

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

IN RE: LUMA'S ACCELERATED STORAGE
ADDITION PROGRAM

CASE NO.: NEPR-MI-2024-0002

SUBJECT: Resolution regarding Motion in
Compliance with Resolution and Order of
October 11, 2024, and Request for
Confidential Treatment.

RESOLUTION AND ORDER

On August 29, 2024, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") held an in-person Confidential Conference with LUMA¹ to discuss matters related to its *Accelerated Storage Addition Program* ("ASAP"). During the meeting, LUMA expressed that ASAP projects are expected to cost considerably less than other market alternatives and also that they would allow LUMA more flexibility on their operation compared to BESS² contracted through Tranche #1. LUMA also reported that to minimize challenges related to amending existing contracts, IPPs³ have expressed a strong preference for segregating the ASAP Standard Offer agreement ("SO Agreement") from the existing contracts.

On September 16, 2024, LUMA filed a document titled *Motion Submitting Draft of Standard Offer Agreement for Participation in Accelerated Storage Addition Program and Associated information, Response to Comments Regarding Eligibility to Participate in ASAP, and Request for Confidential Treatment* ("September 16 Motion"). Through the September 16 Motion LUMA filed the Draft SO Agreement and requested the Energy Bureau approve the SO Agreement and authorize LUMA to continue with the subsequent steps toward the finalization of the agreement. Also, LUMA requested the Energy Bureau maintain the Draft SO Agreement and other filed information under confidential treatment.

On September 30, 2024, LUMA filed a document titled *Informative Motion Regarding the Status of the Final Standard Offer Agreement for Participation in Accelerated Storage Addition Program* ("September 30 Motion"). Through the September 30 Motion LUMA informed the Energy Bureau that it has continued to actively engage with the qualified and involved IPPs in the discussion of the terms of the SO Agreement to be able to present the Energy Bureau with a final agreement.

On October 11, 2024, the Energy Bureau issued a Resolution and Order ("October 11 Order") in which it ordered LUMA to file the final draft Standard Offer ("SO") Agreement for review and approval and to submit a comprehensive list of current *Accelerated Storage Addition Program* ("ASAP") Phase 1 participants.

On October 18, 2024, LUMA Energy, LLC and LUMA Energy ServCo, LLC (referred to jointly as "LUMA") filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") a document titled *Motion in Compliance with Resolution and Order of October 11, 2024, and Request for Confidential Treatment* ("October 18 Motion"), whereby LUMA submitted the *Accelerated Storage Addition Program* ("ASAP") Standard Offer Agreements ("SO Agreements") for the Energy Bureau's review and approval. LUMA filed four (4) SO Agreements as Exhibits 2 (2a, 2b, 2c, and 2d) of the October 18 Motion.

Upon review, the Energy Bureau **APPROVES** the four (4) draft SO Agreements included in Exhibit 2 of the October 18 Motion for the ASAP Phase 1 participants.⁴ The Energy Bureau

¹ LUMA Energy, LLC and LUMA Energy ServCo, LLC [jointly referred to as "LUMA"].

² Battery Energy Storage Systems.

³ Independent Power Producers.

⁴ Phase 2 SO Agreements and procedure shall be addressed in a separate Resolution and Order.

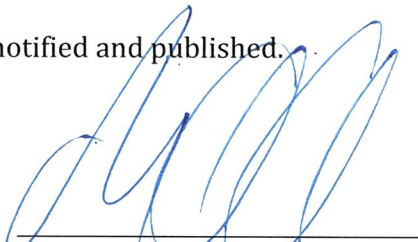


ORDERS LUMA to, within the next five (5) business days from the notification of this Resolution and Order, (i) finalize the Exhibit 2 contracts with each ASAP Phase 1 Participant; (ii) submit such final version directly to the Puerto Rico Electric Power Authority (“PREPA”) Board of Directors for their approval for the Executive Director’s execution of the contracts; and (iii) submit to the Energy Bureau evidence of the foregoing submittal (including copy of the contracts⁵).

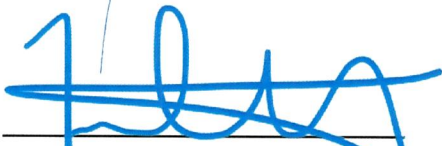
The Energy Bureau **WARNS** LUMA that:

- (i) noncompliance with this Resolution and Order, regulations and/or applicable laws may carry the imposition of fines and administrative sanctions of up to \$25,000 per day;
- (ii) any person who intentionally violates Act 57-2014, as amended, by omitting, disregarding, or refusing to obey, observe, and comply with any rule or decision of the Energy Bureau shall be punished by a fine of not less than five hundred dollars (\$500) nor over five thousand dollars (\$5,000) at the discretion of the Energy Bureau; and
- (iii) for any recurrence of non-compliance or violation, the established penalty shall increase to a fine of not less than ten thousand dollars (\$10,000) nor greater than twenty thousand dollars (\$20,000) at the discretion of the Energy Bureau.

Be it notified and published.


Edison Avilés-Deliz
Chairman


Lillian Mateo Santos
Associate Commissioner


Ferdinand A. Ramos Soegaard
Associate Commissioner


Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau agreed on November 1st, 2024. Associate Commissioner Sylvia B. Ugarte Araujo did not intervene. Also certify that on November 1st, 2024, I have proceeded with the filing of this Resolution and Order and was notified by email to agraitfe@agraitlawpr.com; oramos@pmalaw.com; margarita.mercado@us.dlapiper.com; laura.rozas@us.dlapiper.com.

I sign this in San Juan, Puerto Rico, today November 1st, 2024.


Sonia Seda Gaztambide
Clerk



⁵ A clean and redline version of each contract.