

January 27th, 2022

To: Puerto Rico Public-Private Partnerships Authority

Attention: Sheila Torres Sterling
Roberto Sanchez Vilella (Minillas) Government Center
De Diego Ave. Stop 22,
San Juan, PR 00907

Re: RFI 0011 Response

In response to RFI 0011 sent by P3A on December 2nd, 2021, LUMA is providing information regarding LUMA's unaccounted fleet units.

Pursuant to 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 P3A and LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, "LUMA"), and LUMA's transition to O&M Service, LUMA was to assume management of the vehicles required in connection with the O&M Services.

LUMA has made considerable effort since commencement on June 1, 2021 to locate and recover missing fleet units that were identified as part of PREPA's fleet and assigned to the T&D System. During Front-End Transition, LUMA faced several challenges including LUMA personnel not being provided access to various locations to record physical inventories and evaluate the condition of the vehicles, and a lack of accurate records. As a result, LUMA was only able to physically observe the assets and located less than half the fleet assets listed in the records provided to LUMA by the PREPA Fleet Administrator in June 2020. LUMA was also not provided access to start the evaluations and reconciliations of PREPA's T&D fleet until after commencement, even though this activity should have been performed during the Front-End Transition. LUMA identified 1,608 missing fleet units as of the end of June 2021 (prior to commencement). Since commencement, LUMA has invested significant time and effort to conduct the ongoing fleet unit search.

To address P3A's comment regarding the data discrepancy in LUMA's Q1 Quarterly Report, it has come to LUMA's attention that there were inadvertent errors in the missing fleet unit data included in Section 2.2.2 and in Table 3-22 of the Report. The correct number is a total of 864 fleet units missing as of September 30, 2021.

As part of this ongoing work LUMA has implemented several strategies, including the following activities, which have resulted in the following number of fleet units identified:

- Inspections and assignments, resulting in the identification of 1,971 fleet units evaluated directly by LUMA mechanical workshops.



- Implementation of a check-in and check-out registration process for all fleet at each security guard checkpoint at the entry and exit points of all LUMA facilities, resulting in the identification of an additional 330 official vehicles previously classified as missing. LUMA has been unable to enact the same practice at Generation facilities.
- Location of vehicles by LUMA's Compliance Division during physical visits to various LUMA facilities throughout Puerto Rico, resulting in the identification of 194 additional fleet units previously classified as missing.
- Visits to PREPA facilities and private vendor workshops that provide services to PREPA, resulting in the identification of 77 additional fleet units previously classified as missing.
- Visits to various LUMA facilities for the rebranding of vehicles and equipment, resulting in the identification of 82 additional fleet units previously classified as missing.
- Analysis of inventory enabled with GPS, resulting in the identification of 16 additional fleet units previously classified as missing.
- Visits to PREPA Generation facilities in coordination with PREPA executives, resulting in the identification of 10 fleet units previously classified as missing. This effort remains incomplete as the process was interrupted by PREPA administration. They stated that it was not necessary to continue the process since units at their facilities belong to Generation.

As a result of LUMA's search efforts, the total number of missing fleet units is 686 as of January 20, 2022, out of a total of 3,366 GridCo fleet units (based on the list provided by PREPA). The missing fleet units is comprised of 500 equipment units (trailers, backhoes, etc.), 98 heavy duty vehicles and 88 light duty vehicles.

LUMA continues its efforts to locate and recover missing units. LUMA is also in ongoing discussions with PREPA regarding identification of missing vehicles, disposal of scrap units and recent unauthorized removal of vehicles assigned to GridCo by PREPA employees.

As requested by P3A, LUMA is providing a comprehensive list of the year, make, Vehicle Identification Number ("VIN"), brand and cost/value of each missing vehicle (please see 'Fleet Missing Units' Excel file). PREPA did not provide the value of the assets, so the cost included in the provided list is an estimated replacement value. The total estimated replacement value of the missing fleet units is \$50 million. Due to these missing units, LUMA has had to rent light duty units to meet T&D System requirements and is in the process of acquiring new units.

Should P3A have any additional questions, please do not hesitate to reach out.



Sincerely,

LUMA Energy LLC



Angel Silverio
Fleet Director