

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

**NEPR**

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**CASE NO.:** NEPR-MI-2022-0001

ENERGY EFFICIENCY AND DEMAND  
RESPONSE TRANSITION PERIOD PLAN

**SUBJECT:** Motion to Submit FY2024 Q3  
Consolidated TPP and DR Administrative Cost  
Quarterly Report, Inform on Processing of EE  
Rebates, and Request Confidential Treatment

**MOTION TO SUBMIT FY2024 Q3 CONSOLIDATED TRANSITION PERIOD PLAN  
AND DEMAND RESPONSE ADMINISTRATIVE COST QUARTERLY REPORT,  
INFORM ON PROCESSING OF ENERGY EFFICIENCY REBATES, AND REQUEST  
CONFIDENTIAL TREATMENT**

**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. Consolidated TPP and DR Administrative Cost Quarterly Report Overview**

As the system operator, LUMA is responsible for helping to implement Puerto Rico’s public energy policy, including key customer initiatives such as Energy Efficiency (“EE”) and Demand Response (“DR”) Programs, which are required by law and mandated by the Puerto Rico Energy Bureau (“Energy Bureau”). With this motion, LUMA is submitting to the Energy Bureau, in Exhibit 1, a consolidated report for the third quarter of the 2024 fiscal year providing a status of the EE and DR programs implemented to date by LUMA in compliance with Energy Bureau requirements, as well as additional information on DR program costs which are recovered through

the purchase power charge adjustment (“PPCA”) as per the Energy Bureau’s directives. The consolidated report includes, among others, an update on the launch and implementation of the EE rebates program approved by the Energy Bureau and provides, along with this Motion, the information required by the Energy Bureau on this subject. This Motion also includes the evidence of the processing of the EE rebates, in Exhibit 1, as per Energy Bureau directives, with respect to which LUMA is requesting confidential treatment. Finally, as indicated in the attached report, there is no established source of funding for EE programs for FY2025. Since permanent and long-term funding is crucial for the success of these programs, LUMA is requesting the Energy Bureau provide clarity on this subject.

LUMA’s EE and DR programs are designed to build a more reliable and resilient energy system for the people of Puerto Rico and advance the energy efficiency marketplace in Puerto Rico. The information included in the report in Exhibit 1 represents the period between January 1, 2024, through March 31, 2024.

## **II. Relevant Background and Procedural History**

1. On June 21, 2022, LUMA filed with the Energy Bureau, in Case No. NEPR-MI-2021-0006, *In Re: Demand Response Plan Review, Implementation, and Monitoring*, a proposed Energy Efficiency and Demand Response Transition Period Plan containing the description of various quick-start EE and DR Programs to be implemented by LUMA during a two (2)-year Transition Period and associated budgets for Fiscal Years (“FY”) 2023 and 2024 (“Proposed TPP”). See *Motion Submitting Proposed EE/DR Transition Period Plan* in Case No. NEPR-MI-2021-0006, *In Re: Demand Response Plan Review, Implementation and Monitoring* of that date and its *Exhibit 1*. The EE and DR Programs in the Proposed TPP included an Education and Outreach Program; a Residential EE Rebate Program, providing a prescriptive incentive to

customers purchasing energy efficient equipment from a list of qualified measures, including air conditioners, solar and tankless water heaters, and refrigerators; a Business EE Rebate Program, offering incentives to businesses for eligible measures, such as efficient lighting, HVAC, and water heating equipment; an In-Store EE Discount Program, providing a point-of-sale discount for eligible energy efficiency measures and geo-targeting of stores in low-income areas to provide low-income customers with greater access to energy efficiency opportunities; an Economic Demand Response Program, including voluntary load reduction and/or load shifting during DR events triggered by economic conditions; an Emergency DR Program, targeting commercial and industrial customers for customers to voluntarily reduce load and/or shift load to back up generators during DR events; and a Battery DR Response Program targeting residential customers with behind the meter batteries and providing incentives for load shifting to batteries during DR event periods.

2. In the Proposed TPP LUMA proposed a budget of \$9.9 million in FY2023 (for which it had allocated \$4.6 million from its base budget for initial program startup costs in FY2023) and \$20.5 million in FY2024. *See id.* at page 10.

3. On February 16, 2023, this Energy Bureau issued a Resolution and Order (the “February 16<sup>th</sup> Order”) in which it considered, amended, and approved the proposed Energy Efficiency (“EE”) and Demand Response (“DR”) Transition Period Plan filed by LUMA on June 1, 2022 (as approved, the “TPP”). In the February 16<sup>th</sup> Order, the Energy Bureau ordered LUMA to allocate a lower budget of \$4.57 million for FY2023 EE and DR programs and fund the FY2024 budget of the TPP using 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, carries over unspent funds from its FY2023 EE and DR budget, and/or external funding is secured to

displace EE Rider funds. *See* February 16<sup>th</sup> Order on pages 27 and 30. In addition, the Energy Bureau established deadlines and performance incentive indicators for several activities under the TPP, including for the filing of an EE Rider to fund the TPP programs and the processing of EE incentive applications, among others (*see id.* at pages 20, 21, 23, 27 and 30 and Table 2), as well as reporting requirements and deadlines (*see id.* at page 18 and Table 1).

4. The Energy Bureau noted that the Proposed TPP provided for quarterly reports to be filed within sixty (60) days from the end of the quarter and annual reports within ninety (90) days following the end of the Program Year. *See id.* at page 18. The Energy Bureau then ordered LUMA to deliver quarterly and annual reports on a fiscal year schedule; produce annual reports within one hundred and twenty (120) days following the end of the program year as required by the Energy Bureau's Regulation for Energy Efficiency (each a "TPP Annual Report" and, collectively, "TPP Annual Reports"); and adopt the updated reporting schedule in Table 1 of the February 16<sup>th</sup> Order, titled "Transition Period Report and Filing Schedule" ("Table 1"), among others. *See id.* at page 18. Specifically, in Table 1 the deadlines for submitting quarterly reports remained at sixty (60) days from the end of the quarter,<sup>1</sup> establishing the deadlines for the TPP quarterly reports (each a "TPP Quarterly Report" and collectively, "TPP Quarterly Reports") for FY2024 of November 23, 2023, March 29, 2024,<sup>2</sup> March 29, 2024, and August 29, 2024 corresponding to the first quarter ("Q1"), second quarter ("Q2"), third quarter ("Q3") and fourth quarter ("Q4"), respectively. *See id.* The Energy Bureau also ordered LUMA to review and provide input on the Energy Bureau's data reporting templates for the TPP Quarterly Reports and TPP

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<sup>1</sup> This timeline meets the reporting requirements of the Regulation on Energy Efficiency, Regulation 9637 ("EE Regulation"), which provides that quarterly reports on the implementation of the Transition Period Plan must be filed within sixty (60) day of the end of the quarter. *See* Regulation 9637, Section 2.02(E)(1)(a).

<sup>2</sup> Given the sixty (60)-day quarterly report filing timeline proposed in the Proposed TPP and established in Regulation 9637, this date appears to be a typographical error and should be February 29, 2024.

Annual Reports and “until such time as the reporting templates are available, report on all metrics identified in Section 6 of the Proposed TPP”. *See id.* at page 19.

5. In addition, in the February 16<sup>th</sup> Order, the Energy Bureau established the deadlines of December 2, 2023, to prepare a draft FY2025-2027 Three-Year Plan (*see id.* at page 27); December 2023, to conduct a stakeholder meeting to discuss the Three-Year Plan and the TPP annual report (for FY 2023); and March 1, 2024, to file the FY2025-2027 Three-Year Plan (*see id.* at page 18).

6. On March 8, 2023, LUMA filed a motion requesting reconsideration of certain requirements in the February 16<sup>th</sup> Order relating to performance targets. *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”).

7. On April 3, 2023, the Energy Bureau issued a Resolution and Order (“April 3<sup>rd</sup> Order”) in which, among others, it vacated the performance target requirements in the February 16<sup>th</sup> Order, made several determinations regarding LUMA’s March 8<sup>th</sup> Motion, and ordered LUMA to file a petition for approval of the EE Rider 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>3</sup>, documentation showing that LUMA is processing [EE] incentive/rebate applications”. *See* April 3<sup>rd</sup> Order on pages 2, 5 and 6 (footnote added).

8. On April 11, 2023, LUMA submitted a petition for approval of the EE Rider (“EE Rider Petition”). *See Motion to Submit EE Rider* filed on that date. In the EE Rider Petition, LUMA provided a budget for the EE and DR Programs for FY2024. *See id.* Exhibit 1 at page 7.

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<sup>3</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.

9. On May 5, 2023, the Energy Bureau held a Technical Conference to discuss the EE Rider Petition filed by LUMA, during which the Energy Bureau issued a bench order requiring LUMA to file a revised Exhibit 1 to the EE Rider Petition, to include certain clarifications that were discussed during the Technical Conference, including revising the program descriptions to combine the Emergency DR and Battery DR programs into one program.

10. On May 19, 2023, in compliance with an Energy Bureau bench order of May 5, 2023, LUMA filed a revised EE Rider Petition contemplating that the entire budget for the FY2024 programs would be fully funded by the EE Rider (and explaining that there would be no unspent funds from FY2023 to carry over to FY2204 and LUMA did not propose apportioning any part of its base budget to fund FY2024 TPP programs) and combining the TPP Emergency DR and Battery DR programs into one program. *See Motion to Submit Revised Exhibit 1 to EE Rider Petition and Translation Thereof, in Compliance with Bench Order of May 5, 2023* filed on May 19, 2023, Exhibit 1, Sections 2.1 and 2.3.

11. 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 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.

12. 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 and DR programs. *See* July 1<sup>st</sup> Resolution and Order on page 2.

13. On July 31, 2023, the Energy Bureau issued a Resolution and Order in the Permanent Rate Case (“July 31<sup>st</sup> Resolution and Order”), in which it determined, among others, that the cost of DR programs will not form part of the EE Rider and ordered LUMA to contemplate the DR programs as part of the proposal of factors corresponding to the PPCA. *See* July 31<sup>st</sup> Resolution and Order on pages 8 and 10.

14. On August 11, 2023, the Energy Bureau issued a Resolution and Order (“August 11<sup>th</sup> Order”) in which, among others, it ordered LUMA to file on or before August 23, 2023, for the Energy Bureau’s approval, the associated cost related to the compensation to be offered to the DR Aggregators and/or ratepayers that participate in the Battery Emergency DR Program of the TPP (now referred to by LUMA as the Customer Battery Energy Sharing Initiative or “CBES”) to be recovered through the PPCA. *See* August 11<sup>th</sup> Order on page 3. In addition, the Energy Bureau modified the deadline for LUMA to file documentation showing that LUMA is processing EE incentive and 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 id.*

15. In compliance with the August 11<sup>th</sup> Order, on August 23, 2023, LUMA submitted to the Energy Bureau the proposed estimated costs associated with the CBES, including the cost related to the compensation to be offered to the DR Aggregators that participate in the CBES 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 23<sup>rd</sup> Motion”). LUMA indicated that the costs of the CBES to be recovered through the PPCA would be approximately \$5,060,938. *See* August 23<sup>rd</sup> Motion on page 10.

16. On August 29, 2023, the Energy Bureau issued a Resolution and Order (“August 29<sup>th</sup> Order”) approving the compensation level proposed by LUMA in the August 23<sup>rd</sup> Motion and determining that the CBES budget proposed by LUMA “is aligned with the budget for the equivalent program as approved in the [TPP]” and determined such estimated budget was reasonable to launch the program. *See* August 29<sup>th</sup> Order on page 2. The Energy Bureau also determined that administrative costs for DR Programs will be recovered through the PPCA. *See id.* at page 3. To ensure that expenditures are reasonable and strictly related to the DR Program, the Energy Bureau required LUMA to submit reports quarterly, within forty-five (45) days after each quarter of a fiscal year closes (each a “DR Administrative Costs Quarterly Report” and, collectively, “DR Administrative Costs Quarterly Reports”). *Id.* The Energy Bureau also indicated that the Q4 report would include the year-end report (“DR Administrative Costs Year-End Report”). *See id.* footnote 8. In addition, the Energy Bureau included a list of requirements applicable to the DR Administrative Costs Quarterly Reports and DR Administrative Costs Year-End Reports. *See id.* at pages 3 and 4.

17. On August 29, 2023, LUMA submitted the FY2023 Q4 Quarterly TPP Report, in compliance with the February 16<sup>th</sup> Order. *See Motion to Submit FY 2023 Q4 TPP Report* of that date.

18. On September 20, 2023, LUMA filed a motion with the Energy Bureau submitting, among others, a proposed revised budget for the CBES reflecting reduced administrative costs for

FY2024 and proposing to shift this cost reduction to increase the budget for estimated annual DR events while maintaining a total budget slightly below the approved \$5,060,938. *See Informative Motion and Request for Extension of Deadline to File Proof of Execution of Aggregation Agreements and Approval of Revised Program Budget* of that date on pages 8-9.

19. 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 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.

20. On September 29, 2023, the Energy Bureau issued a Resolution and Order in the Permanent Rate Case in which it indicated, based on the September 22<sup>nd</sup> Budgets Order, that the charge for the EE Rider for FY2023 was eliminated (*See* September 29<sup>th</sup> Rate Order on page 8) and ordered LUMA to include in the customer invoices an EE Rider charge equal to zero (0) (*see id.*).

21. On October 30, 2023, LUMA filed a motion requesting this Energy Bureau to extend for an additional fiscal year the TPP and to extend by one year the deadline to file the EE and DR Three-Year Plan, with the same cadence of quarterly and annual reporting as in the TPP and associated one-year delays in other milestones for the preparation of a draft Three-Year Plan and stakeholder engagement regarding that plan. *See Request to Extend by One Additional Year the Deadline to File the Three-Year Plan, Concomitant Deadlines and Extend the Term of the Transition Period Plan for An Additional Fiscal Year* (“October 30<sup>th</sup> Motion”) of that date, pages 15-16 and Exhibit 1. In the October 30<sup>th</sup> Motion, LUMA explained that due to reasons beyond LUMA’s control there were delays in the implementation of the TPP during Year 1 (including

funding uncertainties and delays in third-party actions); nonetheless, important milestones had been achieved as of that date; and the process to prepare the first Three-Year Plan would greatly benefit from an extension to fully implement the TPP and acquire the necessary experience and insights to appropriately develop full-scale EE and DR programs, as well as the completion by the Energy Bureau of the Market Baseline and Potential Study<sup>4</sup>. *See* October 30<sup>th</sup> Motion on pages 11, 13 and 15.

22. On October 30, 2023, LUMA filed a *Motion to Submit TPP FY2023 Annual Report* in compliance with the February 16<sup>th</sup> Order.

23. On November 14, 2023, LUMA submitted the FY2024 Q1 DR Administrative Costs Quarterly Report in compliance with the August 29<sup>th</sup> Order. *See Motion to Submit First Quarterly Report on Administrative Costs and Expenditures of TPP DR Programs* filed on November 14, 2023.

24. 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 and 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

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<sup>4</sup> *See* EE Regulation, Section 2.01(A).

integration takes longer than anticipated. *See* November 21<sup>st</sup> Motion on page 5. For this reason, LUMA requested 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 current best estimate of the timeline for initiating the processing and fulfillment of rebate applications, taking into account the mentioned pre-launch activities. *See id.*

25. On November 29, 2023, the Energy Bureau issued a Resolution and Order (“November 29<sup>th</sup> Order”) in which the Energy Bureau granted LUMA’s request to extend the TPP by one year, to June 30, 2025, and to delay the schedule (including all required drafts and stakeholder engagement processes) for the Three-Year EE and DR Plan by one year, “so that the Three-Year EE and DR Plan shall be filed by March 1, 2025”. *See* November 29<sup>th</sup> Order on page 7. In addition, “in order to evaluate LUMA’s plans for the Extended [TPP]” the Energy Bureau ordered LUMA to file by December 8, 2023 a revised TPP and submit certain information specified therein, including information on program plans, program schedules, and the expenditures and costs for FY2024 and FY2025, among others.

26. On November 29, 2023, LUMA submitted the FY2024 Q1 Quarterly TPP Report, in compliance with the February 16<sup>th</sup> Order. *See Motion to Submit FY2024 Q1 TPP Report* of that date.

27. On December 20, 2023, LUMA submitted to the Energy Bureau the revised version of the TPP (“Revised TPP”) and the information requested under the November 29<sup>th</sup> Order.<sup>5</sup> *See Motion to Submit Revised TPP and Other Information Requested Under the Resolution and Order of November 29, 2023 filed on December 20, 2023 (“November 20<sup>th</sup> Motion”) and its Exhibit 1 (which is the Revised TPP).* Given that TPP programs were launched during the second year of the original TPP, the Revised TPP redefines Year 1 as the period from August 9, 2023 to June 30, 2024, and Year 2 as the period from July 1, 2024 to June 30, 2025 (FY2025). *See Revised TPP, Section 1.2.* The Revised TPP also updates the portfolio of quick-launch programs, adding to the existing programs a new Energy Efficiency Kit program to be quickly launched in Q3 of FY2024 and provide basic EE measures free of charge to a large number of customers. *See id.*

28. The Revised TPP estimates a budget of \$5,032,813 for the Year 2 (FY2025) CBES and contemplates that funding for the CBES will continue to be recovered through the PPCA as approved by the Energy Bureau. *See id.* Sections 8.4 and 8.4.1. In addition, the Revised TPP sets forth an estimated budget of \$13.7 million for Year 2 (FY2025) EE Programs. *See id.* Section 8.3. With respect to the source of funding for this Year 2 budget, the Revised TPP provides that:

A reliable and long-term source of funding is essential for successful planning and delivery of energy efficiency programs to meet Act 17 objectives. LUMA has investigated other forms of funding such as federal funding, which provide grant funding for individual EE *projects*, though they do not provide funding directly to utilities for distribution through EE incentive *programs*. Utility-sponsored energy efficiency programs require a stable annual source of funding, typically established by the regulator to be recovered through utility rates.

As discussed in the Energy Bureau’s 2019 Determination on the Permanent Rates Rider Factors,<sup>6</sup> the Energy Bureau will need to create an Energy Efficiency fund in

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<sup>5</sup> The deadline to submit the revised TPP and other information required under the November 29<sup>th</sup> Order was extended by the Energy Bureau by Resolution and Order of December 12, 2023 in attention to a request for extension filed by LUMA on December 7, 2023 (*see Request for Extension to Comply with the Order for LUMA to Provide Information Under the Resolution and Order of November 29, 2023* filed by LUMA on December 7, 2023).

<sup>6</sup> <https://energia.pr.gov/wp-content/uploads/sites/7/2019/09/Resolution-and-Order-Permanet-Rates-Rider-Factors-CEPR-AP-2015-0001.pdf>

order to implement the required EE/DR programs. The Energy Bureau has previously established the EE Rider to recover the cost of energy efficiency programs from all customers on a per kilowatt-hour basis.<sup>7</sup> The Energy Bureau will need to establish an initial Energy Efficiency fund of \$13.7M to be collected from customers through the EE Rider during [FY2025].

*See id.* Section 8.3.1.

29. The Revised TPP also provides illustrative examples of what the EE Rider amount could be, if implemented for the proposed FY2025 budget. *See id.* Based on these examples, the Revised TPP indicates that the EE Rider's impact per customer is negligible. *See id.* It also explains that if there are unspent amounts from the EE Programs in FY2024 and if LUMA is able to carry these amounts to FY2025, then the amounts to be funded by the EE Rider would be reduced. *See id.* Section 8.3.

30. The Revised TPP maintains the same requirements pertaining to the TPP Quarterly Reports and TPP Annual Reports for FY2024, while extending these to FY2025, and adds the DR Administrative Costs Quarterly Reports. *See id.* Section 6.0.

31. On February 6, 2024, LUMA provided the Energy Bureau a status of the progress of the EE incentive and rebate and EE Kit programs, informing, among others, 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 that, as of January, the Home Efficiency Rebate Program was active and fully operating. *See Informative Motion Regarding Status of Energy Efficiency Programs* filed on February 6, 2024, on page 5. LUMA also explained that the timing for LUMA to start processing EE rebate applications is not within LUMA's control because it depends on the customers installing qualifying solar water heaters and submitting properly completed rebate applications. *See id.* Therefore, LUMA indicated it would keep the

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<sup>7</sup> Regulation 8720, New Regulation on Rate Filing Requirements for the Puerto Rico Electric Power Authority's First Rate Case, March 28, 2016, Section 2.12(D).

Energy Bureau informed of the status of the EE programs and rebate applications during the quarterly TPP reports, including submitting the information on processing of EE rebate applications when such processing commences. *See id.*

32. On February 14, 2024, LUMA submitted the FY2024 Q2 DR Administrative Costs Quarterly Report and requested the Energy Bureau to consolidate the DR Administrative Costs Quarterly Reports and the TPP Quarterly Reports into a single quarterly report to be filed within forty-five (45) days of the end of each fiscal quarter, commencing with the reports for Q3 FY2024 and to consolidate the DR Administrative Costs Year-end Reports and the TPP Annual Reports into a single annual report to be filed within one hundred and twenty (120) days following the end of the fiscal year, commencing with the annual report for FY2024. *See Motion to Submit Second Quarterly Report on Administrative Costs and Expenditures of TPP DR Programs and Request to Consolidate Reporting Requirements* (“LUMA February 14<sup>th</sup> Motion”).

33. On February 29, 2024, LUMA filed the FY2024 Q2 TPP Quarterly Report in compliance with the February 16<sup>th</sup> Order. *See Motion to Submit FY2024 Q1<sup>8</sup> TPP Report* filed on February 29, 2024. On March 21, 2024, the Energy Bureau issued a Resolution and Order (“March 21<sup>st</sup> Order”) granting LUMA’s request to consolidate the TPP and DR Administrative Cost Quarterly Reports into a single filing to be filed within forty-five (45) days of the end of each quarter, beginning with FY2024 Q3 and file its annual DR Administrative Costs reports as part of its annual TPP reports one hundred and twenty (120) days following the end of the fiscal year, following the end of FY2024 and FY2025.

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<sup>8</sup> Please note that the title refers to Q1 instead of Q2 due to inadvertent error.

### **III. Submission of FY2024 Q3 Consolidated TPP and DR Administrative Costs Report**

34. In compliance with the February 16<sup>th</sup> Order, the August 29<sup>th</sup> Order, and the March 21<sup>st</sup> Order, LUMA herein submits its Q3 FY2024 Consolidated TPP and DR Administrative Costs Quarterly Report. *See Exhibit 1.*

### **IV. EE Rebates Processing**

35. As informed in the attached report, during the month of March 2024, LUMA started receiving EE rebate applications, specifically receiving a total of 155 applications, and LUMA has issued rebate checks for 77 of these applications. *See Exhibit 1* on page 14. The cost associated with the rebate checks issued is \$42,930. *See id.* Attached as *Exhibit 2* is evidence of the processing of the rebate applications, in the form of Excel spreadsheets identifying the number of customers who applied for and were paid rebates under the Home Efficiency Rebates Program. This information is being provided in compliance with the February 16<sup>th</sup> Order, as modified by the April 3<sup>rd</sup> Order and further modified by the August 11<sup>th</sup> Order.

### **V. Request for Clarity on FY2025 EE Programs' Funding**

36. In the Q3 Report, LUMA informs that it does not have any funding allocated from existing rates for FY2025 for EE programs. *See Exhibit 1* on page 32. As discussed above, the February 16<sup>th</sup> Order provided for the FY2024 TPP budget to be funded using the EE Rider funding, to the extent other alternative funding sources are not available or proposed. *See February 16<sup>th</sup> Order* on pages 27 and 30. The Energy Bureau thereafter determined to suspend the EE Rider charge for July 2023 (*see June 30<sup>th</sup> Resolution and Order* on page 11) and to exclude DR program costs from recovery through the EE Rider charge, while ordering LUMA to contemplate the DR programs as part of the proposal of factors corresponding to the PPCA (*see July 31<sup>st</sup> Resolution*

and Order on pages 8-9). Subsequently, the Energy Bureau determined that the EE program costs would be recovered through the base rate (*see* September 22 Budgets Order on page 9) and ordered LUMA to include in the customer invoices an EE Rider charge equal to zero (0) for the billing period from October 1, 2023, to June 30, 2024 (*see* September 29th Order on pages 2 and 8). As of this date, the EE Rider charge has not been made effective, and there is no Energy Bureau determination regarding the funding sources for FY2025 EE programs.

37. As informed in the Revised TPP, LUMA has explored other forms of funding such as federal funding and has found that, while there is grant funding for individual EE projects, this funding is not available to provide funding directly to utilities for distribution through EE incentive programs. *See* Revised TPP, Section 8.3.1. The estimated budget for the EE Programs for FY2025 under the Revised TPP is \$13.7 million. *See id.* Section 8.3. Based on the Q3 participation rate in the EE programs, LUMA does not currently anticipate there being excess funding that could be carried over to FY2025. Therefore, there is no clear source of funding for the entire budget for EE programs under the Revised TPP.

38. LUMA respectfully submits that utility-sponsored EE programs require a stable annual source of funding, typically established by the regulator to be recovered through utility rates. *See* Exhibit 1 on page 32. In this case, a reliable and long-term source of funding is essential for the successful planning and delivery of the Revised TPP's EE programs for FY2025. *See id.* LUMA respectfully submits that using the base rate budget for these programs creates constraints in the ability to implement such programs as the base rate budget cannot be scaled up if programs are more popular than expected and therefore require additional resources. The EE Rider charge, on the other hand, was designed for recovery of energy efficiency programs (*see* Energy Bureau's Resolution and Order of September 27, 2019 in Case No. CEPR-AP-2015-0001; NEPR-AP-2018-

0003, *In Re: Puerto Rico Electric Power Authority Rate Review*, on pages 7-10) and should, therefore, be considered to fund the FY2025 EE programs in the Revised TPP. LUMA recognizes, however, that the decision about the timing of introduction of the EE Rider requires careful consideration and is the Energy Bureau's decision to make. In sum, LUMA respectfully requests the Energy Bureau to provide clarity on the source of funding for the EE programs budget for FY2025 in attention to the above considerations.

**VI. Request for Confidential Treatment of Exhibit 2 and Memorandum of Law in Support**

39. LUMA respectfully requests this honorable Energy Bureau to maintain *Exhibit 2* confidential, pursuant to the Energy Bureau's Policy on Management of Confidential Information, CEPR-MI-2016-0009, issued on August 31, 2016, and partially amended on September 16, 2016 ("Energy Bureau's Policy on Confidential Information"), and, accordingly, LUMA is submitting herein redacted and unredacted (confidential) versions of *Exhibit 2*.

**A. Applicable Laws and Regulations to Submit Information Confidentially Before the Energy Bureau**

40. The bedrock provision on the management of confidential information filed before this Energy Bureau is Section 6.15 of Act 57-2014, known as the "Puerto Rico Energy Transformation and Relief Act." It provides, in pertinent part, that: "[i]f any person who is required to submit information to the [Energy Bureau] believes that the information to be submitted has any confidentiality privilege, such person may request the [Energy Bureau] to treat such information as such [...]." 22 LPRA §1054n. If the Energy Bureau determines, after appropriate evaluation, that the information should be protected, "it shall grant such protection in a manner that least affects the public interest, transparency, and the rights of the parties involved in the administrative procedure in which the allegedly confidential document is submitted." *Id.* §1054n(a).

41. Access to confidential information shall be provided “only to the lawyers and external consultants involved in the administrative process after the execution of a confidentiality agreement.” *Id.* §1054n(b). Finally, Act 57-2014 provides that this Energy Bureau “shall keep the documents submitted for its consideration out of public reach only in exceptional cases. In these cases, the information shall be duly safeguarded and delivered exclusively to the personnel of the [Energy Bureau] who needs to know such information under nondisclosure agreements. However, the [Energy Bureau] shall direct that a non-confidential copy be furnished for public review.” *Id.* §1054n(c).

42. Relatedly, in connection with the duties of electric power service companies, Section 1.10 (i) of Act 17-2019 states that electric power service companies shall “provide the documents and information as requested by customers, “except for: (i) confidential information in accordance with the Rules of Evidence of Puerto Rico, ...]and (viii) ***issues that should be maintained confidential in accordance with any confidentiality agreement***, provided, that such agreement is not contrary to public interest....” (Emphasis added.)

43. Moreover, the Energy Bureau’s Policy on Management of Confidential Information details the procedures that a party should follow to request that a document or portion thereof be afforded confidential treatment. In essence, the referenced Policy requires identifying confidential information and filing a memorandum of law explaining the legal basis and support for a request to file information confidentially. *See* CEPR-MI-2016-0009, Section A, as amended by the Resolution of September 20, 2016, CEPR-MI-2016-0009. The memorandum should also include a table that identifies the confidential information, a summary of the legal basis for the confidential designation, and why each claim or designation conforms to the applicable legal basis of confidentiality. *Id.* at ¶ 3. The party who seeks confidential treatment of information filed with the

Energy Bureau must also file both a “redacted” or “public version” and an “unredacted” or “confidential” version of the document that contains confidential information. *Id.* at ¶ 6.

44. Energy Bureau Regulation No. 8543, *Regulation on Adjudicative, Notice of Noncompliance, Rate Review, and Investigation Proceedings*, also includes a provision for filing confidential information in proceedings before this Energy Bureau. To wit, Section 1.15 provides that “a person has the duty to disclose information to the [Energy Bureau] considered to be privileged pursuant to the Rules of Evidence, said person shall identify the allegedly privileged information, request the [Energy Bureau] the protection of said information, and provide supportive arguments, in writing, for a claim of information of privileged nature. The [Energy Bureau] shall evaluate the petition and, if it understands [that] the material merits protection, proceed according to [...] Article 6.15 of Act No. 57-2015, as amended.”

#### **B. Request for Confidentiality**

45. The spreadsheets in *Exhibit 2* submitted as proof of the processing of EE rebates contain information of the Puerto Rico Electric Power Authority’s (“PREPA”) Transmission and Distribution System (“T&D System”) customers in the form of the customer’s name, customer address, and bill account number, appearing in columns D, E/F and C, respectively, of these spreadsheets. (Columns G and I contain information on the municipality and zip code, but this information is not redacted because, by itself, it does not identify the customers.) LUMA is required to maintain this information confidential pursuant to the provisions of the Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement (“T&D OMA”). In particular, this information constitutes “Owner Personal Information” under the T&D OMA, defined in pertinent part as “any and all personally identifiable information, in any form, collected

or provided to [LUMA] [...] in connection with the provision of O&M Services<sup>9</sup> or services under [the T&D OMA] and that, alone or in combination with other information, uniquely identifies a current [...] T&D System Customers<sup>10</sup> (e.g., names, addresses, telephone numbers, other information in the Customer Database<sup>11</sup> or any other personally identifiable information as otherwise defined under [applicable law]) [...]” See T&D OMA, Section 1.1 (definition of “Owner Personal Information”) (footnotes added). The T&D OMA provides that “Owner Personal Information shall be considered Confidential Information of Owner and shall at all times remain the Intellectual Property of Owner”. See *id.* Section 5.15(b). LUMA is required to “(A) keep strictly confidential and take reasonable precautions to protect against the disclosure of all Confidential Information of [Owner], and (B) use all Confidential Information of [Owner] solely for the purposes of performing its obligations under the [OMA and other specified agreements contemplated under the OMA]”. See *id.* Section 13.2(a)(ii).

46. In addition, this information should be maintained confidential in the context that it reveals personal information of individuals the protection of which is in the public interest and aligned with Puerto Rico’s legal framework on privacy which protects from the disclosure of personal information. See, e.g., Const. ELA, Art. II, Sections 8 and 10 protect the right to control personal information and distinctive traits, which applies *ex proprio vigore* and against private parties. See also e.g. *Vigoreaux v. Quiznos*, 173 DPR 254, 262 (2008); *Bonilla Medina v. P.N.P.*, 140 DPR 294, 310-11 (1996), *Pueblo v. Torres Albertorio*, 115 DPR 128, 133-34 (1984). See also

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<sup>9</sup> This term is defined as the following services that LUMA is required to provide under the T&D OMA: (i) provide management, operation, maintenance, repair, restoration and replacement and other related services for the T&D System, in each case that are customary and appropriate for a utility transmission and distribution system service provider, including the services set forth in [Article 5 (*O&M Services*) of the T&D OMA with some exclusions] [...] and Annex I (*Scope of Services*) [of the T&D OMA], and (ii) establish policies, programs and procedures with respect thereto. See T&D OMA, Section 5.1.

<sup>10</sup> This term is defined as the “customers of the T&D System”. See *id.* Section 1.1 (definition of T&D Customers).

<sup>11</sup> This term is defined, in pertinent part, as “a computer database containing information related to T&D Customers [...]” See *id.* Section 5.15(a).

Act 122-2019, Article 4(vi) (which provides, as an exception to the rule on public disclosure, information the disclosure of which could invade the privacy of third parties or affect their fundamental rights).

47. It is respectfully submitted that the redaction of the aforementioned information does not affect the public's or the Energy Bureau's review of the present filing nor interfere with processes before this Energy Bureau. Therefore, on balance, the public interest to protect privacy weighs in favor of protecting the relevant portions of the spreadsheets in *Exhibit 2*.

### **C. Identification of Confidential Information**

48. In compliance with the Energy Bureau's Policy on Management of Confidential Information, CEPR-MI-2016-0009, below, find a table summarizing the hallmarks of this request for confidential treatment.

<b>Document</b>	<b>Description</b>	<b>Columns in which Confidential Information is Found, if applicable</b>	<b>Summary of Legal Basis for Confidentiality Protection, if applicable</b>	<b>Date Filed</b>
Exhibit 2	Excel spreadsheets with information on rebates requested and processed	Columns D, E/F and C	Section 1.10 (i) of Act 17-2019 (information to be maintained confidential pursuant to confidentiality agreement (that is, the T&D OMA)  Right to privacy ( <i>see, e.g.</i> , Const. ELA, Art. II, Sections 8 and 10)	May 15, 2024

**WHEREFORE**, LUMA respectfully requests that the Energy Bureau (i) **take notice** of the aforementioned; (ii) **accept** the FY2024 Q3 Consolidated DR Administrative Costs and TPP Quarterly Report in *Exhibit 1* in compliance with the February 16<sup>th</sup> Order, as modified by the August 29<sup>th</sup> Order and further modified by the March 21<sup>st</sup> Order and **deem** LUMA in compliance with the FY2024 Q3 reporting requirements under such orders; (iii) **accept** the evidence of processing of EE rebates in *Exhibit 2* in compliance with the February 16<sup>th</sup> Order, as modified by the April 3<sup>rd</sup> Order and further modified by the August 11<sup>th</sup> Order and **deem** LUMA in compliance with the EE rebate processing requirements under such orders; (iv) clarify the source of funding for EE programs for FY2025, as indicated in Section V of this Motion; and (v) **grant** confidential treatment of *Exhibit 2*.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 15<sup>th</sup> day of May 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 the Independent Office for Consumer Protection at [hrivera@jrsp.pr.gov](mailto:hrivera@jrsp.pr.gov); PREPA at [arivera@gmlex.net](mailto:arivera@gmlex.net); and [mvalle@gmlex.net](mailto:mvalle@gmlex.net); and [agraitfe@agraitlawpr.com](mailto:agraitfe@agraitlawpr.com), [info@sesapr.org](mailto:info@sesapr.org), [bfrench@veic.org](mailto:bfrench@veic.org), [shanson@veic.org](mailto:shanson@veic.org), [evand@sunrun.com](mailto:evand@sunrun.com), [jordgraham@tesla.com](mailto:jordgraham@tesla.com), [forest@cleanenergy.org](mailto:forest@cleanenergy.org), [customerservice@sunnova.com](mailto:customerservice@sunnova.com), [javrui@sesapr.org](mailto:javrui@sesapr.org), [pjcleanenergy@gmail.com](mailto:pjcleanenergy@gmail.com), and [mrios@arroyorioslaw.com](mailto:mrios@arroyorioslaw.com).



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*Exhibit 1*

*FY2024 Q3 Consolidated TPP and DR Administrative Costs Quarterly Report*

# Energy Efficiency and Demand Response Programs FY24 Q3 Report

January through March 2024

# Content

- **Introduction**
- **Status: LUMA's Activities and Achievements**
- **Progress: Energy Efficiency**
  - Energy Efficiency Kits
  - Home Efficiency Rebate Program
  - Customer Battery Energy Sharing Program
  - Education and Outreach Program
- **Observations and Recommendations**
- **Enrollment by Program**
- **Performance**
  - Energy Savings by Sector
  - Energy and Peak Demand Savings by Program
  - Customer Battery Energy Sharing Pilot Program
  - Support to Key Strategics Groups
  - LUMA's Community Streetlight Initiative (CSIS) Energy Savings
- **Estimated Programs Costs**
- **Next Steps**
- **Customer Battery Energy Sharing (CBES) Initiative Administrative Costs**

# Introduction

# Introduction

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LUMA is committed to working with the Puerto Rico Energy Bureau (Energy Bureau) to build a more reliable, and resilient energy system for the people of Puerto Rico. As the system operator, LUMA is responsible for helping to implement Puerto Rico's public energy policy, including key customer initiatives such as Energy Efficiency (EE) and Demand Response (DR) Programs, which are required by law and mandated by the Energy Bureau.

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As part of this effort, LUMA is pleased to submit **the Transition Period Plan Quarterly Report and Customer Battery Energy Sharing (CBES) Initiative Administrative Costs Report** corresponding to the third quarter of Fiscal Year 2024. The EE/DR Report has been completed in accordance with the *Regulation for Energy Efficiency*, as adopted pursuant to the provisions of Act 57-2014 as amended, known as the *Puerto Rico Energy Transformation and RELIEF Act* ("Act 57-2014") and Act 38-2017, as amended, known as the *Uniform Administrative Procedure Act of the Government of Puerto Rico*.

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This report encompasses the period from January 1, 2024, through March 31, 2024, and is presented by LUMA in adherence to the requirements of the February 16, 2023, Resolution and Order, which approved the guidelines outlined in the Transition Period Plan submitted on June 21, 2022. Additionally, LUMA is complying with the requirements set on the April 3, 2023, Resolution and Order to include relevant data regarding the implementation of the Customer Battery Energy Sharing Program. Moreover, on December 20, 2023, LUMA submitted the Revised Transition Period Plan (Revised TPP) in compliance with the Energy Bureau's orders. The Revised TPP maintains the same requirements pertaining to the Quarterly Reports while extending these to FY2025.



# Status of Transition Plan Programs

# Status – LUMA's Activities and Achievements during FY24 Q3

TPP Program		Initiatives	Description	Status
Q3	Program Management and Implementation Strategies Sec. 5.0	Program Administration	Continued weekly meetings with the Implementation Contractor to review progress and discuss next steps	Ongoing
	Education and Outreach Program Sec. 4.2	Stakeholder Outreach	Participation in Puerto Rico Energy Week, SESA Meeting, and GUIA Annual Meeting - EE and DR Pilots discussed, and educational material distributed	Completed
	Education and Outreach Program Sec. 4.2	Customer Education	Developed new marketing materials such as a Residential Rebates Brochure, Customer Incentive Program landing page, and EE Kits Installation Guide	Completed
	Funding Sources and Cost Recovery Sec. 8.0	Grant Funds Identification	Discussions with the State Office of Public Energy Policy, Fortaleza, DOE and others	Ongoing



# Status – LUMA’s Activities and Achievements during FY24 Q3 (Cont.)

TPP Program		Initiatives	Description	Status
Q3	Residential Rebate Program Sec. 4.3	Pilot Program	Provide customers a financial incentive for purchasing and installing high-efficiency eligible equipment and appliances	Ongoing
	Energy Efficiency Kits Program Sec. 4.6	Pilot Program	Provided free mail-order “kits” containing typical energy efficiency measures and educational materials	Completed
	Customer Battery Energy Sharing (CBES) Program Launch Sec. 4.4	Pilot Program	Deploy customer batteries to mitigate generation shortfalls	Ongoing
	Street Light Conversion Program Sec. 4.5	Street Lighting Conversion Program	Repair or replace streetlight infrastructure and upgrade to LED’s	Ongoing



# Status – LUMA’s Activities and Achievements beyond FY24 Q3

TPP Program		Initiatives	Description	Status
Q4	Funding Sources and Cost Recovery Sec. 8.0	Grant Funds Identification	DOE has awarded a grant of \$3,536,471 for supplemental funding of the CBES Program. This grant funding will enable LUMA to scale up the program and add approximately 4,000 participants, representing about 25 MW of additional capacity during emergency events	Awarded, Kickoff meeting with COR3 completed
	Business Energy Efficiency Rebates Sec. 4.7	Pilot Program	Provide commercial customers a financial incentive for purchasing and installing eligible equipment and appliances	Launched April 2024
	Business Energy Efficiency Kits Program Sec. 4.6	Pilot Program	Provide commercial customers a free mail-order “kit” containing typical energy efficiency measures and educational materials	Scheduled May 2024



# Status – LUMA’s Activities and Achievements beyond FY24 Q3 (Cont.)

TPP Program		Initiatives	Description	Status
Q4	Education and Outreach Program Sec. 4.2	Stakeholder Outreach	Develop and publish marketing materials such as: Press release, bill inserts, postcards and business rebates pamphlet	Scheduled May 2024
	Education and Outreach Program Sec. 4.2	Stakeholder Outreach	Develop and publish marketing materials for Contractors such as: Marketing tips and Contractor email	Scheduled May 2024



# Progress – Energy Efficiency

# Progress – Energy Efficiency Kits Program

Month		Activities and Achievements
Q3	Jan	✓ Training sessions delivered to all LUMA Customer Service representatives
	Feb	✓ Program launched. A total of <b>10,000 customers</b> ordered the kits through the ordering website <sup>1</sup> within <b>24 hours</b>
	March	✓ A total of <b>8,211 kits shipped</b> to customers ✓ An <b>installation guide</b> and a <b>satisfaction survey postcard</b> were included with the kits ✓ Efforts made to improve address verification and streamline delivery process for the remaining 1,789 kits, particularly those with challenging delivery requirements

Energy Efficiency Kit – Website Product Descriptions

**Kit de Ahorro de Energía**

~~\$75.00~~ 100% de Ahorro  
**\$0.00**

Gracias por elegir hacer que su hogar sea más eficiente energéticamente. Usted recibirá:


- Un (1) multenchufe eléctrico avanzado (Nivel I)
- Seis (6) LED A19 equivalentes a 60 W
- Una (1) cabezal de ducha de alta eficiencia
- Dos (2) aireadores de baño de alta eficiencia
- Un (1) aireador de cocina de alta eficiencia
- Una (1) luz nocturna LED del atardecer al amanecer
- Una (1) envoltura aislante para tuberías de 15 pies

**Añadir al carrito**

**LUMA**

Thank you for ordering an **Energy Efficiency Kit**.


Please follow this **QR code** below and provide feedback on what you installed and your overall satisfaction with the kit! To take the survey, hold your phone's camera over the code and follow the link provided.



**Save Energy, Save Money!**

Explore our website for **Energy Saving Tips** that benefit the planet and can help **trim your utility bills**.

Visit <https://lumapr.com/>



**LUMA**

**Installation Guide**

**Advanced Power Strip Installation**

An advanced power strip (APPS) helps reduce energy waste by automatically shutting off power to non-essential devices when they are not in use. This helps reduce energy waste and lower your electricity bill. The APPS also features a surge protector to protect your devices from power surges.

**Bulb Installation Tips**

Handling an LED light bulb is a simple task, but there are a few things to keep in mind to ensure you get the most out of your new bulbs. First, always use proper handling techniques to avoid damaging the delicate components of the bulb. Second, make sure the bulb is compatible with your fixture and that it is properly seated in the socket. Finally, always use the correct wattage for your fixture to avoid overheating and fire hazards.

**Pipe Wrap Installation**

Proper pipe insulation is essential for maintaining energy efficiency in your home. This guide provides step-by-step instructions on how to correctly install pipe wrap on various types of pipes, ensuring a secure and effective seal. The guide also includes tips on how to choose the right type of pipe wrap for your specific needs and how to properly dispose of any old or damaged insulation.

**Showerhead Installation**

Replacing your old showerhead with a new, more efficient one is a simple task that can help reduce water waste and lower your water bill. This guide provides clear instructions on how to remove your old showerhead and install the new one, ensuring a secure fit and proper operation. The guide also includes tips on how to choose the right type of showerhead for your needs and how to properly maintain your new showerhead.

**Aerator Installation**

Installing a kitchen faucet aerator is a simple task that can help reduce water waste and lower your water bill. This guide provides clear instructions on how to remove your old aerator and install the new one, ensuring a secure fit and proper operation. The guide also includes tips on how to choose the right type of aerator for your needs and how to properly maintain your new aerator.

**LED Night Light Installation**

Installing a night light is a simple task that can help reduce energy waste and lower your electricity bill. This guide provides clear instructions on how to remove your old night light and install the new one, ensuring a secure fit and proper operation. The guide also includes tips on how to choose the right type of night light for your needs and how to properly maintain your new night light.




1. <https://eekit.lumapr.com/default/welcome/>

# Progress – Energy Efficiency Kits Program beyond FY24 Q3

Month		Activities and Achievements
Q4	April	<div>✓ Launched a second EE kit with a focus on direct electric measures to expand the offering to <b>13,500</b> total kits to be distributed as follows:</div> <ul style="list-style-type: none"><li>• <b>8,500 units</b> available through the ordering website. Allocation is now complete, and they were claimed within <b>48 hours</b></li><li>• <b>3,500 units</b> to be distributed through seven LUMA Regional Customer Service Center Offices</li><li>• <b>1,500 units</b> to be distributed through three Community Based Organizations</li></ul>

## Second kit offering products descriptions



### Energy-Saving Kit

~~\$55.00~~ Save 100%  
**\$0.00**


Thank you for choosing to make your home more energy efficient. You will receive:

- One (1) Advanced Power Strip (Tier-1)
- Six (6) 60w equivalent A19 LEDs
- One (1) Dusk-to-Dawn LED Night Light

For installation tips, please visit the [installation guide](#).

**Add to Cart**

## EE KIT Order Site




Cambiar a Español


WELCOME TO THE


### LUMA Energy Kit Order Site


Installing these energy efficient products will make your home more comfortable and help reduce your energy bill.

*Limit of (1) kit per household. Offer valid for LUMA Energy residential customers only. Orders cannot be shipped outside of LUMA Energy's service area.*



**FREE SHIPPING**  
Provided by LUMA Energy

**LIMITED TIME**  
Offer valid while supplies last

**BIG SAVINGS**  
Save Energy and Money

If you are a LUMA Energy Residential Customer seeking to order a kit, please enter the following code: **KITLUMA24**

If you are a LUMA Energy Residential Customer affiliated with a community partner or one of our Regional Customer Centers, please enter the code you were provided.

**Check Eligibility**

<https://eekit.lumapr.com/default/welcome/>

Need help? Contact our customer support at [EE@lumapr.com](mailto:EE@lumapr.com) or give us a call at [1.800.989.2922](tel:1800.989.2922)

[About](#) | [Warranty & Returns](#) | [Privacy](#) | [Shipping](#) | [FAQ](#)

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NEPR-MI-2022-0001  
MAY 15, 2024

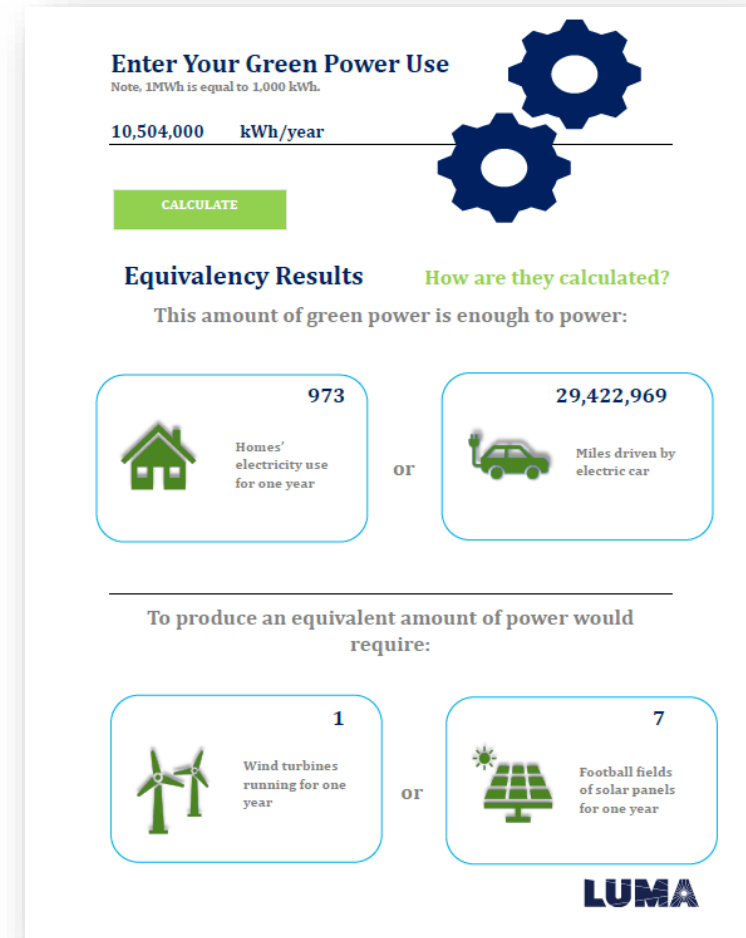
# Progress – Energy Efficiency Kits Program

- A total of **23,500 kits** will be distributed, resulting in a total energy savings of **10,504 MWh**; or conservatively **equivalent to 973 Homes**\* electricity use per year\*\*.



\*Equivalency Calculator uses an average home electricity value of 10,791 kWh/American home/year, which is higher than the average Puerto Rican home/year – it's likely this data is understated in it's total impact on the island.

\*\* The average usage of our residential customer class is 400 kWh per month or 4,800 kWh per year.



<https://www.epa.gov/green-power-markets/green-power-equivalency-calculator>



# Progress – Home Efficiency Rebate Program

Month		Activities and Achievements
Q3	January	✓ First measure for <b>Home Efficiency Rebate Program</b> launched - Solar Water Heaters
	February	✓ LUMA added <b>5 new eligible measures</b> to the program. ✓ New dynamic application created
	March	✓ A total of <b>155</b> applications received

Eligible Equipment	Rebate Amount
Solar Water Heater	\$550
Energy Star Tankless Water Heater	\$60
Energy Star Refrigerator	\$210
Energy Star Freezer	\$210
Mini-Split Air Conditioner	\$750
Energy Star Window Air Conditioner	\$130



## 2024 Home Efficiency Rebate Program: Residential Application

Program Dates: This application covers equipment installed from January 1 through December 31, 2024.

Thank you for participating in LUMA Energy's Home Efficiency Rebate Program! Refer to the information below to ensure you are eligible and your application is complete. Please retain a copy of your completed application and all invoices for your records. Visit [lumaenergy.com/home-efficiency-rebate-program/?lang=en](https://lumaenergy.com/home-efficiency-rebate-program/?lang=en) to view the complete terms and conditions.

### Need Help?

For assistance completing this application, call 1-800-989-2922 or email [EE@lumaenergy.com](mailto:EE@lumaenergy.com).

Measure Name	Rebate Amount
Solar Water Heater	\$550
Tankless Water Heater	\$60
Ductless Split Air Conditioner	\$750
Window Air Conditioner	\$130
Energy Star Refrigerator	\$210
Energy Star Freezer	\$210

\*Higher incentives may be available for income eligible customers.

### What You Will Need:

1. The completed Program Application (signed and dated)
2. A copy of your sales receipt or invoice, including all applicable material and labor costs (please keep the original for your records)
3. Your LUMA Energy electric bill
4. Installing contractor information (if available)

### How To Apply

#### Step 1: Determine Eligibility

To be qualify for a rebate, the following requirements must be met:

- For equipment being installed/updated in an existing or newly constructed home, the customer must be a current LUMA Energy residential electric customer.
- The application must be submitted digitally or postmarked within 90 days of equipment purchase.
- Equipment must be purchased and installed on or after January 1, 2024. The application should be filled out after the purchase of an eligible residential measure and must meet the eligibility rules outlined on [page 6](#).
- Increased incentives available for income eligible customers. Be sure to complete the questions in [1. Customer Information](#) section to see if you qualify.

#### Step 2: Complete Application

**Complete Application.** Unless noted otherwise, all fields must be completed on the application to receive a rebate.

**Attach Invoices.** Ensure that you have attached copies of all invoices to the application. Invoices **must** include:

- The equipment make, model and cost.
- The date of installation.
- Total number of units installed.
- Labor costs of equipment installation. For self-installations, internal labor hours and cost estimates must be provided.
- A previous LUMA Energy electric bill from the last 90 days that includes Customer Name, LUMA Energy Account Number, and Contact Service Address.

#### Step 3: Submit Paperwork

**Submit Application & Invoice(s).** Submit your completed application and a copy of your itemized invoice(s). You may do so one of three ways:

- **Email:** Email [EE@lumaenergy.com](mailto:EE@lumaenergy.com) (Note: be sure to include all documents as email attachments.)
- **Mail:** ATTN: LUMA Energy Rebate Programs | PO Box 9227512, San Juan, PR 00922-7512

Please allow 4-6 business days for application processing and up to six weeks to receive your rebate payment after final approval of the application.

\*Subject to other terms, conditions, restrictions and limitations, as stated in the attached Program Agreement. Funds for rebates are limited and available on a first-come, first-served basis. Rebate amounts are valid through Dec. 31, 2024, but can change without notice. The rebate cannot exceed the cost of the equipment. The Program may be ended or modified at any time.

[LUMAenergy.com/home-efficiency-rebate/?lang=en](https://lumaenergy.com/home-efficiency-rebate/?lang=en)

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MARCH 2024



# Progress – Home Efficiency Rebates Program

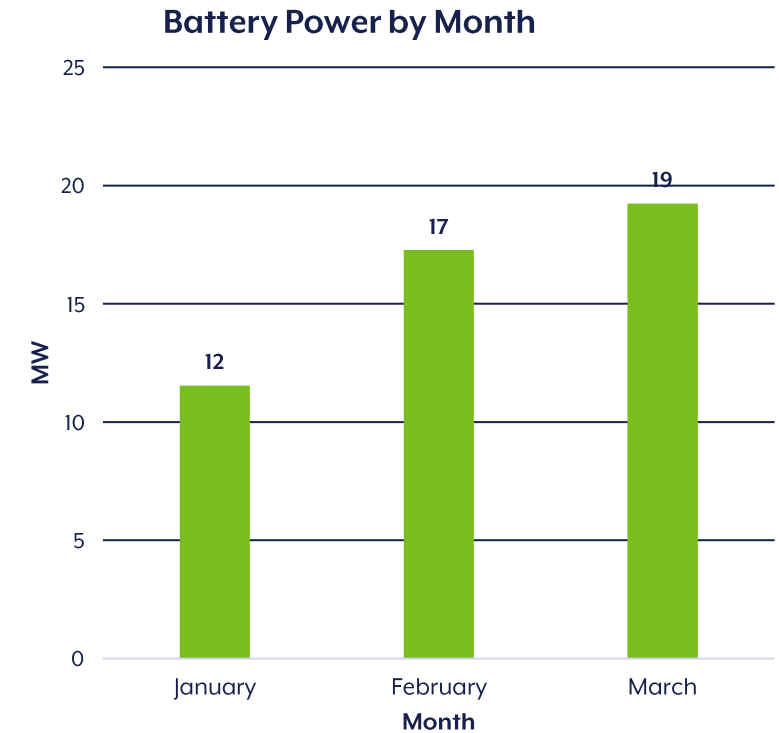
In response to the April 3, 2023, Resolution and Order issued by the Energy Bureau, LUMA is tasked with demonstrating compliance in processing energy efficiency incentive and rebate applications. The resolution mandates the submission of documentation encompassing data such as the number of customers served, applications processed, rebate checks issued, and associated costs.

Customers Served	Applications Processed	Rebate Checks Issued	Cost Associated with the Rebate Checks Issued
155	77	77	\$42,930



# Progress – Customer Battery Energy Sharing (CBES) Program

Month		Activities and Achievements
Q3	Jan	✓ <b>627 new customers</b> enrolled
	Feb	✓ <b>311 new customers</b> enrolled
	March	✓ A total of <b>920 new customers</b> enrolled to participate in the program for a cumulative total of <b>1,858 enrolled customers</b> during FY24 Q3  ✓ Total of <b>19 MW in battery capacity</b> was available for Emergency Demand Response Events  ✓ LUMA conducted its first <b>CBES Quarterly Aggregator Meeting</b>



# Progress – Education and Outreach Program

Month		Activities and Achievements
Q3	Feb	✓ Developed a new <b>Home Efficiency Rebates Brochure</b> that includes cross-promotion with other programs
	March	<ul style="list-style-type: none"> <li>✓ <b>New landing page</b> for the <b>Customer Incentives Programs*</b></li> <li>✓ ScottMadden** conducted <b>visits</b> to approximately <b>10 contractors</b> primarily affiliated with Solar Water Heating to educate and promote the program through direct contractor channels</li> <li>✓ LUMA <b>participated</b> in the following industry events or activities: <b>GUIA Educa, SESA Meeting</b> (implementation contractor) and <b>Puerto Rico Energy Week 2024</b>. Energy Tips brochures were distributed at the SESA meeting, an EE/DR presentation was made to the audience during the GUIA Event</li> <li>✓ LUMA is planning the use of <b>Bill Inserts</b> and an <b>Elementary School Education Program</b> to raise awareness about Energy Efficiency</li> </ul>

Education and Outreach	Quantity
Events	3
Website Traffic	Approximately 34,427 website views

\* <https://lumapr.com/customer-incentive-programs/?lang=en>

\*\*ScottMadden oversees the implementation of the Energy Efficiency programs as the designated implementation consultant.



# Progress – Education and Outreach Program

## Customer Incentive Program New Landing Page

### Customer Incentive Programs

LUMA is committed to building a more reliable, resilient, and sustainable energy system for the people of Puerto Rico as we transition toward a cleaner and more affordable future. An important component of this transition is growing our portfolio of Energy Efficiency (EE) and Demand Response (DR) programs, giving our customers more control over their energy usage. Benefits of EE and DR programs include:

- Help reducing energy bills
- Helping improve grid reliability
- Creating local jobs
- Reducing emissions

**Home Efficiency Rebate Program**

Make your home more energy efficient while reducing your monthly electric bill, with rebates on products for water heating, refrigeration, and more!

[Learn More](#)

**Customer Battery Energy Sharing**

Do you have a photovoltaic system on your property? You may qualify for LUMA's Net Energy Metering Program which enables you to receive compensation for sharing your overflow energy.

[Learn More](#)

**Energy Efficiency Kits**

You may qualify for a complimentary kit that includes easy-to-install products that will immediately reduce your energy use and help you achieve your energy efficiency goals.

[Learn More](#)

**Energy Saving Tips For Your Home**

Energy conservation starts at home. LUMA has put together some easy energy-saving tips to help you save money and the planet.

[Learn More](#)

## Residential Rebate Brochure

**LUMA is building the next generation electrical system for Puerto Rico.**



### Renewable Energy

LUMA is always searching for the next high-impact renewable energy project. If you are interested in beginning a LUMA interconnected project under 25kW, please visit the Connection LUMA Portal at [lumaconnection.com](https://lumaconnection.com).



### Electric Vehicles

LUMA is working to support a clean energy future that includes empowering the growth of electric vehicles (EV) by making improvements to Puerto Rico's electric system to increase reliability and reduce outages for customers. To learn more about our clean energy efforts, visit [lumaconnection.com/electric-vehicles/71angr](https://lumaconnection.com/electric-vehicles/71angr).

### Learn More

Scan the QR Code or visit [lumaconnection.com/customer-incentive-programs](https://lumaconnection.com/customer-incentive-programs) to learn more about LUMA's Customer Incentive Programs.



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March 2024

### Energy Saving Tips For Your Home

LUMA is committed to efficient home energy use. Below are some simple ways that you can reduce your monthly electric bill.



### Appliances

Wash clothes in cold water whenever possible and try to run the dishwasher only with a full load.



### Electronics

Use sleep and energy-saving modes where available. Search off your computer and monitor if it will not be used for more than two hours.



### Water Heater

Use a timer to automatically shut your water heater off at specific times and have your pipes inspected regularly for maximum efficiency.



### Cooling

Use ceiling fans before switching on air conditioning and when you do use your AC, make sure windows are closed to keep the cool air inside.



## LUMA Home Efficiency Rebate Program

LUMA is committed to helping customers make their homes more efficient and sustainable.



**LUMA is helping our customers make smart decisions about their home energy use.**

### Am I Eligible?

The Home Efficiency Rebate Program is open to all residential, single family and multifamily customers with an active account number and service address.

### How Does the Program Work?

Customers who purchase and install an eligible equipment can submit a rebate application if they have proof of purchase and installation and submit an application within 90 days of purchase.

### How Do I Apply?

Download the Home Energy Efficiency Rebate Program Application after purchasing and installing eligible equipment and submit the completed application with the required proof of purchase.

Applications can be submitted by email at [EE@lumaconnection.com](mailto:EE@lumaconnection.com) or by mail to PO Box 922752, San Juan, PR 00922-7552, ATTN: LUMA Rebate Programs.

### When Will I Get My Rebate?

If approved, customers will receive a rebate in the form of a one-time check within 4 to 6 weeks.

### Save money and energy while helping Puerto Rico achieve its energy efficiency target.

By providing energy savings opportunities for a range of residential energy efficiency equipment, LUMA is helping customers enhance the comfort of their homes while potentially saving money on their energy bills.

The Home Efficiency Rebate Program makes it easier for customers to purchase equipment that will make their homes more efficient, allowing them to cut costs and save on future electric bills.

### Keep reading to learn about eligible products and rebate amounts.



### Equipment and Rebate Information

Eligible Equipment	Equipment Rebate*	Equipment Information
Side Water Heater	\$150	Your water heater accounts for about 20% of your home's energy use. Using condensing to heat or preheat your water could cut your annual hot water costs in half.
Toilet Water Heater	\$60	Water heaters that use the ENERGY STAR rating come with an electric heat pump technology. The equipment heats your water just like standard models but with much less energy. This could save you up to \$3500 over a unit's lifetime.
Ductless Mini-Split Air Conditioner	\$750	ENERGY STAR certified ductless air conditioning is an energy efficient, environmentally friendly way to keep your home comfortable without the trouble or expense of adding ductwork.
Window Air Conditioner	\$130	ENERGY STAR certified room ACs are built to be more energy efficient than standard models. By properly installing your old air conditioner with a new ENERGY STAR certified replacement, you could save about \$120 over the 12 year lifetime of the product.
ENERGY STAR Refrigerator	\$100	ENERGY STAR certified refrigerators are about 1% more energy efficient than standard models. By properly installing your old refrigerator with a new ENERGY STAR certified replacement, you could save about \$450 over the 12 year lifetime of the product.
ENERGY STAR Freezer	\$120	ENERGY STAR certified freezers are at least 10% more energy efficient than standard models. By properly installing your old freezer with a new ENERGY STAR certified replacement, you could save about \$450 over the 12 year lifetime of the product.

\*Maximum rebate amount may be available for income eligible customers.



<https://lumaconnection.com/customer-incentive-programs/?lang=en>

# Progress – Education and Outreach Program

LUMA's attendance at Puerto Rico Energy Week 2024  
March 18-22, 2024



# Observations and Recommendations

# Observations and Recommendations

- **Observation:** The launch of the Residential Energy kits proved to be an effective way to kickstart the pilot program with the first round of kit supplies ordered in less than 24 hours.
  - **Recommendation:** Given the demand for accessible energy efficiency offerings, LUMA has determined that it should expand the kits program and execute a second launch for residential energy kits with inventory lasting about 72 hours.
    - More kits programs are anticipated across customer classes.
    - LUMA is working to make sure kits can be accessed through multiple channels (non-profit organizations, regional customer centers, etc.) to ensure equity in distribution to those who may need it the most.
- 
- **Observation:** Rebates are largely impacted by organic market forces such as when a customer may require or desire a new appliance.
  - **Recommendation:** LUMA believes that partnering directly with contractors is an effective strategy due to the lifecycle and consumer behavior associated with these types of purchases. Contractors often play a significant role in influencing the selection and value of replacements for these measures. LUMA worked directly with Solar Water Heater Contractors during FY24 Q3.
    - LUMA will be expanding its contractor outreach and coordination in the coming quarter to improve upon this strategy.

# Performance and Enrollment

# Enrollment – By Program

Program	Participants Enrolled, FY24 Q3
Residential Rebates	155
EE Kits	10,000
Business Rebates	-
Customer Battery Energy Sharing Pilot Program	3,810
Education & Outreach	n/a
<b>Total Participants Enrolled</b>	<b>13,965</b>



# Performance – Energy and Peak Demand Savings by Program

Program	Energy Savings Target (MWh)	Actual Energy Savings (MWh)	Actual Energy Savings %	Peak Dem and Savings Target (MW)	Actual Peak Demand Savings (MW)	Actual Peak Demand Savings %	FY24 Q3 Spend (\$)	YTD program spend (\$)	\$/kWh
Residential Rebates*	10,902	144.7	1.33%	6.9	0.02	.29%	\$42,930	\$593,515	\$0.004
EE Kits* (2 launches)	4,765	4,812	101%	4.4	0.78	17.73%	\$619,931	\$619,931	\$0.130
Business Rebates**	17,551	-	-	4.7	-		-		-
Customer Battery Energy Sharing Pilot Program	n/a	n/a	n/a	26.2	19	72.52%	\$4,629	\$460,753	n/a
Education & Outreach	n/a	n/a	n/a	n/a	n/a	n/a	\$407,322	\$407,322	n/a
<b>Total</b>	<b>33,218</b>	<b>4,956.7</b>	<b>14.92%***</b>	<b>42.2</b>	<b>19.8</b>	<b>90.54%</b>	<b>\$1,074,812</b>	<b>\$2,081,521</b>	<b>\$0.134</b>

\*Total Actual Energy Savings for Residential Rebates and EE Kits reflects rebates disbursed and kits shipped to customers during the reporting period.

\*\*Business rebates were not launched during the reporting period.

\*\*\*The total Actual Energy Savings percentage of 14.92% represents the combined achievement of energy savings across the Residential Rebates and EE Kits programs, as compared to the actual energy saved to the total energy savings target outlined in the table.



# Performance – Customer Battery Energy Sharing Pilot Program(CBES)

Performance	FY24 Q3
Enrolled Customers (#)	3,810
Enrolled Power per Event (MW)	24
Enrolled Energy per Event (MWh)	44
Events Dispatched (#)	7
Average Customer Response (%)	87
Dispatched Battery Power per Event (MW)*	19
Dispatched Battery Energy per Event (MWh)*	40

\* Self-reported data from aggregators



# Performance – Energy Savings by Sector

Market Sector	Energy Savings Target (MWh)	Actual Energy Savings (MWh)	Actual Energy Savings (%)
<b>Residential Sector</b>	<b>15,667</b>	<b>4,956</b>	<b>32</b>
Low-Income	1,896	4	0.2
Non-Low-Income	13,771	4,952	36
<b>Commercial, Industrial and Agriculture (C&amp;I) Sector</b>	<b>17,551</b>		
Small Business	3,951	-	-
Other Commercial/Industrial and Agricultural Sector	13,600	-	-
Government/Public	n/a	n/a	n/a
<b>Portfolio Total</b>	<b>33,219</b>	<b>4,956</b>	<b>14.9</b>

\*Non-Low-Income Actual Energy Savings include Residential Rebates and Energy Efficiency Kits.

\*\*Low-Income actual energy savings include Residential Rebates only. Incentives provided for low income are higher than for non-low-income customers. Next slide shows the level of incentives for each group (Low income and non-low income).

\*\*\*The total Actual Energy Savings percentage represents the combined achievement of energy savings across the Residential Sector, as compared to the actual energy saved (MWh) to the total energy savings target (MWh) outlined in the table.



# Income level-based rebate incentives

Eligible Measure	Non-Low-Income Incentive	Low-Income Incentive
Solar Water Heater	\$550	\$775
Electric Tankless Water Heater	\$60	\$85
Energy Star Refrigerator	\$210	\$280
Energy Star Freezer	\$210	\$280
Air Conditioner – Window	\$130	\$175
Air Conditioner – Mini-Split	\$750	\$1,000

To make the program as equitable as possible the incentives provided for those applicants identified as low-income are higher than for non-low-income ones. Low-income eligibility is based on the estimated combined yearly income and household information provided by the applicant.

# Performance – Support to Key Strategic Groups

The Implementation Contractor, ScottMadden (SM) initiated the Contractor Outreach effort to engage with local contractors targeting Solar Water Heating, HVAC and appliance businesses. Throughout the month of March, SM visited 10 contractors around the island primarily affiliated with Solar Water Heating.

LUMA continues its regular engagement with local government agencies such as the Department of Economic Development and Commerce (DEDC) and its Energy Policy Program (EPP) to collaborate on the creation and delivery of educational materials and joint outreach efforts.

DEPARTAMENTO DE  
**DESARROLLO**  
ECONÓMICO Y COMERCIO



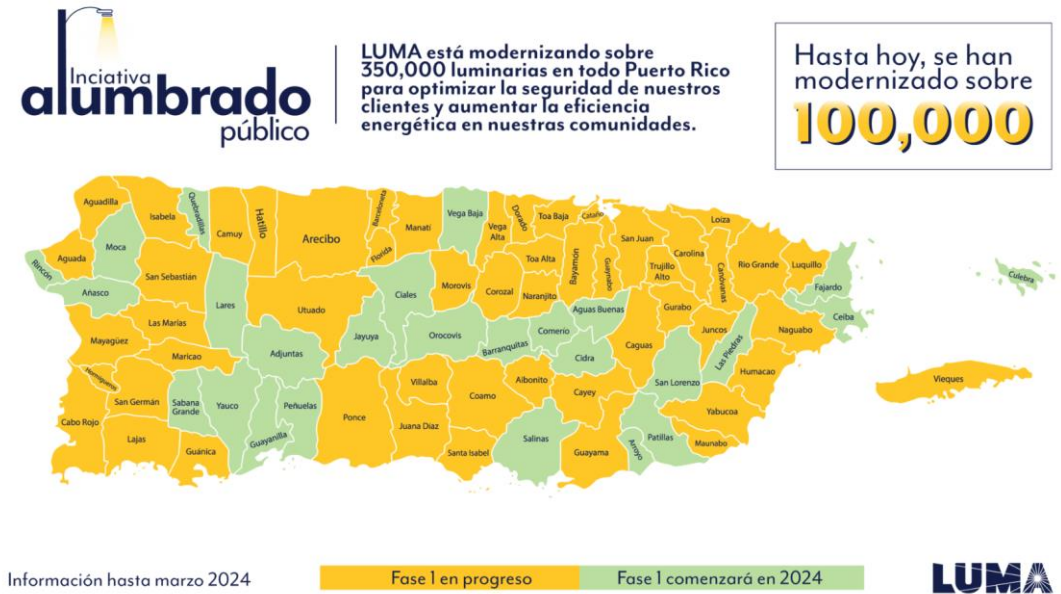
# Performance – LUMA's Community Streetlight Initiative (CSI)

## Energy Savings

- LUMA's is expecting to install 300,000 streetlights across Puerto Rico over the next 3 years to help improve safety for its customers and increase energy efficiency in its communities. Nearly **25,000 streetlights** were repaired this quarter.
- Every streetlight LUMA installs as part of the federally funded CSI uses next-generation LED lights that use approximately **65% less energy** and lasts four times longer than conventional streetlight bulbs.
- The Community Streetlight Initiative is an important energy efficiency effort that has short and long-term benefits for Puerto Rico.

### Results for FY24 Q3

Period	Estimated Energy Savings (MWh)
FY24 Q3	499



<https://progresodelumapr.com/en/our-progress/community-streetlight-initiative/>



# Estimated Program Costs

# Estimated Energy Efficiency Programs Costs

- For this reporting period, LUMA incurred in costs related to the launch of pilot programs such as six residential rebate types and shipping free energy kits. Additional costs include the development of Business Rebates, Business Kits, Education and Outreach initiatives.
- Cross-cutting, Planning, Administration & Evaluation costs are related to professional services, salaries and ongoing evaluation costs of launched measures. This reporting period shows a credit due to accounting accruals from previous months.
- There were no changes or reallocations in the distribution of funds throughout this reporting period.

Program	Total Program Budget FY24	Estimated Costs for FY24 Q3
Residential Rebates	\$4,218,750	\$593,515
In-Store Discounts	\$100,000	\$0
EE Kits	\$676,700	\$620,000
Business Rebates	\$4,218,750	\$348
Customer Battery Energy Sharing DR	\$5,032,813	\$4,629
Education & Outreach	\$1,125,000	\$407,253
Cross-Cutting Planning, Administration & Evaluation Costs	\$1,125,000	(\$38,511)
<b>Total Portfolio</b>	<b>\$16,497,013</b>	<b>\$1,587,234</b>

# FY2025 EE Program Costs

- As informed in the Revised Transition Period Plan, LUMA estimates an EE Budget of approximately \$13.7M would be required for Program Year 2 (FY2025).
- LUMA does not have any funding allocated from existing rates for FY2025 and a reliable and long-term source of funding is essential for the successful planning and delivery of EE programs.
- Utility-sponsored EE programs require a stable annual source of funding, typically established by the regulator.
- LUMA respectfully requests the Energy Bureau to provide clarity regarding the funding source for EE programs for FY2025.



# Next Steps

# Next Steps

Program	Activity	Description
EE	Consumer Education *	Press release announcing LUMA's Energy Efficiency Programs to the public
EE	Business Pilot Programs *	Business EE Kits to be launched in FY24 Q4
EE	In-Store EE Discount Program *	To be launched in FY2025 Q1
EE	Street Lighting Conversion Program	Work in Progress
EE	Contractor Outreach *	Continue engagement with local Contractors to promote the Home and Business Rebates

\*The outlined next steps in the Energy Efficiency (EE) initiative are contingent upon the identification of adequate funding.



## Next Steps (Cont.)

Program	Activity	Description
EE/DR	Interaction and support with key stakeholder groups	Biweekly meetings with the DEDC
DR	Customer Battery Energy Sharing Program	New Aggregator and participants enrollment will continue
DR	Meetings with DR Aggregators	Quarterly meetings with aggregators

# Customer Battery Energy Sharing (CBES) Initiative Administrative Costs Q3 FY24 Report

# Content

- Introduction
- Historic Progress Towards System Resiliency
- Regulatory Context
- Program Administrative Cost
- Program Administrative Costs: Quarterly FY24
- CBES FY24 Q3 Updated Indicators

# Introduction

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As operator of the electric transmission and distribution system, LUMA is responsible for helping to implement Puerto Rico's public energy policy, including important customer initiatives such as Energy Efficiency ("EE") and Demand Response ("DR") programs that are required by law and mandated by the Puerto Rico Energy Bureau (Energy Bureau).

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LUMA is committed to working with the Energy Bureau to build a more reliable, more resilient, more customer-focused, and cleaner energy system that benefits everyone in Puerto Rico. To meet these goals, and to enable customers to become prosumers, LUMA is identifying and implementing solutions and initiatives that benefit all customers. Among these is the incorporation of important energy-saving resources like DR programs that help reduce electricity usage during peak periods or when generation capacity may be insufficient to meet customer demand.

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Behind the meter ("BTM") batteries have the potential to provide significant grid benefits. The Customer Battery Energy Sharing Initiative (CBES) is a DR program designed to leverage distributed batteries to reduce service interruptions. The pilot program allows LUMA to develop procedures to leverage distributed batteries as a DR resource. The CBES is directed at residential and commercial LUMA customers with BTM batteries who are registered in the Net Energy Metering Program. Participants of the CBES receive compensation from DR Aggregators for operating their BTM batteries during Events. Customer participation in CBES program Events is voluntary, and Participating Customers may opt out of any CBES program event at any time.

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As of March 22, 2024, the enrollment of participants have increased to a total of 3,810 and a total of available power from batteries to 19MW per event.

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# Historic Progress Toward System Resiliency

Key milestones achieved throughout the quarter for the Customer Battery Energy Sharing (CBES) Initiative.

**First CBES Quarterly Meeting with aggregators**

**3,810 customers enrolled**

**7 events completed**

**Available power capacity per event  
19 MW**

**Available energy per event  
40 MWh**



# Regulatory Context

On August 29, 2023, the Energy Bureau issued a Resolution and Order, (“August 29th Order”) approving the compensation level proposed by LUMA for the DR Aggregators participating in the CBES program and determining that the CBES budget proposed by LUMA “is aligned with the budget for the equivalent program as approved in the Transition Period Plan (TPP) and determined such estimated budget was reasonable to launch the program.”

In the August 29<sup>th</sup> Order, the Energy Bureau determined that costs for DR Programs will be recovered through the Purchase Power Charge Adjustment (PPCA) mechanism. To ensure that expenditures are reasonable and strictly related to the DR Program, the Energy Bureau adopted reporting requirements pursuant to which LUMA shall report quarterly, within forty-five days of the close of each quarter.

In compliance with the Energy Bureau’s orders, LUMA will conform to the quarterly and annual (year-end) financial reporting requirements in line with the reporting requirements listed in the Budgets Docket (NEPR-MI-2021-0004).

# CBES FY24 Q3 Updated Indicators

Table 3. CBES Actuals

Program Parameters	Q3 YTD Original Forecast	Q3 YTD	Q3 YTD Original Forecast vs. Q3 YTD (Variance)
Customers Enrolled (#)	5,000	3,810	1,190
Events (#)	15	7	8
Capacity per Event (kW)	21,125	19,344	1,781
Estimated Energy per Event (kWh)	126,750	40,127	86,623
Total Energy Delivered (kWh)	552,547	33,948	518,599
Incentive Payments	\$690,683	\$42,435	\$648,248
Administrative Costs	\$187,924	\$460,753	(272,469)
<b>Total Program Costs (\$)</b>	<b>\$878,607</b>	<b>\$503,188</b>	<b>\$375,779</b>

A variance of 42% in total costs was calculated for this quarter. This variance can be attributed to a customer enrollment lower than forecasted, less events than forecasted for the reporting period and higher administration costs than expected.



# Program Administrative Costs

- LUMA incurred \$68,795 in program management costs. These were related to conducting regular meetings with aggregators and internal LUMA teams, technical sessions to discuss operational aspects of the pilot, and enrollment and reports development.
- Professional services resulted in (\$72,492) due to internal accrual accounting adjustments for services provided during prior months but accounted during this period.
- Other expenses for a total of \$8,775 were related to procurement processes, regulatory filings, and legal support.

**Table 1. Program Administrative Costs**

Categories	Costs
Program Management	\$68,795
System Operations	\$0
Customer Service	\$0
Professional Services	(\$72,942)
Program Evaluation	\$0
Other Expenses	\$8,775
<b>Total</b>	<b>\$4,629</b>



# Program Administrative Costs: Quarterly for FY24

Table 2. FY24 Quarterly Costs

Categories	Costs FY24 Q1	Costs FY24 Q2	Costs FY24 Q3	Costs YTD FY24
Program Management	\$97,221	\$162,697	\$68,795	\$328,713
System Operations	\$0	\$0	\$0	\$0
Customer Service	\$0	\$0	\$0	\$0
Professional Services	\$55,334	\$66,837	(\$72,942)	\$49,230
Program Evaluation	\$0	\$0	\$0	\$0
Other Expenses	\$42,693	\$31,342	\$8,775	\$82,810
<b>Total</b>	<b>\$195,248</b>	<b>\$260,876</b>	<b>\$4,629</b>	<b>\$460,753</b>



*Exhibit 2*

*Evidence of EE Rebate Processing*

*Excel File Submitted via Email- Redacted and Unredacted (Confidential) Versions*