

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

IN RE: PUERTO RICO ELECTRIC POWER
AUTHORITY'S PERMANENT RATE

CASE NO.: NEPR-MI-2020-0001

SUBJECT: Resolution pertaining to *SESA Request for PREB Authorization for LUMA to Move Forward with Energy Efficiency and Demand Response Program*, filed by the Solar and Energy Storage Association of Puerto Rico.

RESOLUTION

On June 30, 2023, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order through which it established the annual factors for the for the CILTA,¹ SUBA-HH,² and SUBA-NHH³ Riders, to be implemented from July 1, 2023 to June 30, 2024, and the annual reconciliations for the referenced riders ("June 30 Resolution"). In addition, through the June 30 Resolution, the Energy Bureau maintained the factors from the previous quarter for the FCA,⁴ PPCA,⁵ and FOS⁶ Riders, to be implemented from July 1 to July 31, 2023. Further, the Energy Bureau established that the Energy Efficiency ("EE") Rider would not go into effect during the month of July 2023 since the Government of Puerto Rico was managing the \$20,538,083 required for energy efficiency and demand response programs for Fiscal Year 2024. Thus, the Energy Bureau determined to suspend the EE Charge for the month of July 2023.

On June 30, 2023, the Solar and Energy Storage Association of Puerto Rico ("SESA") filed a document titled *SESA Request for PREB Authorization for LUMA to Move Forward with Energy Efficiency and Demand Response Program* ("June 30 Motion"). Through the June 30 Motion, SESA requested that the Energy Bureau urgently authorize LUMA's⁷ Energy Efficiency and Demand Response Program for its scheduled start on July 1, 2023.⁸ SESA stated that given the 75,000 homes already equipped with batteries for the Emergency Demand Response Program - and the ability of such systems to participate in a program that could prevent blackouts from happening on the island - it was crucial to avoid delay.⁹ SESA argued that any postponement could dampen Demand Response Aggregators' confidence in the initiative's viability and inflate their risk perception.¹⁰

As stated in the June 30 Resolution, the EE Charge is a mechanism for recovering all expenses associated with the implementation and administration of energy efficiency and demand response programs operated by LUMA. Program costs will be recovered through a per-kilowatt-hour ("kWh") charge for all customers. LUMA developed a portfolio of energy efficiency, demand response, and education and outreach programs for the Transition Period

¹ Contribution in Lieu of Taxes Cost Adjustment Rider ("CILTA").

² Help to Humans Subsidy Rider ("SUBA-HH").

³ Non-Help to Humans Subsidy Rider ("SUBA-NHH").

⁴ Fuel Charge Adjustment Rider ("FCA").

⁵ Purchased Power Charge Adjustment Rider ("PPCA").

⁶ Fuel Oil Subsidy Rider ("FOS").

⁷ LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as "LUMA").

⁸ June 30 Motion, p. 2.

⁹ *Id.*

¹⁰ *Id.*




Plan ("TPP") that require a budgeted amount of \$20,538,083 for Fiscal Year 2024 ("FY24") set forth in the TPP and which is currently contemplated to be funded by the EE Charge.


On June 29, 2023, LUMA filed before the Energy Bureau a letter dated June 28, 2023, signed by Francisco Berríos Portela, Deputy Chief of Staff of Energy Affairs. As was indicated in the referenced letter, the Government of Puerto Rico is managing the \$20,538,083 required for energy efficiency and demand response programs for FY24 from funds not related to the tariff. Therefore, due to the high probability that the associated expenses for such programs will be covered by funds not associated with the tariff, the Energy Bureau determined to **suspend the EE Charge** for the month of July 2023.

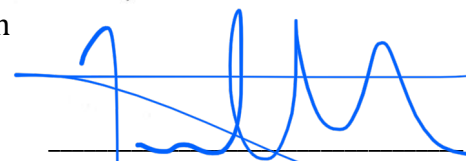
As it clearly emerges from the June 30 Resolution, the Energy Bureau suspended the EE Charge only for the month of July 2023. This postponement of the EE Charge in no manner shall be interpreted as a postponement of commencing the EE/DR programs since the Government has assured that it will identify the required funds.

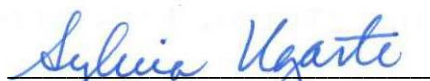
The Energy Bureau **CLARIFIES** that it **did not** suspend the Energy Efficiency and Demand Response Programs, as was erroneously interpreted by SESA and **ORDERS** LUMA to continue with the implementation of the TPP and the EE/DR programs. The required funds shall either be identified by the Governor and/or collected through the EE rider to assure the success of the EE programs in FY24.

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 July 1st, 2023. I also certify that on July 1st, 2023, a copy of this Resolution was notified by electronic mail to info@sesapr.org; yahaira.delarosa@us.dlapiper.com; margarita.mercado@us.dlapiper.com, jmarrero@diazvaz.law; hriviera@jrsp.pr.gov; brannen@genera-services.com; kbolanos@genera-pr.com; regulatory@genera-pr.com; and I have proceeded with the filing of the Resolution issued by the Puerto Rico Energy Bureau.

I sign this in San Juan, Puerto Rico, on July 1st, 2023.


Sonia Seda Gaztambide
Clerk

