GOVERNMENT OF PUERTO RICO
PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO ENERGY BUREAU

IN RE: ENERGY EFFICIENCY AND DEMAND RESPONSE TRANSITION PERIOD PLAN	**CASE NO:** NEPR-MI-2022-0001 **SUBJECT:** Determination of LUMA's June 21, 2022, Proposed Transition Period Plan.

RESOLUTION AND ORDER

I. Introduction

In this Resolution and Order, the Energy Bureau of the Public Service Regulatory Board of Puerto Rico ("Energy Bureau") considers, amends, and approves the Proposed Energy Efficiency ("EE") and Demand Response ("DR") Transition Period Plan ("Proposed TPP") that was submitted by LUMA Energy, LLC as Management Co., and LUMA Energy ServCO, LLC (collectively, "LUMA") on June 21, 2022.[1] The Transition Period Plan ("TPP") marks an important milestone for Puerto Rico, as it will be the first large-scale utility-run energy efficiency and demand response plan. The Approved Integrated Resource Plan quantifies the present value of energy efficiency programs that achieve the 30 percent savings required by Act 17-2019[2] at over $1.5 billion in avoided fuel and capital cost,[3] and this is an essential first step toward realizing those savings. The Transition Period is intended to provide time for LUMA and its customers to learn about EE and DR programs in a transition to full-fledged programs in the summer of 2024.

II. Procedural History

On June 21, 2022, LUMA submitted a Proposed TPP to the Energy Bureau in accordance with Regulation 9367, "Regulation for Energy Efficiency" ("EE Regulation"). As envisioned by Section 4.02(C) of the EE Regulation, the Proposed TPP incorporates an integrated approach to demand response, so the Proposed TPP is also a Demand Response Plan in accordance with Regulation 9246, "Regulation for Demand Response" ("DR Regulation"). On June 28, 2022, the Energy Bureau initiated this proceeding for the review of LUMA's Proposed TPP.

On June 29, 2022, the Energy Bureau held a workshop in this proceeding at which LUMA presented a summary of the TPP and the Energy Bureau requested comments from stakeholders. On July 13, 2022, VEIC and The Solar and Energy Storage Association of Puerto Rico ("SESA") filed comments on the Proposed TPP in response to the Energy Bureau's request.

On October 12, 2022, the Energy Bureau issued Requests for Information and Comments (the "October 12 Order"), with two sets of questions. The first set was to be answered by all interested stakeholders including LUMA ("Appendix A"), while the second was for LUMA only ("Appendix B"). The Energy Bureau required responses to these requests by October 28, 2022, and scheduled a workshop to discuss responses for November 4, 2022.

On October 27, 2022, LUMA filed a motion requesting a one-week extension of the deadline for responses to the Requests for Information and Comments to November 4. LUMA also

---

[1] Motion Submitting Proposed EE/DR Transition Period Plan, *In re: Demand Response Plan Review, Implementation and Monitoring,* Case No. NEPR-MI-2021-0006, June 21, 2022 ("June 21 Motion").

[2] Puerto Rico Energy Public Policy Act ("Act 17-2019").

[3] Final Resolution and Order on the Puerto Rico Electric Power Authority's Integrated Resource Plan, *In re: Review of the Puerto Rico Electric Power Authority Integrated Resource Plan,* Case No. CEPR-AP-2018-0001, August 24, 2020 ("IRP Order"), pp. 194-195, ¶633.

requested that the workshop be scheduled for a date no sooner than 10 days after the responses are filed (that is, no sooner than November 14, 2022).

On November 2, 2022, the Energy Bureau established a revised schedule, consisting of:

- workshops on November 4 and 16, 2022,
- a deadline of November 4, 2022, for LUMA to respond to the requests in Appendix B of the October 12 Order,
- a deadline of November 9, 2022, for LUMA and all interested stakeholders to respond to Appendix A of the October 12 Order, and
- a deadline of November 30, 2022, for LUMA and all interested stakeholders to file reply comments.

On November 4, 2022, the Energy Bureau held the first of the two workshops, received verbal input from stakeholders in advance of their more formal responses to Appendix A, and received LUMA's responses to Appendix B. Ten stakeholders participated including LUMA, the Independent Consumer Protection Office (ICPO), Southern Alliance for Clean Energy (SACE), Instituto de Competitividad y Sostenibilidad Econnómica (ICSE), VEIC, Tesla, Sunnova, SESA, Interstate Renewable Energy Council (IREC), and Energy Justice for PR.

On or before November 9, 2022, the Energy Bureau received responses to Appendix A from LUMA, SACE, ICPO, ICSE, VEIC, Tesla, Sunnova, and SESA. IREC and Energy Justice for PR did not file written responses to Appendix A.

On November 16, 2022, the Energy Bureau held the second of the two workshops. The purpose was to summarize the comments received and further discuss six topic areas where stakeholders provided diverse positions or raised new questions in their responses to Appendices A and B. These topic areas included: EE branding, DR, low-income incentives and participation, program approval, performance targets, and funding.

On November 23, 2022, LUMA filed a motion requesting a two-day extension to file reply comments, until December 2, 2022. On or before December 2, 2022, the Energy Bureau received reply comments from LUMA and Tesla.

III. Summary of the Proposed TPP

A. Program Administration

LUMA's Proposed TPP covers FY2023 (July 1, 2022 through June 30, 2023) and FY2024 (July 1, 2023 through June 30, 2024). The Proposed TPP is designed to build market readiness and customer awareness prior to the launch of full-scale EE and DR programs, which will be delivered on a three-year cycle beginning in the summer of 2024 (FY2025). During the TPP, LUMA proposes to launch several quick-start programs and initiatives, each of which will be expanded after the TPP when full-scale program implementation begins. LUMA states that the Proposed TPP is meant to test and refine programs before full-scale implementation, to provide greater understanding of customer preferences and market readiness (such as contactor and equipment availability) and to help LUMA understand internal organization and operational requirements required to effectively administer EE and DR programs.

LUMA plans to work with a program implementation contractor for program delivery.[4] LUMA selected the turnkey approach, issued an RFP, and has begun the procurement process to hire the implementation contractor to conduct the EE and DR programs. LUMA will work with the implementation contractor to develop branding and messaging to launch the TPP, with input from stakeholders and customers. The Energy Bureau held a Technical Workshop on the Proposed TPP on March 9, 2022, before the Proposed TPP was filed, and LUMA

[4] June 21 Motion, Exhibit 1, p. 64.

reports that it incorporated feedback received at this workshop into the Proposed TPP.[5] Stakeholders provided additional feedback to LUMA during the two technical workshops held in November 2022 which shall be incorporated into LUMA's immediate plans.

Moving forward, LUMA identifies "[s]takeholder advisory meetings to review progress on programs and portfolio and obtain feedback on improvements/enhancements" as a component of its "strategic development approach" for program management and implementation during the Transition Period.[6] LUMA intends to use a stakeholder advisory group to generate feedback and insights for program improvement as part of its early warning systems to indicate progress toward program goals.[7] As part of this process, LUMA states an intention to consult with stakeholders both in *ad hoc* meetings and in six-month stakeholder progress meetings led by LUMA.[8]

B. Program Design

LUMA's proposed programs include education and outreach, EE rebates, in-store discounts, and DR incentive programs for residential and commercial customers. Education and outreach and EE rebates are projected to launch in Year 1. In-store discounts and DR incentive programs are projected to launch in Year 2. In addition, LUMA includes two street light programs, Street Light Assessments and Street Light Repair & Replacements, which were already underway at the time of the Proposed TPP filing.

LUMA states that the education and outreach program is designed to increase customer understanding of and interest in EE and DR technologies, including opportunities for substantial energy and bill savings. LUMA lists multiple offerings and potential delivery methods but states it will work with the implementation contractor to finalize implementation details, including targeting and messaging.

The Residential EE rebate program provides a prescriptive incentive to customers purchasing efficient equipment from a list of qualified measures, including air conditioners, solar and tankless water heaters, and refrigerators. The Commercial EE rebate program offers incentives to businesses for eligible measures, such as efficient lighting, HVAC, and water heating equipment. LUMA also proposed an in-store point-of-sale discount program, which does not require customers to submit a rebate application.

LUMA proposes separate incentive designs and savings targets for low-income and non-low-income residential customers. Incentives for non-low-income customers will cover 30 to 50 percent of the incremental cost of the efficient versus baseline measure. LUMA may offer 50 to 200 percent larger incentives to low-income customers, but states that offering higher incentives to low-income customers is dependent on the "feasibility of income-based eligibility screening" and availability of funds.[9] LUMA does not further elaborate on what such screening would entail or provide detail on its current capabilities to conduct such screening. LUMA's proposed In-Store EE Discount Program will provide a point-of-sale discount for eligible energy efficiency measures and LUMA may geo-target stores in low-income areas to provide low-income customers with greater access to energy efficiency opportunities.

LUMA proposes commercial emergency and economic DR programs to launch in FY2023, which incentivize customers to shift load during emergency grid conditions or during times

---

[5] Proposed TPP, p. 13.

[6] *Id.*, p. 65.

[7] *Id.*, p. 69.

[8] *Id.*, p. 70.

[9] *Id.*, p. 33.

of high marginal electricity generation costs, respectively. The commercial emergency DR program will provide customers with incentives for shifting load during DR events that are triggered by reliability/emergency grid conditions. LUMA plans to start with targeting the largest 100 customers with backup generators and will later expand the program to other customers. While LUMA plans to initially focus on customers with backup generators or cogeneration, the eligible measures will also include any onsite storage device, such as thermal energy or battery storage. The commercial economic DR program will provide customers with prescriptive incentives ($/kWh) for reducing or shifting load during DR events triggered by economic conditions (i.e., when marginal electricity generation costs are high). LUMA plans to start the economic DR program also by targeting the largest 100 customers with back-up generators and/or battery storage and will later expand the program to other customers. LUMA initially proposed eligible economic measures would include backup generators or any onsite storage devices, such as thermal or battery storage. However, the DR Regulation does not allow for the use of backup generators for DR except for in emergency conditions.

The residential battery DR program incentivizes residential customers with behind-the-meter batteries to shift load to their batteries during peak demand events. The events will be in response to either economic or reliability/emergency triggers. LUMA proposes launching the residential battery DR program in FY2024 and states that launching such a program would require additional time for administrative startup and technology enablement.

Section 4.06(E) of the EE Regulation requires that LUMA "develop programs that offer customers upfront capital to support the installation of EE measures, coupled with repayment provisions associated with the customer and/or with the meter, where feasible." This provision does not apply to the Transition Period detailed in Section 2 of the EE Regulation. LUMA does not discuss financing in its Proposed TPP.

C. Reporting

The Proposed TPP summarizes LUMA's planned reporting format, timing, and frequency. Program Years are on a fiscal year cycle; each Program Year starts on July 1 and ends twelve months later on June 30. LUMA must report on progress, including stakeholder collaboration, tracked key performance indicators, and lessons learned to date, in each quarterly and annual report as required by Section 2.02(E)(1) of the EE Regulation.

D. Performance Incentives

The EE Regulation states that PREPA or its successor, (i.e., LUMA) shall "propose a performance incentive within the Three-Year EE Plan for approval by the Energy Bureau." (Section 4.02 (D)(6)). Specifically, "PREPA [LUMA] shall propose, and the Energy Bureau shall approve, reject, or modify, performance targets and associated payments for the Transition Period Plan that measure performance of utility actions. For the Transition Period Plan, PREPA [LUMA] may not propose payments for achievement of performance targets that are based on the outcomes of those actions (such as measured energy saved by energy efficiency programs)" (Section 2.02 (B)). The specific targets and incentive amount are to be determined though the ongoing performance-based incentive mechanism targets proceeding (i.e., NEPR-AP-2020-0025) (Section 4.02 (E)(1)). LUMA did not propose any activity-based targets in its Proposed TPP but did provide comments during the stakeholder workshops which are described further along in this order.

E. Funding

LUMA's Proposed TPP budget is $30.4 million, which includes $9.9 million in FY2023 and $20.5 million in FY2024. LUMA states that it has allocated $4.6 million from its base budget for initial program startup costs in FY2023.

While EE and DR programs will lower customer costs for electricity over time, these programs require funding. Section 2.02(D)(7) of the EE Regulation states that LUMA's TPP must "propose one or more funding sources to provide the necessary funds to execute the Transition Period Plan and shall first seek to use funds collected under established rate and/or riders." In Section 8 of the Proposed TPP, LUMA describes that the remaining $5.28 million for FY2023 would require another source, such as the EE Rider established in case number CEPR-AP-2015-0001.[10] LUMA calculates that, if the EE Rider were collected in a uniform manner over the projected sales for FY2023, the rider would have a value of $0.00032 per kWh (0.03 cents per kWh) and would increase bills for a customer using 800 kWh per month by $3.06 per year.[11] In the Proposed TPP, LUMA states that its customers are "very sensitive to any increase in energy costs.... LUMA does not recommend introducing an EE Rider during present economic conditions."[12]

IV. Summary of Comments and Required Changes

Overall, the Energy Bureau finds that the Proposed TPP represents a reasonable and appropriate launch of EE and DR programs in Puerto Rico and approves all components of LUMA's Proposed TPP that are not specifically addressed in the sections below. The sections where the Energy Bureau requires changes include i) Program Administration, ii) Program Design, iii) Reporting, iv) Performance Incentives, and v) Funding.

Further, the Energy Bureau notes that LUMA states in the Proposed TPP it "will" take certain actions and "may" (or may not) take other actions. Where LUMA states that it "will" undertake certain actions, the Energy Bureau takes this as a commitment, and **EXPECTS** LUMA to take these actions. The Energy Bureau has therefore simplified this Resolution and Order by refraining from separately ordering LUMA to take those actions. This Resolution and Order therefore reflects only those changes or clarifications the Energy Bureau believes are required to amend the TPP and achieve the objectives of Act 17-2019 and the EE and DR Regulations.

A. Program Administration

1. Management

LUMA plans to use a performance contract for the turnkey implementation contractor, with a broad and detailed scope of work corresponding to many of the activities in the Proposed TPP. The turnkey contractor may, in turn, bring in subcontractors to implement programs or other components of its work.

The Proposed TPP describes LUMA's "strategic development approach" to the turnkey implementation path, overseen by a project management office (PMO) within LUMA.[13] The approach includes tracking metrics, internal and external communications, budgeting and financial management, program implementation, procurement of the Implementation Contractor, and program tracking and reporting. The Proposed TPP also details the division of responsibility for different aspects of each of the major EE and DR programs and identifies resource constraints and plans to address them.[14]

---

[10] Proposed TPP, Table 8-1, p. 80.

[11] Proposed TPP, p. 81.

[12] *Id.*

[13] Proposed TPP, p. 65.

[14] *Id*, p. 67-68.

Because the implementation contract will be at the core of LUMA's approach to meeting its obligations under the EE and DR Regulations, the Proposed TPP includes early warning systems to identify if the implementation is not meeting expectations and provide LUMA and the contractor the opportunity to address issues.

a) Stakeholder Comments

The Energy Bureau asked stakeholders and LUMA to respond to a question regarding notification and program adjustment in the event of overspending or underspending. Specifically, the Energy Bureau requested feedback regarding a reconciling funding mechanism to allow over- and under-spending to be addressed through adjustments to subsequent years' EE and DR budgets.

ICPO comments that notification at the time of the quarterly purchased power cost and fuel cost adjustment rider would be appropriate, and that the Energy Bureau should establish a pre-determined percentage amount of deviance from the original budget as the threshold for notification.[15]

SACE comments that program continuity is essential for successful program operations because of the negative impact of sudden stops and starts on both customer relations and relationships with the businesses and people who install efficiency measures.[16] SACE argues that a reasonable amount of budget flexibility is justified, both between programs and between years. SACE also states that such flexibility is particularly important for the TPP, provided the utility communicates regularly about these actions.

VEIC supports "considerable flexibility" for funds between programs and years.[17] VEIC states that this flexibility enables program administrators to maintain program continuity and respond to market conditions. VEIC further states that program "stops and starts are very disruptive to the contractors and vendors who are key partners in EE implementation."[18] VEIC supports notifications to allow proactive adjustments and rolling over- and under-spending into the EE/DR budget or the following year.

In its response to the Energy Bureau's questions, LUMA proposes an annual reconciliation process similar to that used for other riders.[19] LUMA proposes that it only notify the Energy Bureau about overspending when it exceeds the annual aggregate budget, for the first year of the TPP. Later years, when costs are more certain and budgets are larger, could have more notification provisions. LUMA will file quarterly reports comparing the planned budget to actual spending, which will allow the Energy Bureau to monitor the spending rate and levels. LUMA emphasizes that it would only contemplate taking mitigating measures in program design in the case of "extreme overspending or underspending" due to the importance of consistency and predictability in establishing new markets for EE and DR in Puerto Rico.

---

[15] October 28, 2022. *The Independent Consumer Protection Office's Comments to Appendix A of the Energy Bureau's October 12, 2022 Resolution and Order*. ("ICPO October 28 Comments"), p. 11-12.

[16] Southern Alliance for Clean Energy (SACE), Oct. 28, 2022. *Comments of the Southern Alliance for Clean Energy on proposed EE and DR Transition Period Plan, Docket No. NEPR-MI-2022-0001*. ("SACE October 28 Comments"), p. 5.

[17] VEIC, November 9, 2022. *Response to Appendix A of October 12, 2022 Resolution & Order*. ("VEIC November 9 Comments"), p. 7.

[18] *Id.*

[19] LUMA, November 9, 2022. *Motion to Submit Responses to Requests for Information in Appendix A of Resolution and Order of October 12, 2022. Exhibit 1* ("LUMA November 9 Exhibit"), p. 11.

b) Discussion

The Energy Bureau urges LUMA to complete its contracting with a qualified implementation contractor as soon as possible to enable rapid transition toward the details of program design and launch. LUMA presents a reasonable and thoughtful approach to program management and implementation, including the use of a turnkey implementation contractor.

LUMA and stakeholders make clear and reasonable statements regarding the importance of program continuity and avoiding stop-start dynamics, especially for nascent programs like EE and DR in Puerto Rico. The Energy Bureau appreciates that customer uptake of new programs is uncertain. Rapid uptake could result in program overspending, while a program that is not embraced by customers may underspend. The Energy Bureau encourages LUMA to bias toward action and try alternate ways to reach customers to drive customer adoption of EE and DR. Where customer uptake is lower than expected, the Energy Bureau urges LUMA to consider making program changes in real time, in consultation with supporting contractors and stakeholders. While the Energy Bureau supports reasonable budgetary flexibility within the EE and DR budget, it is important to maintain visibility of the status of cost and the effectiveness of implementation. LUMA should also expect the Energy Bureau to convene update meetings with LUMA and other stakeholders to discuss and resolve any substantial issues that arise.

The Energy Bureau **ORDERS** LUMA to:

- Report overspending or underspending of more than 20 percent, relative to the FY24 program budgets in the Proposed TPP, by program and/or for the portfolio as soon as it is identified;
- Include a detailed explanation for any differences of more than 20 percent between planned and actual spending by the program affected and/or for the portfolio as a whole; and
- Propose and implement shifts in funds between programs, including where necessary between fiscal years, to maintain reasonable levels of program continuity.

2. Branding

Effective marketing of EE and DR programs is a key aspect of gaining customer participation and buy-in. While programs can be marketed using the utility name, in some jurisdictions EE and DR programs are marketed to customers under a brand identity that is independent from the utility program administrator or other third-party administrator. Examples include Efficiency Vermont, EmPOWER Maryland, and Mass Save (in Massachusetts). Marketing EE and DR programs under a brand identity that is separate from the utility can have several advantages, such as promoting collaboration and cost-efficient delivery across entities and allowing for changes in program administrator and/or funding sources while maintaining a consistent experience for customers. Therefore, the Energy Bureau asked LUMA and other stakeholders for input on how programs should be branded.

a) Stakeholder Comments

The ICPO supports developing an EE- and DR-specific brand.[20]

[20] ICPO October 28 Comments, p. 6-7.

SACE states that "the work to develop a brand identity should begin during the transition period for deployment in the next phase" as it takes time to develop a strong brand.[21] Instead of focusing on deploying a brand during the transition period, which SACE is concerned could take away focus from or delay program implementation, SACE suggests that "experience gained during the transition plan could instead inform development of brand identity."[22]

VEIC thinks "that an overarching brand for EE and DR, similar to EmPOWER Maryland or Mass Save, could work well in Puerto Rico" and believes "a common brand would support collaboration across multiple agencies and partners on EE and DR efforts and could reduce customer confusion."[23] VEIC emphasizes the importance of customer market research to ensure brand effectiveness and recognizes that development of a brand may take time to complete. Therefore, it recommends that LUMA move forward with the TPP without waiting to develop a brand.

SESA also agrees with the development of a common brand, and remarks that "Market research should land in a common brand that works for Puerto Rico and its people, taking into account local culture, language, etc."[24]

ICSE remarks that an EE and DR brand distinct from LUMA would "maximize engagement" but recommends that the brand be associated with the Energy Bureau, as the Energy Bureau is responsible for approving the design of the programs and allocation of funds.[25]

b) Discussion

The development of a separate EE and DR brand for Puerto Rico programs has significant potential, and would allow for collaboration across different entities, such as LUMA, the Green Energy Trust, and the Department of Economic Development and Commerce (DDEC) which manages implementation of the federally funded Weatherization Assistance Program (WAP). Furthermore, a well-developed brand could help promote consumer recognition and buy-in over time. While an EE and DR brand could have significant benefits, it is important that the brand be well developed and informed by stakeholder feedback and market research. The Energy Bureau recognizes that it will take time to develop a brand that will be effective and agrees with stakeholders that the development of a brand should not impede TPP launch. An EE and DR brand will therefore be developed during the TPP and implemented during the full program launch in FY2025.

The Energy Bureau **ORDERS** LUMA to:

- Conduct the necessary market research during the TPP with the objective of developing an EE and DR brand under which programs will be marketed in the FY2025–FY2027 EE Plan; and
- Coordinate with the Green Energy Trust, DDEC, Vivienda, and other stakeholders in developing the EE and DR brand so that those agencies also approve of using the shared branding.

NEGOCIADO DE ENERGÍA DE PUERTO RICO
NEPR
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO

---

[21] SACE October 28 Comments, p. 3.

[22] *Id.*

[23] VEIC November 9 Comments, p. 3.

[24] Solar and Energy Storage Association of Puerto Rico (SESA). November 9, 2022. *Answers to Questions by PREB to Stakeholders, including SESA on proposed EE and DR Transition Period Plan, Docket No. NEPR-MI-2022-0001* ("SESA Nov. 9 Comments"), p. 3-4.

[25] Instituto de Competitividad y Sostenibilidad Económica de Puerto Rico (ICSE), Nov. 4, 2022. *ICSE Comments to PREB Questions* ("ICSE Nov. 4 Comments"), p. 5-6.

3. Stakeholder Collaboration

EE and DR resources cannot be acquired by a utility or program without active participation from others, such as contractors, suppliers, the building trades, and building and business owners. For this reason, the EE Regulation requires that LUMA engage with stakeholders as part of the development of the TPP, as well as regularly throughout its implementation and program design processes.[26] The Proposed TPP discusses several ways LUMA proposes to engage with stakeholders in its program development and delivery. This section addresses formal stakeholder engagement processes in the regulatory and program design context. Broader engagement for the purposes of program marketing and education are addressed in the Program Design: Education and Outreach section.[27]

a) Stakeholder Comments

VEIC submitted multiple comments regarding the importance of ongoing stakeholder engagement to program success. In its July 13, 2022, initial comments, VEIC states "Stakeholder engagement will be particularly important in Puerto Rico, which needs to build local capacity and knowledge around energy efficiency, and gradually earn trust and buy-in for the energy efficiency programs. We encourage the Bureau to work closely with LUMA to set expectations for stakeholder engagement and support the creation and ongoing involvement of a stakeholder advisory group or collaborative to guide the design and implementation of utility EE and DR programs."[28] In its November 9, 2022, comments, VEIC elaborates, stating that it would like to see a formal plan for stakeholder engagement during the Transition Period. Specifically, VEIC states that the "Departamento de Desarrollo Económico y Comercio (DDEC) may be open to taking on a larger role in stakeholder convening."[29] VEIC further encourages the Energy Bureau to "work closely with LUMA and DDEC to set expectations for stakeholder engagement and support the creation and ongoing involvement of a stakeholder advisory group or collaborative to guide the design and implementation of utility EE and DR programs."[30]

In its October 28, 2022, comments, SACE states that it is important to allow adequate time for the process leading up to program implementation, including time to solicit and receive stakeholder feedback.[31]

b) Discussion

LUMA's Proposed TPP contains reasonable commitments from the utility to engage with a stakeholder group at various times as it develops, launches, and revises its program offerings and presents its plans for upcoming efforts during the Transition Period. LUMA's proposed schedule for stakeholder meetings projects these meetings to be scheduled for March 2023, September 2023, and March 2024.[32] The Energy Bureau finds that LUMA's proposed stakeholder meetings are not well aligned with the timing of the draft three-year plans. The Energy Bureau developed an integrated schedule including reporting and the draft FY2025–2027 Three-Year Plan stakeholder meeting which reflects reasonable sequence and timing

---

[26] For example, Section 2.02(C)(3) of the EE Regulation requires LUMA to consult with stakeholders in the design and development of pilot and quick-start programs and report on that consultation in its TPP filing.

[27] LUMA's proposed Education and Outreach activities include community and stakeholder engagement initiatives and initiatives to support the development of a local stakeholder advisory group.

[28] VEIC, July 13, 2022. *Comments on Proposed EE/DR Transition Period Plan* ("VEIC July 13 Comments"). p. 2.

[29] VEIC November 9 Comments, p. 2.

[30] *Id.*

[31] SACE October 28 Comments, p. 6.

[32] Proposed TPP, page 71.

for these important events; this schedule can be found in Section IV.C.1 of this Resolution and Order.

The Energy Bureau is required by Section 4.07(D) of the EE Regulation to develop and convene a stakeholder working group no less than quarterly. The process of appointing members to that group will begin shortly, and the meetings of that group are intended, in part, to solicit feedback on LUMA's stakeholder engagement activities.

The Energy Bureau recognizes there are other ongoing informal EE stakeholder conversations and does not want its process to disrupt or duplicate existing processes that are valuable to the participants. The Energy Bureau looks forward to feedback during the process of creating its stakeholder working group regarding how to best coordinate these processes.

The Energy Bureau **ORDERS** LUMA to:

- Consult the *Table 1 Transition Period Report and Filing Schedule* in this Resolution and Order for timing and sequencing of important reporting and stakeholder engagement milestones;
- Once the Energy Bureau's stakeholder working group is established, conduct its formally required stakeholder meetings through that group; until that point LUMA is to convene stakeholders using its own or others' processes; and
- Continue to engage informally with stakeholders to inform its program design, implementation, marketing, and other important topics.

B. Program Design

1. Education and Outreach

To date, there have been no ratepayer-funded EE programs in Puerto Rico. Therefore, developing market readiness and customer awareness will be critical in preparing for incentive program launch. The Proposed TPP identifies lack of information as one of the barriers to customer adoption of energy efficient technologies, particularly in Puerto Rico, where there is no history of ratepayer-funded EE and DR programs. To increase awareness of EE and DR programs, LUMA proposes the Education and Outreach Program. LUMA provides a list of additional potential services and activities to provide information about EE and DR technologies and strategies, such as online informational tools and resources, community/stakeholder engagement initiatives, and community demonstration projects.

The Energy Bureau asked stakeholders about specific barriers or workforce knowledge gaps that LUMA should focus on addressing in outreach efforts. The Energy Bureau also asked about community organizations that could be good partners to help maximize customer participation and buy-in.

a) Stakeholder Comments

ICPO emphasizes the importance of customer education and outreach programs and states that such programs are fundamental to overall EE and DR success.[33]

VEIC supports the Education and Outreach program as the starting point for TPP programs, especially given Puerto Rico's "nascent EE market and need to build energy efficiency literacy."[34] VEIC notes that one of the potential activities under the Education and Outreach program of the TPP is "initiatives to support the development of a local stakeholder advisory

[33] ICPO October 28 Comments, p. 4.

[34] VEIC November 9 Comments, p. 1.

group."[35] VEIC supports the creation of such a group and emphasizes the importance of stakeholder engagement. For further discussion, see the Stakeholder Collaboration section.

ICSE notes the importance of customer outreach education including both participants and contractors.[36]

b) Discussion

The Energy Bureau agrees with LUMA's approach to provide simple and easy-to-understand messaging to customers about the benefits of EE and DR technologies and bill reduction strategies, and to implement other features as feasible. The Energy Bureau agrees that LUMA's implementation contractor can work with stakeholders and customers to define marketing and messaging vehicles and approaches. Several stakeholders have experience engaging with customers and may have insight into how to best engage with and serve the needs of customers. In addition, as LUMA learns from early program implementation, it will be important to share lessons learned and promote discussion and engagement with stakeholders. Getting early feedback from stakeholders will help ensure programs are best serving ratepayers.

In addition, the Energy Bureau supports the launch of a robust website with information about EE and DR programs and offerings as a priority of the Education and Outreach program. A customer-facing website can create program credibility, help develop customer trust, and can be a constant resource for customers over time. LUMA shall find more information on specific requirements for this website in the Performance Incentives: Validation Methods section further along in the order.

The Energy Bureau **ORDERS** LUMA to:

- Coordinate with stakeholders, including Green Energy Trust, DDEC, and Vivienda, on customer education and outreach efforts; and
- Develop and launch a customer-facing website which provides resources about EE and DR technologies and how to access EE and DR in Puerto Rico.

2. Low-Income Programs

The Energy Bureau requested input from LUMA and stakeholders on whether low-income incentives should be increased either to 100 percent of total costs or to a different level and if any other supports were needed to gain low-income participation. The Energy Bureau also asked LUMA about planned coordination with WAP, which offers no-cost home weatherization services and energy upgrades to eligible low-income customers, and whether income screening is feasible.

a) Stakeholder Comments

ICPO agrees that incentives should cover 100 percent of total costs and thinks the focus of the TPP should be on coordinating with other programs from the Public Energy Policy Program (PEPP) and Puerto Rico Department of Housing (PRDOH) rather than trying to gain participation from low-income customers.[37]

SACE remarks that low-income programs generally cover 100 percent of the costs for EE improvements and highlights that there is "an inherent spending tradeoff" of offerings covering the full costs of improvements that "reduces the number of customers that can be served and the amount of total efficiency savings relative to other approaches."[38] In addition,

---

[35] *Id.*, p. 2.

[36] ICSE November 4 Comments, p. 5.
[37] ICPO October 28 Comments, p. 11.

[38] SACE October 28 Comments, p. 5.

SACE highlights the importance of establishing low-income eligibility criteria and how eligibility will be determined. Overall, SACE suggests that the approach taken during the Transition Period should "be in pursuit of strategies that will prepare the program to effectively serve the needs of low-income customers going forward."[39]

Similarly, VEIC generally supports providing low-income customers with no-cost measures and thinks the Transition Period should provide targeted low-income programs that could then be expanded during the first full program year.[40] VEIC suggests complementing the existing WAP program with "lighter-touch" options. Such options could include leveraging the in-store discount program to provide measures such as LEDs or faucet aerators for free through food banks or providing low-income bill assistance customers or customers in arrears with free measures to help these customers reduce their energy costs.[41]

ICSE acknowledges that covering the full measure cost and offering free direct install measures has been shown to be necessary in other jurisdictions to achieve low-income participation, and also emphasizes that the energy savings produced through EE programs will benefit low-income customers in the form of reduced electric rates resulting from fuel and capacity savings.[42] Therefore, ICSE does not recommend specifically focusing on low-income participation.

LUMA states that it focused on programs that could be launched quickly and fill gaps in the market. As WAP already serves low-income customers in Puerto Rico, "it would not be prudent" to launch a similar program, given budget limitations.[43] LUMA also stated that it does not yet know if income screening is feasible.[44]

b) Discussion

Enabling all customer classes to take advantage of EE should be a key focus of future program design. A high percentage of Puerto Ricans qualify as low-income, so reaching low-income Puerto Ricans is also critical to serving a large portion of LUMA's customer base. Understanding the extent to which LUMA is reaching its low-income customers is an important step. Further, Section 4.02(A)(8) the EE Regulation states that the Three-Year Plan must ensure that low-income customers and hard-to-reach customers are marketed to and served. In addition, Section 4.05(D) the EE Regulation requires 25 percent of total portfolio budget to be allocated to programs serving low-income customers.

Some stakeholders state that offering low-income customers incentives that cover the full cost of measures should not be the approach taken during the Transition Period. While stakeholders recognize that incentives covering only a portion of the total cost may be insufficient to enable low-income participation, under a fixed budget, increasing the size of the incentive to cover the total cost reduces the number of possible participants. The Energy Bureau supports a balanced approach where incentives for low-income customers are higher than non-low-income customers, but may not cover the total cost of the measures.

There are additional actions for LUMA to take to encourage low-income participation in EE programs, such as those strategies identified by LUMA and VEIC. First, income screening is needed and LUMA shall work with stakeholders, WAP, and implementation contractors to develop and implement this screening. Second, geotargeting in-store discounts to stores in low-income areas is essential. Third, it is a good idea for LUMA to install free, lower-cost

---

[39] *Id.*

[40] VEIC November 9 Comments, p. 6.

[41] *Id.*

[42] ICSE November 4 Comments, p. 4-5.

[43] LUMA November 4 Exhibit, p. 4.

[44] *Id.*

measures such as LEDs or faucet aerators for low-income bill assistance customers, customers in arrears, and food bank visitors to help these customers reduce their energy costs.

The Energy Bureau **ORDERS** LUMA to:

- Provide low-income customers with higher incentives than are available for non-low-income customers;
- Leverage eligibility data to target programs to low-income customers if income eligibility screening is feasible during the Transition Period;
- Use the low-income energy assistance rate to identify participants who are low-income versus non-low-income if income screening is not feasible;
- Geotarget in-store discount programs in stores in low-income areas; and
- Coordinate with the WAP and explore additional options to expand low-income access to EE and DR during the TPP, such as by installing free, lower-cost measures such as LEDs and faucet aerators for low-income bill assistance customers, customers in arrears, and food bank visitors.

3. DR Programs

Given the large number of existing behind-the-meter batteries in Puerto Rico, there is considerable opportunity to improve grid reliability and reduce costs for customers through battery DR programs. The Energy Bureau notes that throughout this process stakeholders commented that emergency conditions present themselves on a regular basis in Puerto Rico and all opportunities to reduce peak demand need to be implemented immediately. The Energy Bureau solicited feedback from LUMA and other stakeholders about battery DR programs, passive versus active dispatch program designs, working with third-party aggregators, and customer concerns around dispatching battery DR during emergency periods.

The Energy Bureau asked LUMA and stakeholders to respond to a series of questions regarding passive or scheduled dispatch battery DR programs. These are programs in which distributed batteries are dispatched on a known schedule (e.g., charging during mid-days and dispatching in the evening) as a way to lower peak loads and improve system reliability. One advantage of these programs is that they could be implemented more quickly than the programs contained in the Proposed TPP because they do not require a distributed energy resource management system ("DERMS"). LUMA does not have a DERMS or any plans to implement a DERMS within this fiscal year. Active DR programs engaging individually with distributed batteries would require a DERMS, and therefore would not be available soon.

Another critical piece of a battery dispatch program is verifying the amount of energy dispatched from the battery. In the Proposed TPP, LUMA includes plans to contract with a third party to provide the software to both dispatch batteries and collect battery telemetry data to verify the amount of load shifted. An alternative approach is to contract with battery aggregators who already have an existing relationship with customers and could communicate with customers and collect the necessary dispatch data. Such an approach eliminates the need for LUMA to install its own system and could allow LUMA to launch a battery DR program earlier and more cost-effectively than initially proposed.

a) Stakeholder Comments

ICPO does not provide an opinion on whether an active or passive dispatch approach would be better but provides several considerations for both.[45] With regards to an active dispatch program that would require customers to shift load to their battery, ICPO notes that most residential customers do not have batteries large enough to meet their whole home load, as

[45] ICPO October 28 Comments, pp. 8-9.

is assumed in the savings estimates of the Proposed TPP. With regards to a passive dispatch program, ICPO notes that many customers installed a battery "to cope with frequent and highly probable grid outages" in addition to storm outages, and therefore may be reluctant to sign up for a passive dispatch program if they are concerned their battery will not be charged for a critical outage later in the day.

SESA supports a passive dispatch DR program and believes that utilizing already installed batteries would be "relatively simple and straightforward."[46] SESA thinks the most likely participation pathway would be through a battery aggregator, as this would not require LUMA to have a DERMS platform.[47] SESA notes that most residential batteries in Puerto Rico are owned by third-party companies who would act as aggregators and emphasizes that working with aggregators would significantly reduce the administrative burden associated with enrolling individual battery owners.[48]

Sunnova recommends accelerating DR programs to launch in FY2023, rather than in FY2024 as LUMA proposes, as Sunnova believes "the barriers identified are lower than perceived by LUMA."[49] Sunnova also recommends LUMA work with aggregators to enroll customers and manage reporting to LUMA.[50] In addition, Sunnova recommends combining the emergency DR and economic DR programs into a single emergency DR program for both residential and commercial customers to better capture all potential battery resources.[51]

VEIC supports the addition of a scheduled dispatch program and emphasizes the importance of having simple enrollment processes with clear language.[52]

ICSE also supports customer participation through an aggregator, which will reduce utility administrative burden.[53]

Tesla disagrees with replacing LUMA's proposed active battery DR program with a passive dispatch program and states that active battery DR programs are easily achievable and can provide more useful customer responses with less impact on customers' ability to provide their residence with back-up power, which Tesla states is critical to encourage customer uptake of battery systems.[54]

LUMA emphasizes the need to verify the amount of energy dispatched by a customer enrolled in a battery dispatch program and agrees that "there is merit in the concept of the current battery suppliers serving as aggregators in a scheduled dispatch program, as LUMA does not currently have these capabilities."[55] LUMA also states that the reason for its proposal to use an active approach is that LUMA is concerned about battery owners' willingness to participate in a scheduled dispatch program, given that most customers install batteries for resiliency during power outages.[56] In addition, battery owners may have

---

[46] SESA November 9 Comments, p. 3.

[47] *Id.*, pp. 5-6.
[48] *Id.*

[49] Sunnova, November 9, 2022. *Comments to LUMA's Transition Period Plan*. p. 4.

[50] *Id.*, p. 6.

[51] *Id.*, p. 5.

[52] VEIC November 9 Comments, p. 4.

[53] ICSE November 4 Comments, p. 2.

[54] Tesla, November 9, 2022. *Comments on Proposed EE/DR Transition Period Plan*, p. 1-2.

[55] LUMA December 2 Exhibit, p. 4.

[56] Id., p. 6.

concerns about battery degradation associated with daily discharge cycles and roundtrip efficiency losses.[57] LUMA cautions against applying principles from Hawaii Electric Company's (HECO) Battery Bonus scheduled dispatch program, or similar programs, to the program design.[58] HECO's program was designed to encourage customer uptake of new batteries whereas any LUMA battery DR program will be designed to take advantage of existing battery resources.

b) Discussion

A key theme among stakeholder written comments and verbal comments during the stakeholder workshops is the need to utilize existing battery resources; the need for speed and simplicity in program design, enrollment, and launch to meet emergency needs; and the need to leverage existing third-party aggregator relationships and technologies to streamline outreach and enrollment, ongoing communication, and data collection and reporting. The battery DR program proposed by LUMA will take time to implement as it does not leverage customer outreach and data collection mechanisms that are already in place by third-party aggregators.

LUMA's top priority shall be to work with third-party battery aggregators to develop and launch an emergency battery DR program in FY2023, as part of or paired with its proposed emergency DR program that utilizes backup generators and other load flexibility. The Energy Bureau details more information about the timing for this launch in the Performance Incentives section of this order. Battery aggregators already have an existing relationship with their customers and collect the necessary data to verify participation, which eliminates the need for LUMA to develop duplicative outreach and data collection approaches. To alleviate customer concerns about having their battery available for resilience in the event of an outage, participants could enroll only a portion of their battery's capacity in the passive dispatch program. Additionally, LUMA shall provide additional flexibility when a storm warning is issued and shall allow customers, through their aggregators, to opt out of specific events.

The Energy Bureau understands that this change is likely to affect the design and timing of the other economic and/or battery DR program offerings in LUMA's Proposed TPP. LUMA shall therefore refile its request for approval of any additional DR program offerings after establishing agreements with third-party aggregators and enrolling residential and commercial customers in its emergency battery DR program.

The Energy Bureau **ORDERS** LUMA to:

- Develop an emergency battery DR program for existing residential and commercial customers, for launch in FY2023, to be part of or operated in parallel with its proposed emergency DR program;
- Leverage the capabilities of third-party aggregators to launch this program;
- Ensure the per-kWh incentive offered through this emergency DR program is set consistent with Section 3.01 (B) of the DR Regulation;
- Provide customers with additional flexibility during extreme weather events, to enable them to use their batteries for resilience; and
- File a revised DR portion of the TPP after the emergency battery DR program launches, with updates that are well coordinated and integrated with the emergency DR program.

---

[57] *Id.*

[58] *Id.*, p. 3.

4. Financing

Section 4.06 of the EE Regulation requires LUMA to develop financing-based EE programs after the Transition Period. Finance-based approaches require time to develop because outside capital must be identified. Also, there are potential federal funding sources that could be utilized sooner. For this reason, the Energy Bureau asked LUMA and other stakeholders to address the timing of preparatory work for financing-based approaches, including taking those preparatory actions during the TPP.

a) Stakeholder Comments

The ICPO states that commercial and industrial customers may be a promising area for LUMA to investigate for financing-based programs.[59] ICPO also suggests that the funds used for capital in such a program could be administered by the Department of Economic Development and Commerce (DDEC), which hosts the Public Energy Policy Program.

SACE "strongly support[s] initiating work on this sooner than later, given the time it takes to develop and implement such systems."[60] SACE also provides references to promising models in Illinois and Missouri.

VEIC states that it is appropriate for LUMA to balance quick-start programs that provide immediate customer benefits with development activities that lay the groundwork for long-term success.[61] To this end, VEIC believes it is appropriate for LUMA to begin planning for financing-based offerings to be offered after the launch of full-scale programs. VEIC urges close cooperation with the Green Energy Trust and DDEC and suggests possible use of funds from the Bipartisan Infrastructure Law and the Inflation Reduction Act. VEIC also points to an efficiency-focused financing program for commercial entities developed by the Caguas Business Development Cooperative (BADECO).

LUMA states that it is possible that a financing program could be launched in FY2025 (the start of the first Three-Year EE Plan), but it cannot say for sure until the details and specifics are known.[62] LUMA suggests that the next step to developing a financing program is to develop a "research and road mapping process" which would include understanding the extent to which lack of financing is a barrier to EE adoption and how much customer adoption would increase if financing were available; discussions with stakeholders and financial institutions; understanding existing financing sources and structures available in Puerto Rico; identifying possible funding sources; understanding potential default and credit risks and who would bear those risks under different program structures; and identifying possible financing structures and their implications for LUMA staff and systems (e.g. billing systems, customer connection/reconnection policies). LUMA recommends that capital for such a program be provided by a third-party financial institution and leverage that institution's tools, processes, and mechanisms. On-bill financing could still be achieved while using third-party financing and using the customer bill for load recovery. LUMA did not answer the Energy Bureau's question regarding what assistance it would require from the Energy Bureau to launch a financing-based program.

b) Discussion

Puerto Rico electric rates are high enough that numerous and diverse EE and DR measures are likely to be cost-effective from a customer perspective. While the market baseline and potential studies that would provide specific data on this point are just getting underway, it

---

[59] ICPO October 28 Comments, pp. 12-13.

[60] SACE October 28 Comments, p. 5.

[61] VEIC November 9 Comments, p. 8.

[62] LUMA, November 4, 2022, *Submittal of Responses to Requests for Information in Appendix B of the Resolution and order of October 12, 2022: Exhibit 1* ("LUMA Nov. 4 Exhibit"), page 5.

is reasonable to think there is substantial potential for EE and DR not yet acquired by customers, particularly since Puerto Rico has not had programs to educate customers on the merits of EE and DR and provide rebates for investing in EE and DR. One way to encourage customers to participate is to discount the upfront purchase of more efficient equipment using a rebate or incentive structure. Customers choosing a new appliance would therefore be more likely to choose the more efficient option. In the Proposed TPP, LUMA proposes incentives to cover some, but not all, of the incremental cost of more efficient equipment. As a result, the customer will need to invest upfront, but this investment will be offset by the longer-term savings. Incentives require funds to be collected from all ratepayers, then offered to participating ratepayers to motivate all ratepayers to participate.

From a customer perspective, financing-based offerings look different. Instead of paying upfront for more efficient equipment, a customer would pay a monthly charge for repayment of the equipment capital cost. Because the fuel and maintenance costs for efficient equipment is lower, the monthly repayment of the incremental cost (and often more than the incremental cost) is covered by the energy savings, so long as the terms of the financing (interest rate and tenor) are reasonable. From a customer perspective, such a program can look more financially attractive than an incentive-based approach because the customer does not have to pay an upfront cost. Furthermore, this benefit to the customer can be achieved without any subsidy from other ratepayers. Additionally, a utility-based program can often achieve longer tenor and lower interest rates than a customer may be able to achieve on their own, and repayment through the electric bill is separate from a customer's individual credit in a way that broadens access to capital and bypasses customer resistance to debt.

During the Energy Bureau's stakeholder processes that informed the development of the final EE Regulation, financing tools received substantial support from stakeholders. This was due to their potential to encourage substantial customer savings while requiring a smaller amount of ratepayer funding than would be required by rebate- or incentive-based programs. The utilization of financing tools enables a smaller EE Rider in achieving the goals of Act 17-2019.

The Energy Bureau **ORDERS** LUMA to:

- Conduct the necessary research and road-mapping process during the TPP with the objective of including programs under Section 4.06(E) of the EE Regulation in the first Three-Year EE Plan, and with the goal of program availability to customers during FY2025;
- Consult with DDEC, potential capital providers and programs both in Puerto Rico and via the federal government, utilities that have launched on-bill repayment and pay-as-you-save programs, and other stakeholders, as part of its research and road-mapping process; and
- Include a detailed report on its research and road-mapping work, as well as its progress toward the launch of Section 4.06(E) programs, in each quarterly report required by Section 2.02(E)(1) of the EE Regulation.

C. Reporting

1. Report Timing and Frequency

LUMA states it will submit quarterly reports to PREB within 60 days of the end of the quarter and annual reports within 90 days of the end of each Program Year (i.e., by October 1). In addition, LUMA proposes to hold bi-annual Stakeholder Advisory Group meetings to review progress on programs and obtain feedback on improvements and enhancements as well as *ad hoc* meetings with stakeholders as needed. The EE Regulation requires LUMA to file the first three-year plan on March 1, 2024, and to present the draft plan to stakeholders and make the plan publicly available no later than 90 days before the March 1 filing deadline.

a) Stakeholder Feedback

The Energy Bureau did not ask specific questions of stakeholders on this topic area, and no stakeholder provided feedback specific to this topic area.

b) Discussion

The Energy Bureau identifies the following issues with the reporting schedule proposed in Table 6.1 of the Proposed TPP:

- Report filing dates differ for FY2023 as compared to FY2024.
- Annual reports are required by the EE Regulation within 120 days of the end of the program year, rather than the 90 days that LUMA proposes.
- Annual reports align with fiscal years while quarterly reports align with calendar years.

The Energy Bureau **ORDERS** LUMA to:

- Deliver quarterly and annual reports on a fiscal year schedule;
- Align report filing dates for FY2023 and FY2024;
- Produce annual reports within 120 days following the end of the program year as required by the EE Regulation; and
- Adopt the updated reporting schedule as shown in Table 1: Transition Period Report and Filing Schedule.

Table 1. Transition Period Report and Filing Schedule

Report or Filing	**Deadline**	**Reporting Period**
FY2023 Q4 Report	August 29, 2023	TPP Launch - June 30, 2023*
FY2023 Annual Report	October 28, 2023	July 1, 2022 - June 30, 2023
FY2024 Q1 Report	November 29, 2023	July 1, 2023 - September 30, 2023
Draft FY2025-FY2027 Three-Year Plan	December 2, 2023	July 1, 2024 - June 30, 2027
Stakeholder Meeting to discuss FY2023 Annual Report and Draft FY2025-FY2027 Three Year Plan	December 2023	N/A
FY2025-FY2027 Three Year Plan	March 1, 2024	July 1, 2024 - June 30, 2027
FY2024 Q2 Report	March 29, 2024	October 1, 2023 - December 30, 2023
FY2024 Q3 Report	May 29, 2024	January 1, 2024 - March 30, 2024
FY2024 Q4 Report	August 29, 2024	April 1, 2024 - June 30, 2024
FY2024 Annual Report	October 28, 2024	July 1, 2023 - June 30, 2024

**Any actions completed from TPP launch through June 30, 2023 shall be included in the FY2023 Q4 Report.*

2. Report Data

Data requirements for quarterly and annual reports are provided in the EE and DR Regulations. LUMA provides further detail on its plans for quarterly and annual reports in Section 6 of the Proposed TPP. LUMA also states that it plans to publish all data in an Excel spreadsheet format as well as tables within written reports, which will also contain analysis of results, findings, and recommendations.

a) Stakeholder Feedback

The Energy Bureau requested input from LUMA and other stakeholders on additional data for LUMA to report in its quarterly and annual reports, specifically related to resilience and equity. In general, stakeholders agree that simple reporting metrics are sufficient to start

and do not think that additional data should be required at this time. ICPO,[63] SACE,[64] and VEIC[65] emphasize the importance of peak savings as a key resilience metric. ICPO identifies outage reduction or avoidance as another important resilience metric.[66] SACE also identifies bill and energy savings for low-income customers, savings by housing type, and frequency of customer adoption of multiple building shell and HVAC system improvements as important information related to equity.[67]

b) Discussion

The Energy Bureau agrees that additional data shall not be required immediately, and data requirements shall not hamper or delay program launch. However, the Energy Bureau notes a need for clarity in the metrics and level of detail for LUMA to provide in quarterly and annual reports. The Energy Bureau intends to develop templates to clarify how LUMA will present data in the quarterly and annual reports. The Energy Bureau will request LUMA and stakeholder feedback before finalization of these templates.

The Energy Bureau **ORDERS** LUMA to:

- Review and provide input on the Energy Bureau's data reporting templates for its quarterly and annual reports; and
- Until such time as the reporting templates are available, report on all metrics identified in Section 6 of the Proposed TPP.

D. Performance Incentives

1. Metrics, Deadlines, and Allocations

The Energy Bureau asked LUMA and other stakeholders for input on activity-based performance incentive metrics, deadlines, and allocations.

a) Stakeholder Feedback

Both stakeholders and LUMA emphasize that the Transition Period is a period of learning and preparation to launch full-scale programs. SACE comments that "if performance incentives are implemented for the TPP at all, they should be kept very simple" and focus on "establishing core operational capabilities on which future programs will rely."[68] VEIC agrees with SACE's comments, and "recommends against instituting any system of performance incentives and penalties that could discourage experimentation and learning."[69]

LUMA does not provide suggestions for TPP performance incentive metrics and states that it currently reports on progress regarding the performance of the transmission and distribution system as part of Docket NEPR-MI-2019-0007 and has proposed performance metrics under Docket NEPR-AP-2020-0025.[70]

---

[63] ICPO October 28 Comments, p. 13.

[64] SACE October 28 Comments, p. 6.

[65] VEIC November 9 Comments, p. 8.

[66] ICPO October 28 Comments, p. 13.

[67] SACE October 28 Comments, p. 6.

[68] SACE October 28 Comments, p. 6.

[69] VEIC November 9 Comments, p. 9.

[70] LUMA November 4 Exhibit, p. 6.

ICPO recommends including as two possible activities for action-based performance metrics (a) the time taken for process completion and application acceptance for each program measure, and (b) EE and DR Program Plan milestone completion.

b) Discussion

The Energy Bureau agrees with LUMA and stakeholders that the Transition Period is meant to be a period of learning and improvement. While it is not appropriate to institute outcome-based metrics (e.g., energy savings, peak demand savings, GHG reductions) in the TPP, the EE Regulation requires LUMA to institute activity-based metrics. Such activity-based metrics will be designed to encourage timely and high-quality progress for key milestones without discouraging experimentation and learning.

Table 2 below lists 10 activity-based metrics and associated deadlines and allocations to be adopted by LUMA. The metrics represent key milestones for EE and DR program launch and, for simplicity and ease of application, each metric carries the same weight. With quality completion of each metric by the deadline, LUMA will earn 10 points for a total of 100 points across the 10 metrics. In other words, completion of each metric represents 10 percent of the total incentive pool for EE and DR, which will be established in Docket NEPR-AP-2020-0025. For example, if the total incentive pool for EE and DR is $2 million, then each metric completed would be worth $200,000.

LUMA will receive the allocation for completing the task on the timetable established and at a reasonable level of quality. The following section on Validation Methods details how LUMA will confirm it has met these standards. If LUMA does not complete the task on the timetable established or at the appropriate level of quality, no incentive will be awarded for the metric. Metrics 6 and 7 are critical and therefore the same metric appears twice, but with two different timing options. In this case, LUMA shall receive an additional incentive of 10 points (for 20 total points) for achievement of the metric one month sooner.

Table 2. Transition Period Performance Incentive Metrics

Metric	Deadline	Validation	Incentive Points
1. Contract with EE and DR Program Implementer	14 days after Order issuance, whichever occurs later	Contract date	10
2. Launch EE and DR Program Marketing	April 1, 2023	Program website live and functional Marketing launched and functional	10
3. File EE and DR Program Rate Rider	April 1, 2023	Filing date and completeness	10
4. Enroll Customers in Emergency DR Programs	April 15, 2023	Third-party aggregator agreements, images of outreach materials, and completed enrollments	10
5. Demonstrate Capability to Call Emergency DR Program Events	May 15, 2023	Report on successful dispatch of test event	10
6. Process EE Incentive Applications	July 1, 2023, or within 30 days of EE Rider approval, whichever occurs later	Report on first month of processing activity	10
7. Process EE Incentive Applications	August 1, 2023, or within 60 days of EE Rider approval, whichever occurs later		10
8. File Annual Report	October 28, 2023	Filing date and completeness	10
9. Stakeholder Meeting to Discuss Draft FY2025-FY2027 Three-Year Plan	December 2023	Meeting agenda and summary of key takeaways	10
10. File FY2025-FY2027 Three-Year Plan	March 1, 2024	Filing date and completeness	10
Total Achievable Points			**100**

2. Validation Methods

The Energy Bureau emphasizes that performance incentives are provided for timely and quality achievement of each metric.

a) Stakeholder Feedback

The Energy Bureau did not ask stakeholders for feedback on validation methods.

b) Discussion

The discussion below describes the Energy Bureau's validation method requirements.

The Energy Bureau **ORDERS** LUMA to:

- File the required validation support for each performance metric.

Metric Validation Methods

1) Contract with EE and DR Program Implementer. To meet this target, LUMA must have a signed EE and DR implementation contract with the implementation contractor by the required date. To demonstrate completion, LUMA shall submit the signed implementation contract to the Energy Bureau and have authorized work to begin on that date.

2) Launch EE and DR Program Marketing. At a minimum, marketing activities shall include a customer website and marketing, both of which shall be launched and functioning.

    a. The customer website shall provide information and a working phone number and email address for follow-up questions. Information included on the website shall include, but not be limited to:

        i. a description of EE and DR and its benefits to customers;

        ii. regulatory filings including the approved TPP, EE Rider, and quarterly and annual reports;

        iii. a description of costs, the role of the EE rider, and associated bill impacts;

        iv. a depiction and discussion of how the EE rider appears on a customer's bill;

        v. an overview of current and upcoming EE and DR programs with associated launch dates;

        vi. detail on the incentives available to customers for various measures;

        vii. instructions on how to apply for incentives, including any forms that the customer needs to submit and an email and/or physical address to submit them, and/or an entirely web-based process; and

        viii. links to other energy programs (e.g., WAP), especially those that provide additional support for low-income customers.

    b. Verification of marketing launch shall include:

        ix. images of marketing collateral;

        x. invoices for paid advertising; and

        xi. evidence that customers are receiving advertising (e.g., tracking of how customers heard about the programs).

3) File EE and DR Program Rate Rider. To meet this target, LUMA must file an EE Rider on or before April 1, 2023. The date on the filing will provide the evidence that this metric is met. The Energy Bureau will confirm that the materials provided in the filing are complete.

4) Enroll Customers in Emergency DR Programs. LUMA shall prioritize launch of emergency DR program offerings. The first part of this is demonstrating program availability and outreach to customers. Verification of customer enrollment shall include:

    a. agreements with third-party aggregators, including details about outreach and enrollment strategies;

    b. images of outreach materials and messaging; and

    c. completed customer enrollment forms.

5) Demonstrate Capability to Call Emergency DR Program Events. Verification shall include reporting on a successful test dispatch event, including the number of participants and the capacity dispatched.

6) Process EE Incentive Applications. LUMA can earn 10 points for processing incentive applications within 60 days of EE Rider approval and can earn 10 additional points (for a total of 20 points) for processing incentive applications within 30 days of EE Rider approval. Verification shall include a report on the number of customers served, number of incentive applications processed, number of rebate checks issued, and the cost associated with the rebate checks issued. The report shall summarize the first month of incentive processing activity.

7) File Annual Report. LUMA shall file an annual report by October 28, 2023. This report shall adhere to all guidance provided by the Energy Bureau on content and organization.

8) Stakeholder Meeting to Discuss Draft FY2025-FY2027 Three-Year Plan. LUMA shall provide the meeting agenda, including the meeting date, and summary of key takeaways from the meeting as verification.

9) File FY2025-FY2027 Three-Year Plan. LUMA shall file the FY2025-FY2027 Three-Year Plan by March 1, 2024. This report shall adhere to all guidance provided by the Energy Bureau on content and organization.

E. Funding and Cost Recovery

In its November 9, 2022 comments, LUMA clarifies that it does not intend to use its base budget for EE and DR programs after FY2023 of the TPP.[71] LUMA argues that, as programs grow and mature, administrative costs could exceed $15 million per year, and this growing expense would not be sustainable within LUMA's base budget.[72] LUMA further states that a balancing account mechanism should be established to account for the need to keep programs running in the event of oversubscription. LUMA's base budget cannot be scaled up if programs are more popular than expected and thereby incur additional administrative costs.

Also, in its November 9 comments and December 2 reply comments, LUMA describes a process for the timing of the launch of rebate programs and the implementation of an EE Rider. The process is summarized as follows:

1) The Energy Bureau issues the Final Order on the TPP, including an Order to LUMA that it must file an EE Rider when it has achieved milestones 2a through 2d below.

2) LUMA completes six milestones:

    a. Contract in place with an implementation contractor

[71] LUMA November 9 Exhibit, p. 16.

[72] LUMA November 4 Exhibit, p. 7.

b. Implementation contract has application intake, validation, and payment systems and processes in place to begin processing rebate applications

c. Marketing materials and ready for advertising program launch

d. Billing department is ready to implement the EE Rider on the bill

e. LUMA files the EE Rider with the Energy Bureau for approval

f. Implementation contractor begins outreach to contractors and others to provide orientation to the program

3) The Energy Bureau approves the EE Rider.

4) Programs launch:

a. Marketing campaign launches with notice that LUMA will begin receiving applications in one month.

b. LUMA begins accepting and processing applications and mailing checks.

Regarding the timing of EE Rider activation, LUMA's December 2 reply comments provide a Gantt chart that estimates that a rebate program could launch in June 2023, following an EE Rider application filing in April 2023 and EE Rider approval granted in June 2023.[73] LUMA also states in these comments that it is not necessary to "carefully choreograph" the timing of EE Rider implementation with program announcements.[74] Instead, LUMA suggests that the Energy Bureau implement the EE Rider at a time when there would be an overall net decrease in rates.[75]

a) Stakeholder Feedback

In its July 13, 2022, initial comments, SESA states that the "cost of EE and DR programs is dramatically lower than any form of centralized power generation, and is unquestionably the quickest, most effective way to lower everyone's power bills in Puerto Rico. Thus, we should not let budget constraints hamper LUMA's ability to ramp up these crucial initial EE & DR programs."[76] SESA encourages the Energy Bureau to move forward as soon as practical with implementation of a system benefit charge to provide funding for EE and DR programs.[77]

In its November 9, 2022, comments, SESA reiterates its concern that the TPP is "essentially unfunded."[78] SESA states that it agrees with other stakeholders that a reliable and immediate short- and medium-term source of funding "will be crucial to the development of full-scale EE and DR programs in Puerto Rico."[79] SESA encourages the Energy Bureau to explore federal funding streams, and to convene parties to seek these funds. SESA states that using an EE rider should not be favored, due to Puerto Rico's "political idiosyncrasy," and that use of a rider must be "thoroughly socialized and well understood by all stakeholders, including political actors."

---

[73] LUMA, December 2, 2022, *Motion to Submit Reply Comments Required in Orders of October 12, 220 and November 12, 2022: Exhibit 1* ("LUMA December 2 Exhibit"), p. 11.

[74] LUMA December 2 Exhibit, p. 10.

[75] *Id.*

[76] Solar and Energy Storage Association of Puerto Rico (SESA). July 13, 2022. *Comments by SESA on proposed EE and DR Transition Period Plan, Docket No. NEPR-MI-2022-0001*, p. 3.

[77] *Id.*

[78] SESA November 9 Comments, p. 3.

[79] *Id.*

In its July 13, 2022, initial comments, VEIC expresses a concern that the TPP is only partially funded. VEIC agrees with LUMA that "a reliable and long-term source of funding will be crucial to delivering full-scale EE and DR programs in Puerto Rico."[80] VEIC states that successful EE programs in the United States have stable mechanisms to collect funds from ratepayers, most commonly through a system benefits charge or through the utility rate base. VEIC encourages the Energy Bureau to work with LUMA and stakeholders to identify funding sources for the TPP and determine an appropriate and stable funding mechanism for the long term.

In its November 9, 2022 comments, VEIC reiterates its concern about the partial funding for the TPP and encouraged the Energy Bureau to work with LUMA and stakeholders to "demonstrate the many benefits of EE and build public support for an EE Rider."[81] VEIC expresses support for timing the rollout of an EE Rider (or similar funding mechanism) to "coincide with the launch of widely-available EE and DR programs that deliver real customer value."[82] VEIC does not support allocating funds from different sources (such as LUMA's base rates and the EE Rider) to be used for different purposes.

In its November 4, 2022, comments, ICSE states that EE and DR can be used to reduce the risk of blackouts and strengthen the electric system's overall resiliency, and that other sources of funds may be available to promote these outcomes.[83] Specifically, ICSE suggests that CDBG-DR funds may be appropriate and could support pursuit of EE goals without need for near-term ratepayer funds. ICSE urges the Energy Bureau to promote the use of such funds to meet its EE mandate under Act 19-2017.[84] ICSE states that an EE Rider may eventually be essential to expanding and perpetuating programs, and that a rider could maximize low-income customer participation.[85] ICSE urges the Energy Bureau to also consider capturing the operational savings associated with DR and other distributed energy resources and redirecting that savings to support further DR and distributed energy resource development, thereby potentially delaying the need for an EE Rider.[86]

In its October 28, 2022, comments, SACE states that the most fundamental concern it has with the Proposed TPP is the unresolved need for additional funding for implementation. SACE states that "[w]ithout a fully funded budget, it is unlikely that the public will have access to program offerings that lead to meaningful bill savings, which in turn could jeopardize public support for future efforts to achieve Puerto Rico's ambitious goal of reaching 30 percent efficiency savings by 2040. Now that the Transition Period has already begun, resolving this issue must be a top priority...."[87] SACE encourages LUMA to develop and implement programs that allow for and encourage broad participation, so that large numbers of customers see the benefits received in exchange for the ratepayer program funding.[88]

---

[80] VEIC July 13 Comments, p. 2.

[81] VEIC November 9 Comments, p. 2.

[82] *Id.*, p. 9.

[83] ICSE November 4 Comments, p. 1.

[84] *Id.*, p. 2.

[85] *Id.*, p. 6.

[86] *Id.*

[87] SACE October 28 Comments, p. 2.

[88] *Id.*

Regarding the use of the EE Rider, SACE states that "[u]ltimately, recovery of energy efficiency costs ought to be collected through rates like any other energy resource, rather than singled out for separate collection."[89] SACE also states that EE budgets should not be commingled with budgets for other utility programs and should cover all program costs, including administrative and customer incentive costs.[90]

Two commenters, ICPO and SACE, support the need for flexibility in funding. SACE states that "[e]nergy efficiency budgets should be developed and approved for multiple years at a time with a reasonable degree of flexibility to permit carrying funds over from one year to the next."[91] ICPO states that the specific amount of the EE Rider can be set annually but adjusted if needed in alignment with the processes for the purchased power cost and fuel cost riders (PPCA and FCA).[92]

In addition to written comments, the question of EE and DR program funding amounts, mechanisms, and processes was discussed during the workshops conducted on November 4, 2022, and November 16, 2022. During the workshops, stakeholders generally restate and support the opinions documented in their written comments. Regarding funding sources, stakeholders express concern about implementing an EE Rider before customers and leaders are aware of and educated about the benefits of EE, but also that delays in program launch related to funding concerns have been and are harmful to Puerto Ricans. Regarding annual budget reconciliation, stakeholders are generally in agreement with providing substantial flexibility to shift funds between program years, especially in the TPP when program acceptance, launch dates, and customer uptake of different programs is unknown.

b) Discussion

LUMA's Proposed TPP reflects the budget for FY2023 and FY2024 as shown in Table 3 below.[93]

Table 3. LUMA's Proposed FY2023 and FY2024 Budget

	FY2023			FY2024
Program	Total Planned Program Budget	Allocation of funds from existing rates	Incremental funds required from EE rider	Total Planned Program Budget
Residential Program	$2,250,000	$472,500	$1,777,500	$7,360,034
Commercial & Industrial Program	$4,603,789	$1,098,496	$3,505,293	$10,178,049
Education & Outreach Program	$1,500,000	$1,500,000	$0	$1,500,000
Cross-Cutting Planning, Admin & Startup Costs	$1,500,000	$1,500,000	$0	$1,500,000
Total Portfolio of Programs	$9,853,789	$4,570,996	$5,282,793	$20,528,083

[89] *Id.*, p. 6.

[90] *Id.*

[91] *Id.*

[92] ICPO October. 28 Comments, page 15.

[93] Proposed TPP, pp. 22 and 80.

This budget, and the Proposed TPP, assume that EE and DR program launch and implementation would occur during FY2023. For example, one-third of LUMA's estimated savings for the residential rebate program occur in FY2023.[94] However, in its December 2 reply comments, LUMA provides a Gantt chart showing rebate program launch in June 2023.[95] This shift in timing appears to reflect a delay in completion of contracting with an implementation contractor, such that the contractor would not begin work on rebate application systems and marketing materials until March 2023.

A delay in program launch timing is reflected LUMA's activity-based performance incentive metrics in the Performance Incentive section. The other primary implication of this delay is a change in the amount of funds required in FY2023. As LUMA states, its annual budgets are fixed, so the change in budget to account for this delay would be reflected entirely in the EE Rider portion of the FY2023 budget. Because rebates will not be issued in FY2023, it is likely that no EE Rider is required for FY2023 at all and the appropriate time for transition between LUMA's budget and the EE Rider is July 1, 2023, the transition from FY2023 to FY2024.

The Energy Bureau **ORDERS** LUMA to:

- Administer a lower annual budget for FY2023 EE and DR programs of $4.57 million.
- Fund FY2024 of the TPP using the EE Rider, except to the extent that LUMA (1) decides to apportion some of its base budget to support EE and DR programs, and files as such in its EE Rider filing for FY2024 (expected on or about April 1, 2023), (2) carries over unspent funds from its FY2023 EE and DR budget, and/or (3) external funding is secured to displace EE Rider funds.
- File the EE Rider on or before April 1, 2023 which:
    1) Addresses exhaustion of the FY2023 budget funding from its base budget before the end of the fiscal year (if this is anticipated to be an issue);
    2) Is designed to raise the necessary revenue to fund FY2024 programs, accounting for external or LUMA funds;
    3) Reflects LUMA's best estimate of the total sales expected in FY2024, for use in calculating the EE Rider rate; and
    4) Reflects any changes that LUMA requests regarding the FY2024 budget (for example, with regards to changes to its DR programs).

The Energy Bureau notes that the process for implementing the EE Rider described here is not contingent on the achievement of LUMA's milestones for program launch, as described in LUMA's November 9 and December 2 comments. The EE Rider must go into effect no later than July 1, 2023, in order to maintain program funding. The Energy Bureau **WARNS** LUMA that failure to meet this timeframe will jeopardize the success of EE and DR programs and the substantial long-term benefits they will provide to Puerto Rico, and the Energy Bureau will not look favorably upon any further delays in this area.

---

[94] Proposed TPP, p. 20.

[95] LUMA December 2 Exhibit, p. 11.

V. Summary of Order

LUMA's proposed EE and DR programs represent a reasonable and appropriate launch of such programs in Puerto Rico. The Energy Bureau **APPROVES** the Proposed TPP with modifications, and **ORDERS** LUMA to launch and implement the programs as written in the TPP, apart from the specific changes discussed in the body of this order and summarized in the table below.

Subsections	Orders
Program Administration	
Management	1. Report overspending or underspending of more than 20 percent, relative to the FY24 program budgets in the Proposed TPP, by program and/or for the portfolio as soon as it is identified; 2. Include a detailed explanation for any differences of more than 20 percent between planned and actual spending by the program affected and/or for the portfolio as a whole; 3. Propose and implement shifts in funds between programs, including where necessary between fiscal years, to maintain reasonable levels of program continuity;
Branding	4. Conduct the necessary market research during the TPP with the objective of developing an EE and DR brand under which programs will be marketed in the FY2025-FY2027 EE Plan; 5. Coordinate with the Green Energy Trust, DDEC, Vivienda, and other stakeholders in developing the EE and DR brand so that those agencies also approve of using the shared branding;
Stakeholder Collaboration	6. Consult the Table 1 Transition Period Report and Filing Schedule in this Resolution and Order for timing and sequencing of important reporting and stakeholder engagement milestones; 7. Once the Energy Bureau's stakeholder working group is established, conduct its formally required stakeholder meetings through that group; until that point LUMA is to convene stakeholders using its own or others' processes; 8. Continue to engage informally with stakeholders to inform its program design, implementation, marketing, and other important topics;
Program Design	
Education and Outreach	9. Coordinate with stakeholders, including Green Energy Trust, DDEC, and Vivienda, on customer education and outreach efforts; 10. Develop and launch a customer-facing website which provides resources about EE and DR technologies and how to access EE and DR in Puerto Rico;
Low-Income Programs	11. Provide low-income customers with higher incentives than are available for non-low-income customers; 12. Leverage eligibility data to target programs to low-income customers if income eligibility screening is feasible during the Transition Period; 13. Use the low-income energy assistance rate to identify participants who are low-income versus non-low-income if income screening is not feasible; 14. Geotarget in-store discount programs in stores in low-income areas; 15. Coordinate with the WAP and explore additional options to expand low-income access to EE and DR during the TPP, such as by installing free, lower-cost measures such as LEDs and faucet aerators for low-income bill assistance customers, customers in arrears, and food bank visitors;

Subsections	Orders (cont'd)
Program Design	
DR Programs	16. Develop an emergency battery DR program for existing residential and commercial customers, for launch in FY2023, to be part of or operated in parallel with its proposed emergency DR program; 17. Leverage the capabilities of third-party aggregators to launch this program; 18. Ensure the per-kWh incentive offered through this emergency DR program is set consistent with Section 3.01 (B) of the DR Regulation; 19. Provide customers with additional flexibility during extreme weather events, to enable them to use their batteries for resilience; 20. File a revised DR portion of the TPP after the emergency battery DR program launches, with updates that are well coordinated and integrated with the emergency DR program;
Financing	21. Conduct the necessary research and road-mapping process during the TPP with the objective of including programs under Section 4.06(E) of the EE Regulation in the first Three-Year EE Plan, and with the goal of program availability to customers during FY2025; 22. Consult with DDEC, potential capital providers and programs both in Puerto Rico and via the federal government, utilities that have launched on-bill repayment and pay-as-you-save programs, and other stakeholders, as part of its research and road-mapping process; 23. Include a detailed report on its research and road-mapping work, as well as its progress toward the launch of Section 4.06(E) programs, in each quarterly report required by Section 2.02(E)(1) of the EE Regulation;
Subsections	Orders (cont'd)
Reporting	
Report Timing and Frequency	24. Deliver quarterly and annual reports on a fiscal year schedule; 25. Align report filing dates for FY2023 and FY2024; 26. Produce annual reports within 120 days following the end of the program year as required by the EE Regulation; 27. Adopt the updated reporting schedule as shown in Table 1: Transition Period Report and Filing Schedule;
Report Data	28. Review and provide input on the Energy Bureau's data reporting templates for its quarterly and annual reports; 29. Until such time as the reporting templates are available, report on all metrics identified in Section 6 of the Proposed TPP;
Performance Incentives	
Validation Methods	30. File the required validation support for each performance incentive;

Funding	
Funding and Cost Recovery	31. Administer a lower annual budget for FY2023 EE and DR programs of $4.57 million; 32. Fund FY2024 of the TPP using the EE Rider, except to the extent that LUMA (1) decides to apportion some of its base budget to support EE and DR programs, and files as such in its EE Rider filing for FY2024 (expected on or about April 1, 2023), (2) carries over unspent funds from its FY2023 EE and DR budget, and/or (3) external funding is secured to displace EE Rider funds; and 33. File the EE Rider on or before April 1, 2023 which: a. Addresses exhaustion of the FY2023 budget funding from its base budget before the end of the fiscal year (if this is anticipated to be an issue); b. Is designed to raise the necessary revenue to fund FY2024 programs, accounting for external or LUMA funds; c. Reflects LUMA's best estimate of the total sales expected in FY2024, for use in calculating the EE Rider rate; and d. Reflects any changes that LUMA requests regarding the FY2024 budget (for example, with regards to changes to its DR programs).

Be it notified and published.

Edison Avilés Deliz
Chairman

Lillian Mateo Santos
Associate Commissioner

Ferdinand A. Ramos Soegaard
Associate Commissioner

Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on February 16, 2023. I also certify that on February 16, 2023 a copy of this Resolution and Order was notified by electronic mail to agraitfe@agraitlawpr.com, info@sesapr.org; elevin@veic.org; ana.rodriguezrivera@us.dlapiper.com, laura.rozas@us.dlapiper.com; jmarrero@diazvaz.law, hrivera@jrsp.pr.gov. I also certify that today, February 16, 2023, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

For the record, I sign this in San Juan, Puerto Rico, today February 16, 2023.

Sonia Seda Gaztambide
Clerk

NEGOCIADO DE ENERGÍA DE PUERTO RICO
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO