

**COMMONWEALTH OF PUERTO RICO
PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO ENERGY BUREAU**

NEPR
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IN RE:
ENERGY EFFICIENCY AND DEMAND
RESPONSE TRANSITION PERIOD PLAN

CASE NO.: NEPR-MI-2022-0001

SUBJECT: Urgent Motion Requesting
Determination Regarding the Revised EE Rider
Petition and Clarifying the Calculated Factor
in the Revised EE Rider Petition Submitted
on May 19, 2023

**URGENT MOTION REQUESTING DETERMINATION REGARDING THE REVISED
EE RIDER PETITION AND CLARIFYING THE CALCULATED FACTOR IN THE
REVISED EE RIDER PETITION SUBMITTED ON MAY 19, 2023**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME now **LUMA Energy, LLC** (“ManagementCo”), and **LUMA Energy ServCo, LLC** (“ServCo”), (jointly referred to as “LUMA”), and respectfully states and requests the following:

I. Background

1. On December 10, 2020, this honorable Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) adopted the Regulation for Demand Response (“Regulation for DR”)¹ requiring, among others, that the Puerto Rico Electric Power Authority (“PREPA”) or its successor, LUMA, file with the Energy Bureau a Three-Year Demand Response Plan (“Three-Year DR Plan”) by a specified date. *See* Regulation 9246, Section 3.02(C)(1)(a).2.

2. On April 21, 2021, the Energy Bureau issued a Resolution and Order commencing the proceeding in docket NEPR-MI-2021-0006, *In Re: Demand Response Plan Review, Implementation and Monitoring* (“DR Proceeding”) and, among others, ordering PREPA and

¹ Regulation for DR, December 21, 2020, Regulation 9246.

LUMA to attend a Technical Conference to begin the discussion related to the Three-Year DR Plan.

3. On June 15, 2021, the Energy Bureau held a Technical Conference in the DR Proceeding at which LUMA proposed a phased and integrated Energy Efficiency (“EE”) and Demand Response (“DR”) program development approach that responded to the requirements in the proceeding. The reduction of separate filings should result in a more cost and time-efficient process for both LUMA and the Energy Bureau.

4. On January 21, 2022, the Energy Bureau published the final version of the Regulation for Energy Efficiency (“EE Regulation”)², requiring, among others, that PREPA or its successor, LUMA, file with the Energy Bureau a plan to implement “quick start” EE programs during a two-year transition period (this period the “Transition Period”, and the plan, the “TPP”) by a specified date. *See* Regulation 9367, Section 2.01.

5. On February 1, 2022, this Energy Bureau issued a Resolution and Order in the DR Proceeding in which it expanded the scope of that proceeding to include EE alongside DR, established a new deadline to submit both the Three-Year DR Plan and the EE TPP of June 6, 2022, and scheduled a Technical Workshop to discuss, among others, LUMA’s plans for the development and launch of quick-start EE and DR programs and other types of activities to undertake during the Transition Period.

6. On March 9, 2022, the Energy Bureau held a Workshop at which LUMA proposed and the Energy Bureau approved, filing a proposed integrated EE and DR TPP (“EE and DR TPP”) by the June 2022 deadline.

² The EE Regulation was at the time assigned the number 9354 by the Puerto Rico State Department. Regulation number 9354 was subsequently annulled, and the EE Regulation was resubmitted to the State Department and approved by the Puerto Rico Department of State on March 25, 2022, being assigned number 9367.

7. On June 8, 2022, the Energy Bureau issued a Resolution and Order granting a request from LUMA to extend the filing deadline for the proposed EE and DR TPP until June 21, 2022, and scheduling a Workshop on the proposed EE and DR TPP to be held on June 29, 2022.

8. In response to the Energy Bureau's requirements in the DR Proceeding, on June 21, 2022, LUMA, filed with the Energy Bureau the proposed EE and DR TPP for the launch of quick-start EE and DR programs ("Proposed TPP") See *Motion Submitting Proposed EE/DR Transition Period Plan* of that date ("June 21st Motion").

9. The Proposed TPP included a portfolio of EE, DR, and supporting education and outreach programs developed for the Transition Period Plan. See June 21st Motion, Exhibit 1. In selecting the programs for the Proposed TPP, LUMA consulted with public and private stakeholders and was mindful of the overarching goals for EE from Act 57-2014, known as the Puerto Rico Energy Transformation and Relief Act, as amended, and Act 17-2019, known as the Puerto Rico Energy Public Policy Act ("Act 17-2019"). The Proposed TPP portfolio was designed to include programs that could be launched quickly and achieve savings at the scale of 0.1% of annual sales in Program Year 1 and 0.25% in Program Year 2 as per the targets set in the EE Regulation, although these are not binding energy savings targets. See June 21st Motion, Exhibit 1, page 10, and Regulation 9367, Section 2.02(A).

10. The Proposed TPP included a series of programs to help meet those goals, including:

- i) an **Education and Outreach Program**, comprised of educational tools, information resources and outreach initiatives to increase customer and stakeholder understanding of EE and DR technologies for achieving energy bill savings (*see id.* at page 28);
- ii) a **Residential Energy Efficiency Rebate Program**, providing customers with a financial incentive for purchasing and installing high-efficiency equipment from a list of eligible measures (*see id.* at page 32);
- iii) a

Battery Demand Response Program, targeting residential customers with behind the meter (“BTM”) batteries and providing incentives for load shifting to batteries during DR event periods (a program that will allow for the creation of **Virtual Power Plants (VPP)**); iv) an **In-Store Discount Program** building on the Residential Rebate program by offering an additional delivery channel through in-store point-of-sale discounts on eligible measures at participating retail stores (*see id.* at page 42); v) a **Business Energy Efficiency Rebates Program** offering customers a financial incentive for purchasing and installing eligible measures (e.g., HVAC, lighting, appliances, among others); the prescriptive financial incentive (\$/unit) offered would be of roughly 30%-50% of incremental cost for each eligible measure to help defray the up-front cost of the measure to commercial and industrial customers (*see id.* at page 48); vi) an **Emergency Demand Response**³ Program in which participants will be provided a financial incentive to voluntarily shift load to back up generators or BTM batteries during emergency events (*see id.* at page 52); and vii) an **Economic Demand Response Program**, including voluntary load reduction and/or load shifting during DR events triggered by economic conditions (high energy prices) and offering an energy compensation payment (\$/kWh) to customers for reducing energy use during peak demand periods relative to baseline energy use or for shifting load to any eligible storage device on site (e.g., thermal energy storage or batteries) (*see id.* at page 57).

11. On June 28, 2022, the Energy Bureau issued a Resolution and Order initiating the instant proceeding for the review of the Proposed TPP.

12. On June 29, 2022, the Energy Bureau held a Workshop at which LUMA presented a summary of the Proposed TPP.

³ As explained further below, this program and the Battery Demand Response Program were subsequently consolidated into one program.

13. On September 29, 2022, the Energy Bureau issued a Resolution and Order scheduling a Technical Conference for November 4, 2022; informing that it would be issuing questions to the public and LUMA regarding the Proposed TPP; and establishing a deadline of November 14, 2022 to submit reply comments following the Technical Conference.

14. On October 12, 2022, the Energy Bureau issued a Resolution and Order (“October 12th Order”) requesting responses by October 28, 2022 from LUMA and/or stakeholders to questions regarding the Proposed TPP, set forth in Appendices A and B to the October 12th Order.

15. After other procedural events, on November 2, 2022, the Energy Bureau issued a Resolution and Order extending the deadline to submit responses to Appendices A and B of the October 12th Order, to November 4, 2022 and November 9, 2022, respectively, scheduling a Technical Conference for November 16, 2022, and establishing a new deadline to submit reply comments of November 30, 2022. The Energy Bureau also determined to hold a workshop on November 4, 2022, to discuss the questions in Appendix A.

16. On November 4, 2022, the Energy Bureau held a workshop to discuss the questions in Appendix A of the October 12th Order. Also on that date, LUMA submitted to the Energy Bureau its responses to Appendix B of the October 12th Order. *See LUMA’s Motion to Submit Responses to Requests for Information in Appendix B of Resolution and Order of October 12, 2022*, of that date.

17. On November 9, LUMA submitted to the Energy Bureau its responses to Appendix A of the October 12th Order. *See LUMA’s Motion to Submit Responses to Requests for Information in Appendix A of Resolution and Order of October 12, 2022*, of that date.

18. On November 16, 2022, the Energy Bureau held a Technical Workshop (“November 16th Workshop”) regarding the Proposed TPP in which the Energy Bureau’s

consultants gave a presentation and led a discussion on the responses received by the Energy Bureau to Appendix A of the October 12th Order. In the November 16th Workshop, there was stakeholder consensus on the idea that a stable, predictable, known funding source is a critical component to the success of the EE and DR programs.

19. On December 2, 2022, LUMA submitted its reply comments as required by the September 29th Order, as revised by the November 2nd Order.⁴ *See Motion to Submit Reply Comments as Per Orders of October 12, 2022, and November 2, 2022*, of that date.

20. On February 16, 2023, the Energy Bureau issued a Resolution and Order (the “February 16th Resolution and Order”) in which it considered, amended, and approved the Proposed TPP, containing the EE and DR Programs to be implemented by LUMA during the Transition Period (the “Approved TPP”) and directed LUMA to file an Energy Efficiency Rider (“EE Rider”). In the February 16 Resolution and Order, the Energy Bureau also established (i) deadlines for various activities under the Approved TPP, including for filing the EE Rider and for the EE Rider to enter into effect; (ii) Performance Incentives Metrics for various activities related to the Proposed TPP tied to specified deadlines; and (iii) requirements and deadlines relating to reporting. In addition, in the February 16th Resolution and Order, the Energy Bureau also ordered LUMA to develop the Emergency Battery Demand Program “for existing residential and commercial customers, to be part of or operated in parallel with” the Emergency Demand Response Program, which leads to the creation of VPPs. *See id.* at page 15.

21. The Energy Bureau also ordered LUMA to fund the Approved TPP’s EE and DR programs for FY2024 through the EE Rider (except to the extent that LUMA “decides to apportion some of its base budget to support EE and DR programs, and files as such in its EE Rider filing

⁴ This, after LUMA had filed on November 23, 2022 a *Motion to Request Extension to Submit Reply Comments Required in Orders of October 12, 2022 and November 2, 2022*.

for FY2024 [...] carries over unspent funds from its FY2023 EE and DR budget, and/or [...] external funding is secured to displace EE Rider funds”). See February 16th Resolution and Order on pages 27, 28 and 30.

22. On March 8, 2023, LUMA filed a motion requesting reconsideration of the performance incentive metrics and certain deadlines in the February 16th Resolution and Order. See *Motion for Reconsideration of Resolution and Order of February 16, 2023, and Request to Vacate Deadlines* of that date (“March 8th Motion”). In this motion LUMA indicated that, notwithstanding the request for reconsideration, it anticipated it would be filing the EE Rider by the deadline established in the February 16th Resolution and Order. See March 8th Motion at page 44.

23. On April 3, 2023, the Energy Bureau issued a Resolution and Order (“April 3rd Resolution and Order”) in which, among others, it granted in part LUMA’s requests in the March 8th Motion by vacating the performance incentives in the February 16th Resolution and Order (see April 3rd Order on page 12) and ordered LUMA to file the EE Rider petition on or before April 11, 2023 (see *id.* at page 5). The Energy Bureau ordered LUMA to include in the EE Rider petition the program summaries and budgets in accordance with the Approved TPP. See *id.* The Energy Bureau also established deadlines related to the implementation of the Emergency Demand Response Program and processing of EE incentive/rebate applications, among others. See *id.* at page 6.

24. In compliance with the February 16th Resolution and Order and the April 3rd Resolution and Order, on April 11, 2023, LUMA filed a *Motion to Submit EE Rider* (“April 11th Motion”) which included, as Exhibit 1, a narrative discussion of the background and supporting information for the EE Rider calculated factor and an excel table containing the EE Rider’s

calculated factor for FY2024 and supporting information (collectively, the “EE Rider Petition”). The EE Rider used for the calculated factor discussed in the referenced Exhibits 1 and 2 is the EE Rider approved in 2017 by the Energy Bureau in Case No. CEPR-AP-2015-0001, *In RE: Puerto Rico Electric Power Authority Rate Review*,⁵ that is included in the current PREPA Tariff Book.⁶ In the EE Rider Petition, LUMA indicated that it did not propose apportioning a part of its base budget to fund the TPP programs for FY 2024, and, therefore, the entire budget of \$20,538,083 for these programs would be fully funded by the EE Rider. *See* EE Rider Petition, Exhibit 1, page 4. LUMA also indicated that (i) it was in discussions with the government regarding possible funding for these programs, (ii) at that time the government had not committed any funding, and (iii) if funding is committed, the amount of funding required for the EE Rider for FY 2024 could be reduced in proportion to the actual amount of funding.

25. On May 5, 2023, the Energy Bureau held a Technical Conference (“May 5th Technical Conference”) to discuss the EE Rider Petition filed by LUMA during which the Energy Bureau issued a bench order (the “May 5th Bench Order”) requiring LUMA to file, by May 19, 2023, a revised Exhibit 1 to the EE Rider Petition and, among others, to revise the program descriptions to combine the Emergency Demand Response and Battery Demand Response programs into a single program. The Energy Bureau also ordered LUMA to file a translation of

⁵ *See* Final Resolution and Order of January 10, 2017, CEPR-AP-2015-0001, *In Re: Puerto Rico Electric Power Authority Rate Review*; *see also* Resolution and Order of September 27, 2019, CEPR-AP-2015-0001, *In Re: Puerto Rico electric Power Authority Rate Review*, at page 1 (wherein the Energy Bureau cites the January 10th Resolution and Order in stating that it “approved several riders designed to recover costs associated to fuel, purchased power, Contribution in Lieu of Taxes (“CILT”) and other subsidies, as part of the [PREPA] Permanent Rate” and that these rates included the “Energy Efficiency Rider”).

⁶ *See* Resolution and Order of Resolution and Order of May 31, 2017, CEPR-AP-2015-0001, *In RE: Puerto Rico Electric Power Authority Rate Review* (wherein the Energy Bureau approved the revised the Tariff Book presented by PREPA in that same docket on May 19, 2022, which included the EE Rider, and ordered PREPA to implement the Permanent Rate as detailed therein).

Exhibit 1 of the EE Rider Petition.

26. During the May 5th Technical Hearing, LUMA representatives requested the Energy Bureau provide its determination on the April 11th EE Rider Petition at least ten (10) days prior to the rate implementation deadline of July 1, 2023, to allow for sufficient time for testing and to reduce risks to the system given other rider changes and programmatic and administrative functions that happen within LUMA's billing system during such time period.

27. On May 19, 2023, in compliance with the May 5th Bench Order, LUMA filed a *Motion to Submit Revised Exhibit 1 to EE Rider Petition and Translation Thereof, in Compliance with Bench Order of May 5, 2023* ("May 19th Motion") in which it submitted revised Exhibits 1 and 2 of the EE Rider Petition, as Exhibits 1 and 2 of the May 19th Motion. In the May 19th Motion, LUMA also explained that the revised Exhibits 1 and 2, along with the April 11th Motion, constitute the revised EE Rider Petition ("Revised EE Rider Petition"). The revised Exhibit 1 included the consolidation of the Emergency Demand Response and Battery Demand Response programs into one program as required by the Energy Bureau in the May 5th Bench Order. The Revised EE Rider Petition continued to contemplate that the entire budget of \$20,538,083 for the FY2024 programs would be fully funded by the EE Rider ordered in the April 3rd Resolution and Order. *See Revised EE Rider Petition, Exhibit 1, page 4.*

28. On June 9, 2023, LUMA filed a translation of Exhibit 1 of the Revised EE Rider Petition. *See Motion to Submit Translation of Revised Exhibit 1 to EE Rider Petition in Compliance with Bench Order of May 5, 2023* of that date.

II. Request for Urgent Determination regarding the Revised EE Rider Petition

29. The adoption, implementation and deployment of EE and DR measures is a central objective of Puerto Rico's energy public policy. *See Article 6.29B of Act 57-2014, as amended.*

As operator of the island's transmission and distribution system, LUMA must act in accordance with Puerto Rico's public energy policy, including EE and DR.

30. As outlined by the Energy Bureau in its Energy Efficiency Regulation, EE “provides a mechanism to assist individual customers to decrease their consumption of electricity, thereby lowering their energy bills” and “reduces the cost of the electric system as a whole.” *See* Regulation 9397 at p. 4. By the February 16 Resolution and Order, the Energy Bureau approved the TPP and ordered LUMA to launch and implement the programs as written in the Approved TPP, apart from the specific changes discussed in such Resolution and Order.

31. The Approved TPP outlines the multiple programs and activities that, when available, can empower customers and foster a cleaner energy system, reduce energy consumption, and lower customers' energy bills across Puerto Rico.

32. As mentioned, for implementation of the comprehensive EE and DR and programs in the Approved TPP a proposed budget for FY2024 of \$20,538,083 which under the Revised EE Rider Petition is proposed to be fully funded by the EE Rider.

33. The success of the Approved TPP, or any EE and DR program in general, is dependent on the availability of a predictable and identifiable source of funding

34. As directed by the Energy Bureau through its February 16 Resolution and Order, LUMA has been in continuous communication with government agencies to identify areas of collaboration, including through state or federal funds for the implementation of the Approved TPP. *See* Exhibit 1 to this Motion. Notwithstanding the government's optimism in leveraging disaster recovery and federal funding opportunities, the amount and timeline of availability of government funds for the implementation of the Approved TPP in FY2024 remains uncertain. *See* Exhibit 2 to this Motion.

35. Given the aforementioned, government funding will not be available for LUMA to proceed with the implementation of the Approved TPP by July 1, 2023. The only currently available funding mechanism is the EE Rider requested by the Energy Bureau and currently under consideration as part of the Revised EE Rider Petition. If implemented, the EE rider would provide the funding needed to implement the Approved TPP in FY2024.

36. Nonetheless, as of the date of this motion, a determination regarding LUMA's Revised EE Rider Petition is pending by the Energy Bureau. Without such determination, and absent a confirmed alternative source of funds, as outlined above, LUMA cannot proceed with the implementation of the Approved TPP for FY2024.

37. LUMA understands that the Energy Bureau must weigh several factors in determining the implementation of the EE Rider, including the impact on customers. In accordance with the law, the EE Rider provides funding to support proposed customer programs, such as Residential and Business Energy Efficiency Rebate Programs, which are in place to foster a cleaner energy system, reduce energy consumption and lower customers' energy bills across Puerto Rico.

38. The introduction of an EE Rider or any additional charge requires careful consideration by the Energy Bureau and LUMA continues to support the Energy Bureau in making an informed decision by providing relevant data and analysis, as ordered. The EE Factor cost would be 0.001328 cents per kWh. The impact on a typical residential customer bill with consumption of 400 kWh would be close to 50 cents per month, or \$6 over the course of 12 months from July 2023 through June 2024.

39. Accordingly, given the aforementioned circumstances, LUMA respectfully reiterates its request for the honorable Energy Bureau to issue a determination with regards to the Revised EE Rider Petition.

40. In addition, as mentioned during the May 5th Technical Conference, there are programmatic and administrative functions within LUMA's billing system (all of which require consolidation of various activities and careful coordination) that must occur before the revised EE rider can be reflected in customer bills. A prompt determination by the Energy Bureau regarding the Revised EE Rider Petition will help avoid delays in the deployment of the Approved TPP and would provide customers with access to EE and DR programs beginning in FY2024.

41. LUMA also reiterates that, to the extent alternative funding sources are identified, obligated, and disbursed to LUMA by the relevant state or federal government entities for purposes of funding the Approved TPP during FY2024, LUMA will promptly submit to the Energy Bureau the appropriate revisions to the EE Rider such that the EE Rider may be reduced proportionately to the funding received.

III. Clarification and Reconciliation of the Revised EE Rider Calculated Factor

42. LUMA takes this opportunity to respectfully clarify and reconcile the apparent discrepancy between the EE Rider calculated factors reflected in the Revised EE Rider Petition and the June 20, 2023, filing made by LUMA in Case No. NEPR-MI-2020-0001, *In Re: Puerto Rico Electric Power Authority Permanent Rate* ("Permanent Rate Case").

43. The revised EE Rider's calculated factor of \$0.001328 reflected in the June 20th filing in the Permanent Rate Case is based on the same formula as in LUMA's Revised EE Rider Petition.

44. However, the calculated factor included in the Revised EE Rider Petition was presented as \$0.00133, which corresponds to the rounded number of the EE Rider filed in the Permanent Rate Case on June 20, 2023.

45. The calculated factor of \$0.00133 per kWh in Exhibits 1 and 2 of the Revised EE Rider Petition is the result of the division of the Estimated Total Cost of EE Programs for 2024 by the then-available Estimated Retail kWh sales for FY2024. This amount was rounded to the fifth decimal place. The complete non-rounded calculated factor is \$0.001328, consistent with LUMA's June 20, 2023, filing in the Permanent Rate Case. The full \$0.001328 calculated factor can be found in the excel spreadsheet included in Exhibit 2 of the Revised EE Rider Petition by changing the format of the cell with the EE Factor for July 2023 to June 2024 in Attachment 1 to provide for six (6) decimal places.

46. Accordingly, the differences between the calculated factors in the Revised EE Rider Petition and LUMA's June 20th filing in the Permanent Rate Case is due to formatting differences in the excel workbooks. Because both filings apply the same calculation formula and result in the same calculated factor when correcting for the formatting inconsistency, LUMA respectfully submits that such differences do not warrant the submission of a new or revised EE Rider petition and that the Energy Bureau can proceed with a final determination with regards to the Revised EE Rider Petition.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned and **urgently issue** a determination regarding LUMA's Revised EE Rider Petition such that LUMA can proceed with the implementation of the Approved TPP.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 29th day of June 2023.

We hereby certify that we filed this Motion using the electronic filing system of this Energy Bureau and that we will send an electronic copy of this Motion to agraitfe@agraitlawpr.com; JavRua@sesapr.org; jordgraham@tesla.com; forest@cleanenergy.org; mcrea.dunton@sunnova.com; gabriel.ojedaperez@sunrun.com; mrios@arroyorioslaw.com; the attorneys for PREPA at jmarrero@diazvaz.law and mvazquez@diazvaz.law; and the Independent Office for Consumer Protection at hrivera@jrsp.pr.gov.



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Laura T. Rozas
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Exhibit 1
Request for Identification of Funds

June 26, 2023

To: Office of the Governor

Attention: Eng. Francisco Berrios Portela
Assistant Secretary for Energy Affairs
63 C. de la Fortaleza
San Juan, Puerto Rico 00901

RE: Request for Identification of Funds in Lieu of the Energy Efficiency Charge ordered by Puerto Rico Energy Bureau

Dear Assistant Secretary:

As operator of the island's transmission and distribution system, LUMA must act in accordance with Puerto Rico's public energy policy, including energy efficiency ("EE") and demand response (DR) as required by law and specified by the Puerto Rico Energy Bureau ("Energy Bureau"). LUMA developed a portfolio of proposed energy efficiency, demand response, and education and outreach programs for an Energy Efficiency and Demand Response Transition Period Plan ("TPP") that has a budget amount of **\$20,538,083** for the Fiscal Year 2024 ("FY24"). As you may know, the Energy Efficiency Charge ("EE Charge") is a mechanism to recover all expenses associated with the implementation of energy efficiency and demand response programs ("Programs") by LUMA Energy as part of its O&M Services. As ordered by the Energy Bureau, these Program costs will be recovered through a per kilowatt-hour ("kWh") charge for all customers.

On June 22, 2023, the Energy Bureau issued a [Resolution and Order](#) requesting LUMA to "on or before 12:00 p.m. on Monday, June 26, 2023, INFORM AND EXPLAIN whether it has coordinated with the Government of Puerto Rico or the Federal Government on the possibility of raising additional federal or state funds in addition to those presented on May 16, 2023, motion in Case No.: NEPR-MI-2021-0004, In re: LUMA's Initial Budgets, to cover the amount required for the EE Charge for FY24."

LUMA has been in multiple conversations with the Energy Public Policy Program ("EPPP") of the Department of Economic Development and Commerce ("DEDC") to identify areas of collaboration, including through state or federal funds for the implementation of the TPP and Electric Vehicle programs. DEDC has expressed their intent to collaborate with LUMA. However, as of today, LUMA has not received guidance on program requirements or timelines regarding available funds.

LUMA is requesting confirmation of state or federal funds that may be used to cover the expenses associated with the implementation of the TPP. If those funds are actually committed and LUMA can utilize the funds starting on July 1, 2023 the amount required for the EE Charge for FY 2024 could be reduced.



Without a reliable funding source, LUMA will not be able to carry out the activities in the TPP approved by Energy Bureau for FY2024.

If you have any questions, do not hesitate to contact us.

Respectfully,

A handwritten signature in blue ink, appearing to read 'M. H. Rivera', written over a light blue horizontal line.

María Hilda Rivera

Grid Modernization Director

Exhibit 2

Response to Request for Identification of Funds



GOVERNMENT OF PUERTO RICO
CHIEF OF STAFF OFFICE

June 28, 2023

María Hilda Rivera
Grid Modernization Director
LUMA Energy

RE: Request for Identification of Funds in Lie of the Energy Efficiency Charge ordered by Puerto Rico Energy Bureau

Dear Director Rivera,

Reference is hereby made to your letter dated June 26, 2023 regarding the request for identifying funds to cover the expenses associated with the implementation of the Energy Efficiency and Demand Response Transition Period (TPP) for FY2024.

We recognize the importance of energy efficiency implementations as part of the existing public energy policy that is established under Act 17-2019. These implementations will represent a direct impact in benefit of the consumers by optimizing the available energy sources and reducing the demand of the system.

As Puerto Rico is having an unprecedented allocation of funds related to disaster recovery and federal opportunities, including multiple for the energy sector, we are optimistic that we will be able to identify alternative funding options that will effectively advance our energy efficiency goals while avoiding the impact on customers.

Our team will work to identify the requested budget within the multiple potential opportunities and expect to provide you with a response during the next 30 days.

Sincerely,

Francisco Berríos Portela, PE
Deputy Chief of Staff | Energy Affairs