level of environmental concerns during review. LUMA is currently developing a submission schedule for the remaining Groups (additional Group B (Low Density), Group C Regions, and remaining Transmission and Substation/Telecom project. Those dates are currently being determined based on the internal LUMA actions needed to complete the revised mapping.

On March 24, 2023, LUMA and COR3 received a letter from FEMA stating that the vegetation clearance program proposed by LUMA would be eligible for FEMA hazard mitigation funding. On April 24, 2023, LUMA submitted to the Puerto Rico Energy Bureau ("PREB") a proposed initial scope of work ("ISOW"), with additional details pertaining to the proposed \$1.2 billion vegetation clearing program. Receipt of PREB's approval is a prerequisite to submitting the program to FEMA and COR3.

On May 5, 2023, the PREB issued an order approving the proposed vegetation clearing program. On May 10, 2023, LUMA submitted an ISOW to FEMA and COR3. On June 29, 2023, LUMA submitted the first six of what are now 36 separate detailed scopes of work ("DSOWs"), providing more details on portions of the overall program, streamlining FEMA and COR3's review and analysis and eventual obligation of funds to allow the execution of the work.

On June 5, 2024, FEMA obligated the first project. LUMA continues to work with COR3 and FEMA on the remaining 35 projects, leveraging the lessons learned from the obligation of the first project. LUMA expects that other projects, particularly other "Group A" projects, will be obligated in the near term.

LUMA's ability to achieve completion of vegetation clearing activities within three years is conditioned on availability of resources and timely receipt of required permits and funding obligations. Completed schedules on obligated projects may also be impacted by weather or natural phenomena as well as other unforeseen circumstances outside of LUMA's control, including compliance with environmental and historical preservation requirements.

III. Performance Work Statements ("PWs) relating to the vegetation management plan

As mentioned earlier, there are 36 projects that have been defined for Vegetation Management. The first one has been recently obligated under PW 11696 for the San Juan Region. The remaining 35 are at various stages of the obligation process and LUMA is working diligently to move these forward. Group A has been prioritized and are awaiting the next obligations.



LUMA remains dedicated to rebuilding Puerto Rico's T&D System. Providing our customers with the quality of electric service they deserve and expect is LUMA's utmost priority. Through the vegetation clearance program, LUMA estimates an overall reduction in outages between 35% to 45% after the completion of the full vegetation clearance. This represents a reduction of over 450 million minutes of customer interruptions annually and a reduction in outage frequency of over 2 million customer interruptions each year. Continuous vegetation clearing will provide instant incremental improvement to the system reliability.

Please contact us should you have any questions.

Sincerely,


Francisco Prego Cariello
Francisco Prego Cariello (Jul 19, 2024 16:24 EDT)

Francisco Prego

Vice President, OMA Contract Management

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