

PERMANENT RATE

Exhibit 1 - Energy Efficiency Rider

On June 20, 2023, LUMA filed a proposed Energy Efficiency (EE) Rider of 0.001328 to be in effect for Fiscal Year (FY) 2024 from July 1st, 2023, to June 30th, 2024.¹ On June 30th, 2023, the Puerto Rico Energy Bureau (PREB), determined not to begin the EE Rider in July 2023 and to wait until further funding sources can be determined.² On July 17, 2023, LUMA refiled its proposed EE Rider of 0.001328³ and on July 31, 2023, PREB implemented the EE Rider at zero (0) value until September 30th, 2023.⁴ In the July 31st R&O, PREB further established that beginning October 1st, 2023, the EE Rider would be set at \$0.001021497/kWh.⁵

In compliance with the July 31st R&O, LUMA will update the EE Rider on customer bills effective October 1st, 2023. However, LUMA informs that its billing system can only accommodate up to seven (7) digits and thus, cannot accommodate the 10-digit EE Rider Factor established July 31st R&O. To be able to accommodate such a large number, LUMA would have to make enhancements to its billing system.

LUMA's billing system configuration today includes the ability to calculate billing factors with seven (7) decimal places. This importantly not only impacts the billing system calculations but also impacts the presentation on the LUMA bill which is impacted by the length of characters. The configuration within the billing system limitation is not a roadmap configuration change LUMA has contemplated in the near future. To design, build, implement, and test enhancements to the system is a lengthy process requiring both external and internal resources and expertise over several months, an initiative which has not been contemplated in LUMA's FY2024 budget.

All other riders on LUMA's customer bill are calculated to the seventh decimal place only. This consistency helps customers to read and interpret their bill more easily.

The table below illustrates the difference in the dollars that LUMA forecasts to recover if the EE rider were to be rounded to 7 digits (see Table 1-1 for the impact if the rider is rounded down, and Table 1-2 for the impact if the rider is rounded up). LUMA understands that such a difference would be reconciled when the rider is calculated for the next fiscal year.

¹ See pages 8-12 12 of LUMA's Motion of June 20, 2023, Docket No. NEPR-MI-2020-0001 and EE Rider Factor Calculation FY 2024 spreadsheet.

² See Resolution and Order of June 30, 2023, Docket No. NEPR-MI-2020-0001.

³ See pages 11-15 of LUMA's Motion of July 17, 2023, Docket No. NEPR-MI-2020-0001 and EE Rider Factor Calculation spreadsheet.

⁴ See Resolution and Order of July 30, 2023, Docket No. NEPR-MI-2020-0001.

⁵*Id.*

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Table 1-1. Comparison of EE Rider Recoveries – Round Rider Down

	Existing (per July 31 st R&O, Permanent Rate)	Proposed	Difference
Cost of Programs FY2024	\$ 11,531,250.00	\$ 11,525,641.80	\$5,610.43
kWh	11,288,581,589.89	11,288,581,589.89	-
EE Rider (\$ / kWh)	\$ 0.001021497	\$ 0.001021	\$0.000000497

Table 1-2. Comparison of EE Rider Recoveries – Round Rider Up

	Existing (per July 31 st R&O, Permanent Rate)	Proposed	Difference
Cost of Programs FY2024	\$ 11,531,250.00	\$ 11,536,930.38	(\$5,678.16)
kWh	11,288,581,589.89	11,288,581,589.89	-
EE Rider (\$ / kWh)	\$ 0.001021497	\$ 0.001022	(\$0.000000503)

In light of the above, LUMA requests that the EE Rider be updated to 7 digits.