

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

<b>NEPR</b>  <b>Received:</b>  <b>Feb 6, 2024</b>  <b>10:13 PM</b>
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**IN RE:**  
  
ENERGY EFFICIENCY AND DEMAND  
RESPONSE TRANSITION PERIOD  
PLAN

**CASE NO.:** NEPR-MI-2022-0001  
  
**SUBJECT:** Informative Motion  
Regarding Status of Energy Efficiency  
Programs

**INFORMATIVE MOTION REGARDING STATUS OF ENERGY EFFICIENCY  
PROGRAMS**

**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 February 16, 2023, the Energy Bureau issued a Resolution and Order (the “February 16<sup>th</sup> Resolution and Order”) in which it considered, amended and approved the Proposed Energy Efficiency (“EE”) and Demand Response (“DR”) Transition Period Plan submitted by LUMA on June 21, 2022<sup>1</sup> containing the EE and DR Programs to be implemented by LUMA during the Transition Period and associated budgets for Fiscal Years (“FY”) 2023 and 2024, among others (the Proposed TPP, as approved by the Energy Bureau, the “Approved TPP”). In addition, the Energy Bureau established deadlines for filing the EE Rider, among other activities under the Approved TPP, and performance incentives indicators for various activities, including the

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<sup>1</sup> This Proposed EE and DR TPP was submitted in case NEPR-MI-2021-0006, *In Re: Demand Response Plan Review, Implementation and Monitoring*.

accomplishment of a specified deadline for processing of EE incentive applications. *See* February 16<sup>th</sup> Resolution and Order on pages 20, 21 and 23.

2. On March 8, 2023, LUMA requested reconsideration of certain requirements and determinations in the February 16<sup>th</sup> Resolution and Order. *See Motion for Reconsideration of Resolution and Order of February 16, 2023, and Request to Vacate Deadlines* of that date (“March 8<sup>th</sup> Motion”).

3. On April 3, 2023, the Energy Bureau issued a Resolution and Order (“April 3<sup>rd</sup> Resolution and Order”) in which it vacated certain provisions in the February 16<sup>th</sup> Resolution and Order pertaining to the Performance Incentives Metrics and ordered LUMA to file the EE Rider petition on or before April 11, 2023 and to complete certain activities by specified deadlines, including, among others, to “file, on or before 75 calendar days following the EE Rider Approval Date<sup>2</sup>, documentation showing that LUMA is processing [EE] incentive/rebate applications”. *See* April 3<sup>rd</sup> Resolution and Order on pages 2, 5 and 6 (footnote added).

4. On April 11, 2023, LUMA submitted the EE Rider petition (“EE Rider Petition”).

5. On May 19, 2023, in compliance with a Bench Order issued by the Energy Bureau on May 5, 2023, LUMA filed revised Exhibits 1 and 2 of the EE Rider Petition. *See Motion to Submit Revised Exhibit 1 to EE Rider Petition and Translation Thereof, in Compliance with Bench Order of May 5, 2023* (“May 19<sup>th</sup> Motion”).

6. On June 30, 2023, the Energy Bureau issued a Resolution and Order in Case No NEPR-MI-2020-0001, *In Re: Permanent Rate of the Puerto Rico Electric Power Authority* (“Permanent Rate Case”) (“June 30<sup>th</sup> Resolution and Order”) wherein it determined, among others, to suspend the EE Charge [EE Rider] for the month of July 2023 given the “great probability that

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<sup>2</sup> The “EE Rider Approval Date” was defined as “the date on which the Energy Bureau issues an order establishing the value and implementation date for the EE Rider.” *See id.* at page 5.

the costs associated with [EE] programs will be paid with funds not associated with the EE Charge [EE Rider].” See June 30<sup>th</sup> Resolution and Order on page 11.

7. On July 1, 2023, the Energy Bureau issued a Resolution and Order in the Permanent Rate Case (“July 1<sup>st</sup> Resolution and Order”) wherein it clarified that it did not suspend the EE and DR programs as a result of the suspension of the EE Charge [EE Rider] and ordered LUMA to continue with the implementation of the TPP and the EE/DR programs. See July 1<sup>st</sup> Resolution and Order on page 2.

8. On July 31, 2023, the Energy Bureau issued a Resolution and Order in Case No. NEPR-MI-2020-0001, *In Re: Permanent Rate of the Puerto Rico Electric Power Authority*, (“July 31<sup>st</sup> Order”), in which it determined, among others, that the cost of DR programs will not be part of the EE rider and ordered LUMA to contemplate the DR programs as part of the proposal of factors corresponding to the purchase power charge adjustment (“PPCA”) mechanism. See July 31<sup>st</sup> Order on pages 8 and 10.

9. On August 11, 2023, the Energy Bureau issued a Resolution and Order (“August 11<sup>th</sup> Order”) in which, among others, it modified the deadline for LUMA to file documentation showing that LUMA is processing EE incentive/rebate applications to “on or before 60 days following the earlier of two dates: 1) the date on which the EE Rider is implemented with a value greater than zero, or 2) the date on which LUMA or the Energy Bureau secure a funding commitment from an external source (such as the government of Puerto Rico or Federal funds) sufficient to implement approved EE programs”. See August 11<sup>th</sup> Order on page 3.

10. On September 22, 2023, the Energy Bureau issued a Resolution and Order in Case *In re LUMA’s Initial Budgets*, Case No. NEPR-MI-2021-0004 (“September 22<sup>nd</sup> Budgets Order”) whereby, in pertinent part, it decided that the costs of the EE programs of the Approved TPP would

be recovered through base rate revenues, rather than through the EE Rider. *See* September 22<sup>nd</sup> Budgets Order on page 9.

11. On September 29, 2023, the Energy Bureau issued a Resolution and Order in Case *In re Tarifa Permanente de la Autoridad de Energía Eléctrica*, Case No. NEPR-MI-2020-0001, (the “September 29<sup>th</sup> Rate Order”) in which it indicated, based on the September 22<sup>nd</sup> Budgets Order, that the charge for the EE Rider for FY 2023 was eliminated (*See* September 29<sup>th</sup> Rate Order on pages 2-3) and ordered LUMA to include in the customer invoices an EE Rider charge equal to zero (0) (*see id.* at page 8).

12. On November 21, 2023, LUMA filed a motion requesting the Energy Bureau to extend the deadline to submit documentation showing that LUMA is processing EE incentive/rebate applications until mid-January 2024. *See Informative Motion and Request for Extension to Submit Documentation Showing the Processing of Energy Efficiency Incentive/Rebate Applications* filed on November 21, 2023 (“November 21<sup>st</sup> Motion”). LUMA provided the status of the progress on the implementation of the Residential Rebate Program indicating that it was working with the Implementation Contractor on the integration of their respective systems, including required finance, accounting, and contractual components, which complete integration is necessary in order to issue rebate checks to customers; and that as LUMA and the Implementation Contractor continued to work through this process, they had found that the integration takes longer than anticipated. *See* November 21<sup>st</sup> Motion on page 5. LUMA explained that, for that reason, LUMA was requesting additional time to complete the remaining steps for integration and other pre-launch activities. *See id.* The additional pre-launch activities identified by LUMA included finalizing the measure/incentive selection and design, developing and deploying customer marketing efforts (Web App), developing website content, and

establishing and deploying customer service. *See id.* at page 5 and Exhibit 1, Section 2.0. LUMA also provided its then current best estimate of the timeline to begin rebate application processing and fulfillment, taking into account the mentioned pre-launch activities. *See id.*

## **II. Status of Progress of EE Incentive/Rebate Programs**

13. LUMA provides herein a status of the progress of the EE incentive/rebate and EE Kit programs in the attached Exhibit 1. As discussed in more detail in Exhibit 1, LUMA is happy to inform that the webpage for the first phase of the residential EE rebate program (the “Home Efficiency Rebate Program”), providing rebates for solar water heaters, launched in January and additional equipment rebates will be introduced in the coming months. *See Exhibit 1, Section 2.0.* This new webpage contains information about the solar water heater rebate program, including participation guidelines, the rebate application form, customer service contact information, and frequently asked questions. *See id.* Customers can now apply to receive rebate checks via mail for qualifying installed solar water heaters. *See id.* In sum, the Home Efficiency Rebate Program is active and fully operating.

14. Given that evidence of the installation of the qualifying solar water heater is necessary for the rebate application to be filed and processed, it may take several weeks before the first customers submit rebate applications. *See id.* Therefore, the timing for LUMA to start processing EE rebate applications is not within LUMA’s control as it depends on the customers installing qualifying solar water heaters and submitting properly completed rebate applications. LUMA can, at most, estimate that this activity may start to occur within the next four weeks.

15. LUMA will keep the Energy Bureau informed of the status of the EE programs and EE rebate applications during the quarterly TPP reports (including submitting the information on processing of EE rebate applications when such processing commences).

**WHEREFORE**, LUMA respectfully requests that the Energy Bureau **take notice** of the  
aforementioned.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 6<sup>th</sup> day of February of 2024.

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 attorneys for PREPA jmarrero@diazvaz.law and lionel.santa@prepa.pr.gov; the Independent Consumer Protection Office, hriviera@jrsp.pr.gov, and agraitfe@agraitlawpr.com, info@sesapr.org, bfrench@veic.org, shanson@veic.org, evand@sunrun.com, jordgraham@tesla.com, forest@cleanenergy.org, forest@cleanenergy.org, customerservice@sunnova.com, javrua@sesapr.org, pjcleanenergy@gmail.com, and mrios@arroyorioslaw.com.



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*Exhibit 1*



# Energy Efficiency Program Progress

February 6, 2024



# 1.0 Introduction

Based on Puerto Rico public energy policy and direction from the Puerto Rico Energy Bureau (Energy Bureau or PREB), LUMA is growing a portfolio of Energy Efficiency (EE) programs, contributing to LUMA's key goal of supporting the transition to a sustainable energy system in Puerto Rico. EE Programs also support customer service, reliability, and community safety. Investments in EE Programs can provide benefits to Puerto Rico by reducing electricity bills and business operating costs, creating local jobs, reducing dependence on imported fuel, reducing emissions, and eventually contributing to lower utility infrastructure costs. In its Resolution and Order issued August 11, 2023, Energy Bureau ordered LUMA to provide documentation that it is processing EE incentive/rebate applications within a timeframe based on certain implementation milestones. LUMA has been hard at work developing EE programs to comply with the milestones established by the Energy Bureau. The Quick-Launch programs aim to provide customers with an initial solution for accessing energy efficiency rebates. In parallel, LUMA will develop additional, more robust energy efficiency programs and offerings based on lessons learned from the Quick-Launch programs.

As part of the activities required to effectively launch the first EE Program and as established in the approved Transition Period Plan, LUMA has engaged the support of a professional Implementation Contractor. LUMA has been working closely with the Implementation Contractor to conduct the final design of the Quick Launch Programs and prepare for program launch. The following information provides an update on progress to-date and the status of program launch.

## 2.0 Home Efficiency Rebate Program Progress

LUMA launched the Home Efficiency Rebate Program during the week of January 22, 2024 (January 22). The Program encourages customers to implement energy-saving measures, such as upgrading to energy-efficient appliances, water heating, and LED lighting. The Program also provides educational materials to help customers identify additional ways to reduce energy consumption and lower energy bills. Over time, the rebate programs will also stimulate the market for energy-efficient products and services and increase the availability of trained service providers.

LUMA and its Implementation Contractor have recently completed the development and testing of the necessary program infrastructure, such as finance, accounting, rebate fulfillment, customer service, and IT requirements. This work required the creation of new processes, policies, systems, and training specific to energy efficiency programs, which have never been offered in Puerto Rico.

The first phase of the Program provides rebates for solar water heaters and will introduce additional equipment rebates in the coming months. During the week of January 22, LUMA launched a new webpage with information about the program, including participation guidelines, rebate application form, customer service contact information, and program information in a Frequently Asked Questions (FAQ) format. The program will initially be promoted to water heater installers, who will, in turn, promote the program to their customers. The website will also be shared with the Department of Economic Development and Commerce (DEDCC), the Independent Consumer Protection Office (ICPO), and other stakeholders to help promote the program. Since website launch, customers are now able to apply to receive rebate checks via mail for qualifying installed solar water heaters. However, given that evidence of the installation of the qualifying solar water heater is necessary for the rebate application to be filed and processed, it may take several weeks before the first customers submit rebate applications. For this reason, LUMA informs that additional time is required to file proof of executed rebates until rebate applications are received from customers, the timing of which is beyond LUMA's control. LUMA has prepared an updated weekly timeline below.

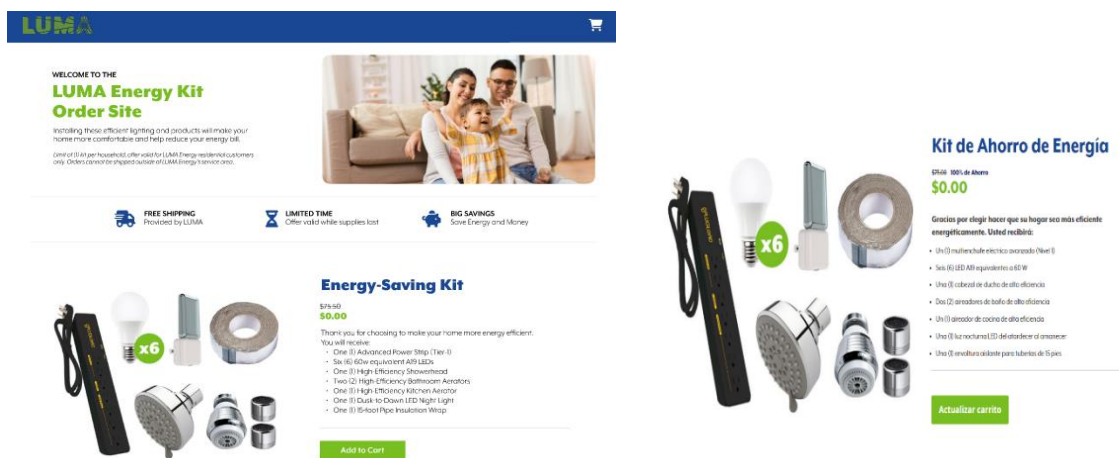
**Table 1. Home Efficiency Rebates Program Timeline Update**

Task	Description	November			December				January				February			
		13	20	27	4	11	18	25	1	8	15	22	5	12	19	29
1	Final Measure/Incentive Selection and Design <b>(COMPLETE)</b>															
2	Develop Website Content for Quick-Launch Initiative <b>(COMPLETE)</b>															
3	Establish a Financial System for Issuing Rebate Checks to Customers <b>(COMPLETE)</b>															
4	Establish Customer Service Center <b>(COMPLETE)</b>															
5	Ready to begin processing Rebate Applications when received <b>(COMPLETE)</b>															
6	<b>Anticipated time</b> to receive first rebate applications (In Progress)															

## 3.0 Energy Efficiency Kit Program Progress

LUMA is planning to launch in early February the Energy Efficiency Kit Program described in the Revised Transition Period Plan for Energy Efficiency and Demand Response dated December 20, 2023. The EE Kit program was added to the portfolio for FY24 as a quick-launch opportunity to provide basic EE measures free of charge to a large number of customers. The Program will provide a free mail-order “kit” containing simple Energy Efficiency measures and educational material. The Program will primarily be geared towards low-income customers during the first phase. Customers will complete a simple web-based form to request a kit (Figure 1). The kit will include measures such as LED lightbulbs, advanced power strips, low-flow showerheads, and LED nightlights, along with installation instructions. The kit will be mailed to the customer at no cost.

Figure 1. EE Kit Program Website Draft



In early February, LUMA launched a new webpage with information about the program, including participation guidelines, kit order form, customer service contact information, and FAQs. Since webpage launch, customers are now able to order EE kits, which will arrive within 1-2 weeks. To support this effort, the website will be shared with the DEDC, OICP, and other stakeholders to help promote the program to low-income customers. LUMA has prepared an updated weekly timeline that reflects a reasonable estimate of when the program will launch, see Table 2.

Table 2. EE Kit Program Timeline Update

Task	Description	December				January				February			
		11	18	25	1	8	15	22	29	1	8	15	22
1	Final Measure/Incentive Selection and Design <b>(COMPLETE)</b>												
2	Establish Kit Order Fulfillment and Shipping Processes <b>(COMPLETE)</b>												
3	Develop Kit Order Site Platform <b>(COMPLETE)</b>												
4	Train Customer Service Center <b>(COMPLETE)</b>												
5	Program Launch <b>(COMPLETE)</b>												