

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

NEPR Received: Oct 13, 2023 9:40 PM
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IN RE:

ENERGY EFFICIENCY AND DEMAND
RESPONSE TRANSITION PERIOD
PLAN

CASE NO.: NEPR-MI-2022-0001

SUBJECT: Motion To File Proof of
Execution of Master Aggregation
Agreements and Provide Update
on Customer Enrollment

**MOTION TO FILE PROOF OF EXECUTION OF MASTER AGGREGATION
AGREEMENTS AND PROVIDE UPDATE ON CUSTOMER ENROLLMENT**

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 state and request the following:

I. Relevant Background and Procedural Events

1. On August 11, 2023, the Puerto Rico Energy Bureau of the Public Service Regulatory Board (“Energy Bureau”) issued a Resolution and Order (“August 11th Order”) in which, among others, it ordered LUMA to file: (a) on or before August 23, 2023, for the Energy Bureau’s approval, the associated cost related to the compensation to be offered to the Demand Response (“DR”) Aggregators and/or ratepayers that participate in the Emergency DR Program under LUMA’s Energy Efficiency and DR Transition Period Plan¹ that was considered, amended and approved by the Energy Bureau on February 16, 2023² (the “Approved TPP”) to be recovered

¹ LUMA filed this document with the Energy Bureau on June 21, 2022 in case NEPR-MI-2021-0006, *In Re: Demand Response Plan Review, Implementation and Monitoring*.

² Via Resolution and Order of that date in the instant proceeding.

through the Purchased Power Charge Adjustment (“PPCA”); (b) within two weeks of the Energy Bureau's approval of the compensation to the participants, proof it has published Emergency DR Program terms, established agreements with DR Aggregators, and enrolled customers in the program; and (c) within two weeks thereafter, proof of customer enrollment and documentation showing that LUMA has the capability to call Emergency DR events. *See* August 11th Order on page 3.

2. In compliance with the August 11th Order, on August 23, 2023, LUMA submitted to the Energy Bureau the proposed estimated costs associated with the Emergency Battery DR Program (“BEDRP”) that forms part of the Emergency DR Program, including the cost related to the compensation to be offered to the DR Aggregators that participate in the BEDRP to be recovered through the PPCA. *See Motion to Submit Costs Associated with Emergency DR Program In Compliance with Resolution and Order of August 11, 2023, and Request for Confidential Treatment* filed August 23, 2023 (“August 23rd Motion”) and Exhibit 1. In addition, LUMA provided a proposed timeline to achieve the various tasks related to the implementation of the BEDRP and indicated that some of the milestones in the August 11th Order may not be reached by the timeframes established by the Energy Bureau and are contingent on additional factors outside LUMA’s control. *See id.* Exhibit 1 at page 9.

3. On August 29, 2023, the Energy Bureau issued a Resolution and Order (“August 29th Resolution and Order”) determining, among other matters, to amend the timeline for Emergency DR Program milestones and ordering LUMA to file, on or before September 22, 2023, proof of executed aggregation agreements for the Emergency DR Program and file, on or before October 13, 2023, proof of customer enrollment and the capacity to call Emergency DR events. *See* August 29th Resolution and Order on page 5.

4. On September 20th 2023, LUMA informed the Energy Bureau that it had launched the BEDRP webpage, published the BEDRP Guidelines and submitted the form of the Master Aggregation Agreements to interested DR Aggregators, and that DR Aggregators had posed questions regarding some of the provisions of the Master Aggregation Agreement which LUMA was then working on resolving. *See Informative Motion and Request for Extension of Deadline To File Proof of Execution of Aggregation Agreements and Approval of Revised Emergency DR Program Budget* of that date (“September 20th Motion”) on pages 7-8. LUMA also indicated that it would likely need an additional week to execute the final Master Aggregation Agreements, barring any unforeseen complications with the DR Aggregators (*see id.* at page 8) and requested an extension of seven (7) days to resolve these questions and proceed with the execution of the Master Aggregation Agreement (*see id.*). In the September 20th Motion, LUMA also provided a revised timeline for the activities to implement the BEDRP. *See id.* Exhibit 1. In doing so, LUMA emphasized that it did not have certainty about when the DR Aggregators would be able to begin enrolling customers and dispatching events, as those activities are beyond LUMA’s control; that the revised timelines provided were LUMA’s then best estimates; and that the actual timeline is beyond LUMA’s control. *See id.* at page 8.

5. On September 29, 2023, LUMA filed with the Energy Bureau a motion (“September 29th Motion”) informing the Energy Bureau that, following the September 20th Motion, (i) LUMA continued to receive questions and comments from interested DR Aggregators on the terms of the Master Aggregation Agreement; (ii) LUMA had diligently continued to discuss and/or exchange communications with these DR Aggregators regarding their questions and concerns and understood that it had answered all substantive questions posed by DR Aggregators; and (ii) LUMA had revised the Master Aggregation Agreement to address reasonable concerns

and submitted these to the interested DR Aggregator, but the execution of the agreement was pending the DR Aggregators' signature. *See* September 29th Motion on page 4. LUMA also expressed its understanding that it had taken all reasonable steps in its control to get the Master Aggregation Agreement executed by interested DR Aggregators, but getting the DR Aggregators to execute it was beyond LUMA's reasonable control and reiterated the subsequent deadlines were also contingent on the DR Aggregators. *See id.*

II. Filing of Proof of Execution of Master Aggregation Agreements and Update on Customer Enrollment

6. LUMA hereby informs that on October 13, 2023, LUMA executed two Master Aggregation Agreements with DR Aggregators. LUMA hereby submits proof of execution of two Master Aggregation Agreements consisting of a copy of the first page and the signature page. *See* Exhibit 1.

7. Given that these DR Aggregators have so recently signed the Master Aggregation Agreement, customer enrollment has not yet occurred. However, the DR Aggregators can now actively engage in outreach to their customers and commence enrollment of interested customers. Therefore, LUMA understands that these DR Aggregator could enroll customers in the coming week and in that case, LUMA will be able to file proof of customer enrollment soon after. However, LUMA has no certainty on when enrollment will be achieved, as those activities are contingent on factors beyond LUMA's control. When this milestone is achieved, LUMA will promptly file proof of customer enrollment with this honorable Energy Bureau.

8. LUMA is committed to working with the Energy Bureau to build a more reliable, resilient, customer-focused, and cleaner energy system. LUMA and DR Aggregators continue to work diligently and continuously to move forward with implementing reliability solutions. LUMA

sees the BEDRP as an important program that can provide added resiliency and reliability to the Puerto Rico electric system.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned, accept the proof of execution of the Master Aggregation Agreements submitted herein in Exhibit 1, and deem LUMA in compliance with the requirement in the August 29th Resolution and Order that it file proof of execution of these agreements.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 13th day of October 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 the attorney for PREPA at jmarrero@diazvaz.law and Lionel Santa, lionel.santa@prepa.pr.gov; the Independent Office for Consumer Protection at hrivera@jrsp.pr.gov; and agrartfe@agrartlawpr.com, info@sesapr.org, bfrench@veic.org, shanson@veic.org, evand@sunrun.com, jordgraham@tesla.com, forest@cleanenergy.org, customerservice@sunnova.com, javrua@sesapr.org, pjcleanenergy@gmail.com, and mrios@arroyorioslaw.com.



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/s/ Margarita Mercado Echegaray
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RUA Núm. 16,266
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Exhibit 1
Proof of Execution of Master Aggregation Agreements

Battery Emergency Demand Response Program

MASTER AGGREGATION AGREEMENT

This **Master Aggregation Agreement** (“Agreement”, as further defined herein) is entered into by and between the Puerto Rico Electric Power Authority (“**PREPA**”), a public corporation and government instrumentality of the Commonwealth of Puerto Rico, created by Act No. 83 of May 2, 1941, as amended, represented herein act by its agent LUMA Energy ServCo, LLC, a Puerto Rico limited liability company (“**LUMA**”), and Sunnova Energy Corp (“**EDR Aggregator**”) a corporation organized under the laws of DE, and authorized to do business in Puerto Rico. PREPA, LUMA, and EDR Aggregator may each be referred to herein as a “Party” or collectively as “Parties.”

I. RECITALS

WHEREAS, PREPA has an ownership or leasehold interest over the transmission and distribution system and related facilities, equipment and other assets related to such system (as further defined below, the “**T&D System**”);

WHEREAS, PREPA, LUMA (as defined below) and the Puerto Rico Public-Private Partnerships Authority (as defined below) entered into the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement, dated as of June 22, 2020, as supplemented and as may be amended from time to time in accordance with its terms (the “**T&D OMA**”), pursuant to which, among other things, LUMA provides operations and maintenance of the T&D System, including to promote, administer, plan, develop and implement energy efficiency and demand response programs and policies, among others, and acts as agent for PREPA in connection with certain agreements, including this Agreement, and in connection with the dispatch, coordination and scheduling of power and electricity;

WHEREAS, pursuant to the Regulation for Demand Response (as defined below), of the Puerto Rico Energy Bureau of the Public Service Regulatory Board (as further defined below, the “**Energy Bureau**”), PREPA is required to develop and offer Demand Response (as defined below, “**DR**”) programs that provide standardized, cost-effective compensation in exchange for dispatchable DR (“**DR Programs**”) and pursue all cost-effective DR resources through various means including DR aggregators, or, in lieu of a standardized program, may issue competitive solicitations to procure DR Resources; under this regulation, DR aggregators may aggregate the DR resources provided by one or more PREPA Customers (as defined below) and enroll the aggregated resource or resources in the DR Programs offered by PREPA, and PREPA is required to dispatch the DR Resources that participate in its DR Programs through DR aggregators;

WHEREAS, by Resolution and Order of February 16, 2023 in Case No. NEPR-MI-2022-0001, *In Re: Energy Efficiency and Demand Response Transition Period Plan*, the Energy Bureau amended and approved the proposed Energy Efficiency and Demand Response Transition Period Plan submitted by LUMA in Case No. NEPR-MI-2021-0006, *In Re: Demand Response Plan Review, Implementation, and Monitoring*, (as approved and amended by the Energy Bureau, the “**Approved EE/DR TPP**”) and, among other things, directed LUMA to develop an emergency battery DR Program for existing residential and commercial PREPA Customers and to leverage the capabilities of third-party DR aggregators to launch this program;

The Parties have executed this Agreement on the dates indicated below, to be effective upon the later date.

**PUERTO RICO ELECTRIC POWER AUTHORITY, by
its agent, LUMA ENERGY SERVCO, LLC**

Sunnova Energy Corporation
EIN: 461216532

By: *Jessica Laird*
Name: Jessica Laird
Title: Vice President Customer Experience
Date: Oct 13, 2023

By: *Michael Grasso*
Michael Grasso (Oct 13, 2023 13:08 PDT)
Name: Michael Grasso
Title: EVP, Chief Revenue Officer
Date: Oct 13, 2023

By: *Mario Hurtado*
Name: Mario Hurtado
Title: Chief Regulatory Officer
Date: Oct 13, 2023

Battery Emergency Demand Response Program

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**PUERTO RICO ELECTRIC POWER AUTHORITY, by
its agent, LUMA ENERGY SERVCO, LLC**

Fortress Power LLC
EIN: 82-2595358

By: *Jessica Laird*
Name: Jessica Laird
Title: VP Customer Experience
Date: Oct 13, 2023

By: *Nathan Rolfe*
Name: Nate Rolfe
Title: CFO
Date: Oct 13, 2023

By: *Mario Hurtado*
Name: Mario Hurtado
Title: Chief Regulatory Officer
Date: Oct 13, 2023