

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

NEPR

Received:

Aug 19, 2024

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IN RE: REVIEW OF LUMA'S MODEL
BILL

CASE NO. NEPR-MI-2021-0008

**SUBJECT: Informative Motion on Proposed Action Plan
Relating to July 2024 EE Rider Charge**

**INFORMATIVE MOTION ON PROPOSED ACTION PLAN RELATING TO JULY 2024
EE RIDER CHARGE**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME now **LUMA Energy, LLC** and **LUMA Energy ServCo, LLC** (jointly referred to as "LUMA"), and respectfully submit and request the following:

1. On November 16, 2021, the Puerto Rico Energy Bureau ("Energy Bureau") issued a Resolution and Order ("November 16th Resolution") whereby the Energy Bureau approved LUMA's inaugural Model Bill ("Model Bill").

2. On July 31, 2023, in Case No. NEPR-MI-2021-001, *In Re: Permanent Rate of the Puerto Rico Electric Power Authority* ("Permanent Rate Case"), the Energy Bureau issued a Resolution and Order ("July 31st Resolution and Order") whereby it, among other considerations, ordered LUMA to include the Energy Efficiency ("EE") Rider Charge, designed to recover expenses related to the implementation of EE programs, at zero (\$0.00) value, for the period from August 1, 2023, to June 30, 2024. *See* July 31st Resolution and Order on page 8.

3. On June 11, 2024, the Energy Bureau issued a Resolution and Order in the Permanent Rate Case ("June 11th Resolution and Order") whereby it approved the implementation

of the EE Rider to cover the EE program costs for FY2025. The Energy Bureau recognized that the budgeted amount to be funded by the EE Charge for the period from July 1, 2024, to June 30, 2025, was \$13,745,450 and ordered LUMA to implement an EE clause factor of 0.000853/kWh for the period from July 1, 2024, to June 30, 2025. *See* June 11th Resolution and Order on page 8.

4. LUMA herein informs that, as per the June 11th Resolution and Order, LUMA proceeded to implement the EE Rider Charge commencing on July 1, 2024. After issuing the July 2024 bills, LUMA identified that, due to an unanticipated situation in the billing setup, the EE Rider Charge was not reflected in the July 2024 bills for most of the customers in the General Residential Service (GRS) tariff.

5. LUMA immediately implemented corrective measures and the EE Rider has been reflected in all applicable customer bills beginning on August 2024. LUMA will also collect the unrecovered July 2024 EE rider amounts from unbilled GRS customers in the upcoming September 2024 bill. *See Exhibit 1* to this Motion for more information.

6. As indicated in *Exhibit 1*, a one-time July 2024 EE Charge line will appear in the “Current Charges” section in the third logical page of the customer bill. For added transparency, LUMA will also include in the September 2024 bills, a one-time informative note on the delayed EE Rider Charge implementation to GRS customers and LUMA’s corrective measure, which will be included on the first page of the bill within a section of the bill that can be used for variable messaging¹.

¹ *See* November 16th Resolution on page 8, wherein the Energy Bureau acknowledges there are two dynamic segments in the model bill containing energy savings advice and other news/information regarding the electric system transformation; the notice in this case will be included in the former.

WHEREFORE, LUMA respectfully requests that the Energy Bureau take notice of the aforementioned, **accept** Exhibit 1 included with this Request, and **proceed** as it deems appropriate.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 19th day of August 2024.

We hereby certify that we filed Motion using the electronic filing system of this Energy Bureau. We will send an electronic copy of this Motion to PREPA's outside counsels, Alexis G. Rivera Medina, arivera@gmlex.net, and Mirelis Valle Cancel, mvalle@gmlex.net, and to the Independent Consumer Protection Office, through Director Hannia Rivera, hrivera@jrsp.pr.gov.



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Exhibit 1



LUMA Revised Model Bill Exhibit 1

NEPR-MI-2021-0008

August 19, 2024

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Review of LUMA's Model Bill

1.0 Background

As part of the implementation process of the Puerto Rico Electric Power Authority's (PREPA) Permanent Rate Tariff, the Puerto Rico Energy Bureau (Energy Bureau or PREB) approves the implementation of various riders and adjustment clauses, including the Energy Efficiency Rider (EE Rider).¹ As directed by the Energy Bureau, the EE Rider is the mechanism through which all costs associated with the administration of Energy Efficiency (EE) programs implemented by LUMA are recovered.²

On July 31, 2023, the Energy Bureau issued a Resolution and Order³ (July 31 R&O) ordering the implementation of the EE Rider on all applicable customer bills and setting its value at zero (\$0.00) for the period of August 1, 2023, through June 30, 2024.

On June 11, 2024⁴, the Energy Bureau established a per kilowatt-hour (kWh) charge of 0.000853/kWh for the recovery of EE program costs for Fiscal Year (FY) 2025 for the period of July 1, 2024, through June 30, 2025.⁵

LUMA recently became aware that the EE Rider had not been reflected on all applicable customer bills for the month of July. This omission was due to a misconfiguration during the billing setup. As a result, most customers under the General Residential Services (GRS) tariff were inadvertently not billed the EE Rider rate in their July invoices. See Table 1-1 for more information.

Table 1-1. Summary of Customers and Revenue Impact

	Not Billed
Customers	975,050
Amount	\$445,238.92

Immediately upon becoming aware, LUMA made the system configuration changes required to correct the omission and ensure the EE Rider would be prospectively reflected in all applicable customer bills. LUMA has subsequently confirmed that the EE Rider is correctly reflected in all applicable customer bills for August.

¹ See page 139 of Resolution and Order of January 10, 2017, Docket No. CEPR-AP-2015-0001.

² See page 141 of Resolution and Order of January 10, 2017, Docket No. CEPR-AP-2015-0001.

³ See page 8 of Resolution and Order of July 31, 2023, Docket No. NEPR-MI-2020-0001.

⁴ See page 8 of Resolution and Order of June 11, 2024, Docket No. NEPR-MI-2020-0001.

⁵ Per Energy Bureau Resolution and Order of June 11, 2024, the approved amount to be recovered from applicable customers for FY2025 is \$13,745,450.

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Review of LUMA's Model Bill

2.0 One-Time September Bill

As reflected in Table 1-1, approximately 975,000 customers did not see the EE Rider reflected in their July bills, resulting in approximately \$445,000 of revenue not being collected from applicable customers. After a careful analysis, LUMA determined that the most cost-effective and prudent way to rebill customers who were not billed in July is to include a one-time line item in their September 2024 bills. The one-time modifications required to the model bill are described below.

2.1 Informative Banner

In order to inform affected customers of the one-time charge in their bills, LUMA will update the language in the banner⁶ at the top of Page 1 of LUMA's Model Bill as follows:

Notice to Customers: Your bill currently includes a consumption-based charge labeled Energy Efficiency (EE) Rider. Unfortunately, some customers did not see this charge reflected in their July bills. In such cases, you may see a new EE Rider charge for July appear on your September invoice. For more information on LUMA's EE Program, visit <https://lumapr.com/customer-incentive-programs/>

Figures 2-1 and 2-2 show how this change will be presented on the Model Bill:

Figure 2-1. Current LUMA Customer Bill – English

LUMA PAGE 1 OF 6

Your Electricity Statement

For period of July 1, 2024 to August 1, 2024

Your Account Number: [REDACTED]
This statement was issued: [REDACTED]
Billing Cycle: 01

Notice to Customers: Your bill currently includes a consumption-based charge labeled Energy Efficiency (EE) Rider. Unfortunately, some customers did not see this charge reflected in their July bills. In such cases, you may see a new EE Rider charge for July appear on your September invoice. For more information on LUMA's EE Program, visit <https://lumapr.com/customer-incentive-programs/>

Figure 2-2. Current LUMA Customer Bill – Spanish

LUMA PÁGINA 1 DE 6

Su factura de electricidad

Para el periodo del 1 de julio de 2024 al 1 de agosto de 2024

Su número de cuenta: [REDACTED]
Fecha de expedición de esta factura: 1 de agosto de 2024
Ciclo de facturación: 01

Aviso a los Clientes: Su factura actualmente incluye un cargo basado en el consumo etiquetado como Cargo de Eficiencia Energética (EE). Desafortunadamente, algunos clientes no vieron este cargo reflejado en sus facturas de julio. En tales casos, es posible que vea un nuevo cargo de EE Rider para julio en su factura de septiembre. Para obtener más información sobre el Programa EE de LUMA, visite <https://lumapr.com/customer-incentive-programs/>

⁶ See page 8 of Resolution and Order of November 16, 2021, Docket No. NEPR-MI-2021-0008.

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2.2 Additional Line Item

Customers who were inadvertently not billed the EE Rider in July 2024 will see an additional **one-time line item** on page 3 of their September 2024 bills. This adjustment will only appear on the bills of GRS customers who were not billed the EE Rider rate in July 2024. Customers who were appropriately billed in July 2024 will not see this additional line item on their bills.

This one-time line item on page 3 of LUMA's Model Bill will be properly labeled by the rider's name and corresponding month. Importantly, the EE Rider charge for the month of July will be assessed on the customer's July 2024 consumption, not on the consumption applicable to the September bill. Based on an average consumption of 450 kWh, the average impact on the customer bill will be \$0.38.

Figures 2-3 and 2-4 below illustrate how the table on page 3 of the Model Bill, will look for applicable GRS Customers in their September bill.

Figure 2-3. LUMA's Customer Model Bill – EE Adjustment– English

CURRENT CHARGES DETAIL		
DESCRIPTION	TARIFF	CHARGE
Service Charges		
Customer Charge		\$4.00
Consumption Charge	500 kWh x \$0.04944	\$24.72
Sub-Total		\$28.72
Reconciliation Clauses and Riders		
Rider FCA-Fuel Charge Adj	500 kWh x \$0.128051	\$64.03
Rider PPCA-Purchased Power Charge Adj	500 kWh x \$0.036023	\$18.01
Rider CILTA-Municipalities Adj	500 kWh x \$0.003755	\$1.88
Rider SUBA-Subsidies, Public Light & other Subv HH	500 kWh x \$0.010847	\$5.42
Rider SUBA-Subsidies, Public Light & other Subv NHH	500 kWh x \$0.000916	\$0.46
Rider EE - Energy Efficiency Charge	500 kWh x \$0.000853	\$0.43
Rider EE - Energy Efficiency Charge - July	450 kWh x \$0.000853	\$0.38
Sub-Total		\$90.61
Total		\$119.33

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Figure 2-4. LUMA's Customer Model Bill - EE Adjustment – Spanish

DETALLE DE LOS CARGOS CORRIENTES		
DESCRIPCIÓN	TARIFA	CARGO
Cargos por Servicio		
Cargo por Cliente		\$4.00
Cargo por Consumo	500 kWh x \$0.04944	\$24.72
Subtotal		\$28.72
Cláusulas de Reconciliación		
Cláusula FCA-Ajuste Cargo de Combustible	500 kWh x \$0.128051	\$64.03
Cláusula PPCA-Ajuste por Compra de Energía	500 kWh x \$0.036023	\$18.01
Cláusula CILTA-CELI (Municipios)	500 kWh x \$0.003755	\$1.88
Cláusula SUBA-Subsidios HH	500 kWh x \$0.010847	\$5.42
Cláusula SUBA-Subsidios NHH	500 kWh x \$0.000916	\$0.46
Cláusula EE-Cargo Eficiencia Energética	500 kWh x \$0.000853	\$0.43
Cláusula EE-Cargo Eficiencia Energética - Julio	450 kWh x \$0.000853	\$0.38
Subtotal		\$90.61
Total		\$119.33