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

IN RE: ENERGY EFFICIENCY AND DEMAND RESPONSE TRANSITION PERIOD PLAN	**CASE NO.:** NEPR-MI-2022-0001 **SUBJECT:** Motion for Reconsideration of Resolution and Order of October 23, 2024

MOTION FOR RECONSIDERATION OF RESOLUTION AND ORDER OF OCTOBER 23, 2024

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. Introduction

LUMA hereby requests that this Honorable Puerto Rico Energy Bureau ("Energy Bureau") reconsider the Resolution and Order issued in this proceeding on October 23, 2024, entitled "Administrative Costs, Three-Year Plan Schedule, and FY24 Budget Rollover" ("October 23rd Resolution and Order"). This request is specifically aimed at the directive to LUMA in the October 23rd Resolution and Order to provide in each quarterly report on administrative costs "[d]ocumentation (such as invoices and supporting information provided with those invoices) supporting the administrative costs for external professional services documentation" and "[d]ocumentation and attestation regarding the assignment of LUMA staff time to the EE and DR administrative cost budgets"[1].

As discussed in more detail in this Motion, the requirement at issue is not present in the regulations that govern EE and DR programs, and its imposition creates an administrative burden that is complex and time-consuming to implement and will deviate resources necessary for the administration of the EE and DR programs.

Furthermore, LUMA reviewed information on EE and DR programs in other jurisdictions and understands that this type of granular request is not a typical regulatory activity in the context of EE and DR programs and that other equally effective requirements may be implemented to thoroughly address the need to provide cost information.

Therefore, LUMA requests that the Energy Bureau modify this requirement to allow LUMA to submit instead a detailed breakdown of the types of tasks associated with professional services and LUMA staffing assignments, which will also address the Energy Bureau's objectives in requesting the mentioned documents in a more effective and less burdensome manner.

LUMA reasserts its continued commitment to the successful implementation of the EE and DR programs to build a more reliable and resilient energy system for the people of Puerto Rico and advance the energy efficiency marketplace in the region.

II. Relevant Background and Procedural History

1. On December 10, 2020, the honorable Energy Bureau adopted the Regulation for Demand Response ("DR Regulation")[2] requiring, among others, that PREPA or its successor, LUMA, file with the Energy Bureau a Three-Year Demand Response Plan ("Three-Year DR Plan") by a specified date. *See* DR Regulation, Section 3.02(C)(1)(a).

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[1] *See* Energy Bureau's Resolution and Order of October 23, 2024 on page 2.
[2] DR Regulation, December 21, 2020, Regulation 9246.

2. On April 21, 2021, the Energy Bureau issued a Resolution and Order commencing the proceeding in docket NEPR-MI-2021-0006, *In Re: Demand Response Plan Review, Implementation and Monitoring* and ordering PREPA and LUMA to attend a Technical Conference, among other requirements.

3. On June 15, 2021, the Energy Bureau held a Technical Conference at which LUMA proposed a phased and integrated EE and DR program development approach. *See Motion Submitting Revised Presentation for Technical Conference Scheduled for June 15, 2021*, filed on June 14, 2021.

4. On January 21, 2022, the Energy Bureau published the Regulation for Energy Efficiency ("EE Regulation")[3], requiring, among others, that PREPA or its successor, LUMA, file with the Energy Bureau a plan to implement "quick start" EE programs during a two-year transition period ("Transition Period Plan") by a specified date. S*ee* EE Regulation, Section 2.01.

5. On February 1, 2022, the Energy Bureau issued a Resolution and Order in which it expanded the scope of the NEPR-MI-2021-0006 proceeding to include EE alongside DR, established a new deadline to submit both the Three-Year DR Plan and the EE Transition Period Plan of June 6, 2022, and scheduled a Technical Workshop to discuss, among others, LUMA's plans for the development and launch of quick-start EE and DR programs and other types of activities to undertake during the Transition Period.

6. On March 9, 2022, the Energy Bureau held a Workshop at which LUMA proposed filing a proposed integrated EE and DR Transition Period Plan by the June 2022 deadline. *See*

[3] The EE Regulation was at the time assigned the number 9354 by the Puerto Rico State Department. Regulation. It was subsequently annulled, resubmitted, and approved by the Puerto Rico Department of State on March 25, 2022, being assigned number 9367.

LUMA's *Motion to Submit LUMA's Presentation for Workshop Scheduled for March 9, 2022,* filed on March 8,2022 and its Exhibit 1.

7. On June 21, 2022, LUMA filed with the Energy Bureau its 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 Year ("FY") 2023 and FY2024 ("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, a Business EE Rebate Program, offering incentives to businesses for eligible energy efficiency measures; 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 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 (now referred to as the Customer Energy Battery Sharing ("CBES")). *See id*. Exhibit 1, Section 4.0. In the Proposed TPP LUMA proposed a budget for the TPP 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.

8. The Proposed TPP also included a quarterly and annual reporting requirement providing, in pertinent part that quarterly reports include "[c]osts to-date for each program during the Quarter" and a "[d]escription of any budget updates" and annual reports include "[c]osts for each program during the Program Year […], also by segment, sector, and aggregated at the portfolio level" and "[c]osts and funding update by sector and segment, including total planned program budget, funds from external sources, allocation of funds from existing rates and other programmatic revenues, incremental ratepayer funds required from EE rider …" *See id*. Exhibit 1, pages 72-73.

9. On June 28, 2022, the Energy Bureau issued a Resolution and Order initiating the instant proceeding for the review of the Proposed TPP and addressing related procedural matters.

10. After other procedural events, on February 16, 2023, the Energy Bureau issued a Resolution and Order ("February 16th Order") considering, amending, and approving the Proposed TPP (the Proposed TPP, as approved by the Energy Bureau, the "TPP"). Among others, in the February 16th Order, the Energy Bureau ordered LUMA to allocate a lower budget of $4.57 million for FY2023 EE and DR programs, fund the FY2024 budget of the TPP using the EE Rider, unless otherwise funded, to file an energy efficiency rider ("EE Rider") on or before April 1, 2023, comply with certain established deadlines applicable to the TPP programs, and file annual reports within one hundred and twenty (120) days following the end of the program year ("TPP Annual Report") and quarterly reports within sixty (60) days of the end of each quarter ("TPP Quarterly Report"). *See* February 16th Order on pages 18, 27 and 30. 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 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.

11. On March 8, 2023, LUMA filed a motion requesting reconsideration of certain requirements in the February 16th 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 8th Motion").

12. On April 3, 2023, the Energy Bureau issued a Resolution and Order ("April 3rd Order") in which, among others, it vacated the performance target requirements in the February 16th Order with respect to which LUMA had requested reconsideration, modified the deadlines for certain requirements under the February 16th Order, and ordered LUMA to file a petition for approval of the EE Rider on or before April 11, 2023.

13. On April 11, 2023, LUMA submitted a petition for approval of the EE Rider providing the proposed calculated factor to determine the EE charge ("EE Charge") to cover the budgeted amount of $20,538,083 for FY2024 set forth in the TPP and explaining that there would be no unspent funds from FY2023 to carry over to FY2024 and that LUMA did not propose apportioning any part of its base budget to fund FY2024 TPP programs ("EE Rider Petition"). *See Motion to Submit EE Rider*, Exhibit 1.

14. On May 19, 2023, in compliance with an Energy Bureau bench order of May 5, 2023, LUMA filed a revised EE Rider Petition with certain required clarifications and consolidating two DR programs into what is now the CBES but maintaining the same budget and EE calculated factor as the EE Rider Petition ("Revised EE Rider Petition"). *See Motion to Submit Revised Exhibit 1 to EE Rider Petition and Translation Thereof, in Compliance with Bench Order of May 5, 2023*, Exhibit 1.

15. On June 29, 2023, LUMA filed with the Energy Bureau a motion expressing concerns regarding the lack of funding to implement the TPP and requesting the Energy Bureau urgently issue a determination regarding the Revised EE Rider Petition. *See Urgent Motion Requesting Determination Regarding the Revised EE Rider Petition and Clarifying the Calculated Factor in the Revised EE Rider Petition and Clarifying the Calculated Factor in the Revised EE Rider Petition Submitted on May 19, 2023*.

16. 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 30th Order") wherein it determined, among others, to suspend the EE Charge 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." *See* June 30th Order on page 11.

17. On July 1, 2023, the Energy Bureau issued a Resolution and Order in the Permanent Rate Case ("July 1st Order") wherein it clarified that it did not suspend the EE and DR programs as a result of the suspension of the EE Charge and ordered LUMA to continue with the implementation of the TPP and the EE and DR programs. *See* July 1st Order on page 2.

18. On July 31, 2023, the Energy Bureau issued a Resolution and Order in the Permanent Rate Case ("July 31st 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 Purchased Power Cost Adjustment ("PPCA"). *See* July 31st Resolution and Order on pages 8 and 10.

19. On August 11, 2023, the Energy Bureau issued a Resolution and Order ("August 11th Order") in which, among others, it ordered LUMA to file on or before August 23, 2023, for

the Energy Bureau's approval, estimated costs associated with 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 11th Order on page 3.

20. On August 23, 2023, LUMA filed a *Motion to Submit Costs Associated with Emergency DR Program in Compliance with Resolution and Order of August 11, 2023, and Request for Confidential Treatment* filed August 23, 2023 ("August 23rd Motion") in which it provided estimated costs associated with the CBES of approximately $5.1 million, provided a breakdown of these costs, and explained that these costs included the payment of compensation to DR aggregators in the program. *See* August 23rd Motion on pages 9-10 and Exhibit 1.

21. On August 29, 2023, the Energy Bureau issued a Resolution and Order ("August 29th Order") accepting the CBES budget proposed by LUMA and determining that administrative costs for DR Programs will be recovered through the PPCA. *See* August 29th Order on page 3. To ensure that expenditures are reasonable and strictly related to the DR Program, the Energy Bureau adopted reporting requirements pursuant to which, LUMA is required to report quarterly, within forty-five days after each quarter of a fiscal year closes. *Id.* Regarding these quarterly reports, in the August 29th Order, the Energy Bureau directed LUMA to "conform to the quarterly and annual (year-end) financial reporting requirements in line with the requirements listed in NEPR-MI-2021-0004 (Re: LUMA Initial Budgets and Related Terms of Service)" with quarterly reports including an explanation for material variances (greater than 10%). *Id.* The Energy Bureau also required: (1) detailed quarterly and fiscal year-to-date fund actuals receipt as compared to budgeted in-flows from the PPCA and the to-date fund balance; (2) summarized quarterly and fiscal-year-to-date program information in line with and compared to the assumptions used to develop the cost estimate in the August 23 Filing (Table 1. BEDRP Cost Estimate), detailing any variances; (3)

quarterly and fiscal-year-to-date spending amounts for the program, detailing any variances and other details to allow this Energy Bureau to assess funding, withdrawals, and outstanding balances. *See id.* Finally, the Energy Bureau required that the reports include a breakdown of program administrative costs among the following categories: (1) program management, (2) system operations, (3) customer service, (4) professional services, (5) program evaluation, and (6) other expenses, and include a summary of the primary purposes for which funds have been spent and how the funds have been attributed and allocated to the Emergency DR Program. *See id.* at page 4. The Energy Bureau also indicated that the fourth quarterly report was to include the year-end report. *See id*. footnote 8.

22. On August 29, 2023, LUMA submitted the FY2023 Q4 Quarterly TPP Report, in compliance with the February 16th Order. *See Motion to Submit FY 2023 Q4 TPP Report*.

23. 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 22nd Budgets Order") whereby, in pertinent part, it decided that the costs of the 2024 EE programs of the TPP would be recovered through base rate revenues, rather than through the EE Rider, and approved a reduced budget of $11.5 million for the EE programs. *See* September 22nd Budgets Order on page 9.

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

25. On October 30, 2023, LUMA filed a motion requesting this Energy Bureau to extend for an additional fiscal year the TPP, with the same cadence of quarterly and annual

reporting as in the TPP, and to delay the schedule for the Three-Year EE and DR Plan by one year. *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 30th Motion") on pages 15-16 and Exhibit 1.

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

27. On November 14, 2023, LUMA filed a *Motion to Submit First Quarterly Report on Administrative Costs and Expenditures of TPP DR Programs*.

28. On November 29, 2023, the Energy Bureau issued a Resolution and Order ("November 29th Order") granting LUMA's request to extend the TPP by one year and delay the schedule for the Three-Year EE and DR Plan by one year. *See* November 29th 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, the following:

- A revised version of the Transition Period Plan document, reflecting the adjusted timeframe, LUMA's most up to date program plans, and any other updates required to convey an accurate summary of LUMA's current EE and DR plans.
- LUMA's most recent available schedule for the launch of EE programs, including which measures and market sectors will be targeted by each program, extending through the extended TPP (June 30, 2025).
- EE and DR program expenditures for FY2023, categorized by market sector and purpose in accordance with Table 2-3 of LUMA's Proposed TPP filed June 21, 2022, namely: Low-Income Residential; Non -Low-Income Residential; Small Business; Government/Public; Other Commercial/Industrial and Agricultural; Education and Outreach Program; and Cross-Cutting Planning, Admin, & Startup.
- EE Program costs for FY2024 and FY2025, categorized by market sector and activity (where activities are programs such as rebates, in-store discounts, direct installations, or other program implementation strategies, as well as education/outreach and planning/admin/startup costs), similar to Table 3-3 of LUMA's Proposed TPP. For FY2024, LUMA shall distinguish between expended funds as of the most recent available date and expected expenditures for the remainder of the year.

- DR Program costs for FY2024 and FY2025, categorized by market sector and activity (where activities are programs such as rebates, in-store discounts, direct installations, or other program implementation strategies, as well as education/outreach and planning/admin/startup costs), similar to Table 3-3 of LUMA's Proposed TPP. […] For FY2024, LUMA shall distinguish between expended funds as of the most recent available date and expected expenditures for the remainder of the year.
- In each of its annual cost reports and projections, LUMA shall separate costs paid from the base rate from costs that have been or will be recovered through the PPCA. LUMA shall identify any expected shortfall of funds (and when it is expected to occur) as well as any funds that may be carried over from one fiscal year to the next (or which LUMA would desire to carry over from one year to the next).

Id.

29. On November 29, 2023, LUMA filed a *Motion to Submit FY2024 Q1 TPP Report*.

30. 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 29th Order.[4] *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 20th Motion")* and its Exhibit 1 (which is the Revised TPP). The Revised TPP set forth a budget of approximately \$11.5 million for Program Year 1 (i.e., FY 2024) and an estimated budget of \$13.7 million for Program Year 2 (i.e., FY2025) EE Programs. *See id*. Exhibit 1, Sections 1.2 and 8.3. The Revised TPP maintained the same requirements pertaining to the TPP Quarterly Reports and TPP Annual Reports for FY2024, while extending these to FY2025, and added the DR Administrative Costs Quarterly Reports. *See id*. Exhibit 1, Section 6.0. The Revised TPP also updated 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.*

[4] The deadline to submit the revised TPP and other information required under the November 29th 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).

31. 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*.

32. On February 29, 2024, LUMA filed the FY2024 Q2 TPP Quarterly Report in compliance with the February 16th Order. *See Motion to Submit FY2024 Q1*[5] *TPP Report*.

33. On March 21, 2024, the Energy Bureau issued a Resolution and Order ("March 21st Order") granting LUMA's request to consolidate the TPP and DR Administrative Cost Quarterly Reports into a single filing ("Consolidated TPP and DR Administrative Cost Quarterly Report") 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 TPP Annual Reports one hundred and twenty (120) days following the end of the fiscal year. *See* March 21st Order on page 2.

34. On May 15, 2024, LUMA filed the FY2024 Q3 Consolidated TPP and DR Administrative Cost Quarterly Report in compliance with the February 16th Order, the August 29th Order and the March 21st Order. *See 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*.

[5] Please note that the title refers to Q1 instead of Q2 due to inadvertent error.

35. On June 11, 2024, the Energy Bureau issued a Resolution and Order in the Permanent Rate Case approving the implementation of the EE charge to cover the EE program costs for FY2025.

36. On June 21, 2024, the Energy Bureau issued a Resolution and Order ("June 21st Motion") requesting LUMA additional information regarding the Q3 TPP Report no later than seven (7) days from the notification of the June 21st Order ("June 21st ROIs"), including: information on the quarterly expenditures for each quarter of FY2024 for each EE program and a total year-to-date EE expenditures; the current best estimate of FY2024 fourth quarter and annual expenditures for each EE program and total EE expenditures; updated FY2025 program budgets by quarter informed by the experience in EE programs to date; updated timelines for the Business EE Rebates and In-Store EE Discount Programs; and whether LUMA anticipated spending all of its approved FY2024 budget and what it intended to do with unspent funds ("June 21st ROIs"). *See* June 21st Order on page 2.

37. On June 29, 2024, LUMA submitted its responses to the June 21st ROIs. *See Motion in Compliance with Resolution and Order of June 21, 2024* ("June 29th Motion").

38. On August 13, 2024, LUMA filed its FY2024 Q4 Consolidated TPP and DR Administrative Costs Report and requested the Energy Bureau to approve the template used for this report as the established template for future filings. *See Motion to Submit FY2024 Q4 Consolidated Transition Period Plan and Demand Response Administrative Cost Quarterly Report and Request* ("August 13th Motion") on pages 9-10 and Exhibit 1. In this report, LUMA provided information and data on progress, performance, and costs associated with the implementation of the TPP EE and DR programs. *See id*. Exhibit 1. It included providing a breakdown of the costs of the CBES program by category (i.e., Program Management, System

Operations, Customer Service, Professional Services, Program Evaluation, and Other Expenses) as required in the August 29th Order. *See id*. Exhibit 1, page 40.

39. With respect to the EE programs, LUMA provided a detailed breakdown of costs for each EE program and outlined expenditures for FY2024 and year-to-date. *See id*. at pages 32-33. The data provided showed that $4,727,949 year-to-date was spent on EE programs (out of the $11.5 million budget), which represented significant underspending due to the implementation of programs halfway through the fiscal year. *See id*. at pages 27, 34 and 35. LUMA also described the cost deviations by program by explaining that: the Residential EE Kits Program costs showed a significant deviation in incurred costs (these were higher) due to the decision to ship a higher number of kits to customers due to the quick speed of implementation and the positive response from customers during previous launches; the In-Store EE Discount Program reflected early overspending due to a strategic decision to utilize the FY2024 budget to ensure a fresh budget for FY2025 and the development costs of this initiative were higher than initially planned; the Business EE Rebates Program showed the lowest underspent figure due to partial reallocation of funds to the Business EE Kits initiative; and the overall budgeted costs between both Business EE Kits and Business EE Rebates Programs add up to the original budgeted amount for Business Rebates. *See id*. at pages 34-35.

40. On August 19, 2024, LUMA informed the Energy Bureau in case NEPR-MI-2021-0008, *In Re: Review of LUMA's Model Bill* ("Model Bill Docket") that, as per the June 11th Order in the Permanent Rate Case, LUMA had commenced the implementation of the EE Charge on July 1, 2024; after issuing the July 2024 bills, LUMA identified that, due to an unanticipated situation in the billing setup, the EE Charge was not reflected in the July 2024 bills for most of the customers in the General Residential Service ("GRS") tariff; and LUMA had implemented

corrective measures and intended to collect the unrecovered July 2024 EE Charge amounts from unbilled GRS customers in the September 2024 bill. *See Informative Motion on Proposed Action Plan Relating to July 2024 EE Rider Charge* ("August 19th Motion") in Model Bill Docket. LUMA further informed that the unbilled amount totaled $445,238.92 ("July 2024 EE Uncollected Amounts"). *See id*. Exhibit 1, Section 1.0.

41. On August 26, 2024, the Energy Bureau issued a Resolution and Order in the Model Bill Docket in which it directed LUMA not to collect the July 2024 EE Uncollected Amount in the September 2024 bill and determined that this amount shall be removed from the FY 2025 EE budget.

42. On September 16, 2024, LUMA submitted a motion requesting clarification on the timeline for completion of the Market Baseline and Potential Studies[6], an extension of the deadline to submit the Draft Three-Year Plan given the delay in the completion of these studies which are to be used to develop the Three-Year Plan, and a concomitant extension of the TPP. *See Informative Motion, Request for Clarification Regarding Delayed Timeline for Completion of Market Baseline and Potential Studies, And Request for Extension to Submit Draft Three-Year Plan and Associated Tasks and Deadlines*.

43. On October 9, 2024, LUMA filed a motion requesting the Energy Bureau to approve a rollover of $5.8 Million in unspent funds from the FY2024 EE programs to the FY2025

[6] The Energy Bureau's EE Regulation mandates two key studies to assess and guide energy efficiency efforts on the island: the Market Baseline Study and the Potential Study. *See* Regulation for Energy Efficiency, Regulation 9367 ("EE Regulation"), Sections 1.09(B)(29) and (38) and 3.02(A) and (B). Among others, the EE Regulation provides that, prior to the end of the TPP, and informed by the first Potential Study, the Energy Bureau shall estimate the energy efficiency savings achieved during that period for certain specified actions and that the Energy Bureau "shall use the results of the initial Market Baseline Study and the Potential Study, along with the estimated impacts of actions during the Transition Period Plan, to develop, in collaboration with the [the Public Energy Policy Program], estimated annual savings expected to be achieved by PREPA's efficiency programs", among others, "for each Program Year through 2040". *See id*. Section 3.02(D) and (E).

EE budget. LUMA explained that this rollover would allow LUMA to continue to drive program growth, enhance customer engagement, maintain program momentum, and maintain the TPP on track to achieve the original cumulative savings target for both TPP Program Years, while positioning the EE programs for greater long-term success in meeting Puerto Rico's energy goals. *See Informative Motion, Request for Clarification Regarding Timeline for Completion of Market Baseline and Potential Studies, and Request for Extension of Deadline to File the Draft Three-Year Plan and Associated Tasks and Deadlines* ("October 9th Motion").

44. On October 23, 2024, the Energy Bureau issued a Resolution and Order ("October 23rd Resolution and Order") addressing the August 13th, September 16th and October 9th Motions. Regarding the August 13th Motion, the Energy Bureau approved LUMA's request to use the Q4 report as a template for future filings, conditioned on LUMA supplementing the template with additional information regarding administrative costs set forth in the Resolution and Order, as well as including certain changes described therein, to be implemented in future reports. *See* October 23rd Resolution and Order on pages 2-3. Specifically, the Energy Bureau indicated that "[o]ne purpose of the Energy Bureau's close oversight of administrative costs is to make sure LUMA assigns costs to the correct funding source and does not allow EE Rider and [PPCA] funds to be used for purposes intended to be funded with the base rate" and then ordered LUMA to include the following information in the administrative costs reports:

1. A breakdown of costs between program planning and administration (PP&A), evaluation, measurement and verification (EM&V), and participant incentives. Provide this breakout for each EE and DR program.

2. A specific breakdown of non-incentive costs between 1) administrative costs incurred for LUMA employees, 2) administrative costs incurred for professional services to assist with planning and regulatory process, 3) administrative costs incurred by the program implementation contractor(s), 4) program evaluation and 5) other administrative costs. Provide this breakdown separately for EE and for DR programs.

3. Documentation (such as invoices and supporting information provided with those invoices) supporting the administrative costs for external professional services.

4. Documentation and attestation regarding the assignment of LUMA staff time to the EE and DR administrative cost budgets.

See id. at page 2. The Energy Bureau also noted that it understood and appreciated "that the documentation of professional service and staff costs may warrant confidential treatment". *Id.* at page 3. Furthermore, "as part of its oversight of ongoing EE and DR programs and plans", the Energy Bureau noted it needed additional information to follow up on the information in the August 13th Motion, and ordered LUMA to submit, within ten (10) business days, responses to the requirements of information in Attachment A of the Resolution and Order ("October 23rd ROIs"). *See id*.

45. The Energy Bureau also discussed the CBES program and determined that "LUMA should transition from a pilot to a permanent program" and indicated its interest in "enabling LUMA to further grow and scale this resource before summer 2025". *See id*. at page 3. Accordingly, the Energy Bureau directed LUMA to:

1. File a motion proposing the form of its permanent customer battery sharing program no later than December 2, 2024. The Energy Bureau anticipates that it will host a technical conference on LUMA's proposed program in January 2025. LUMA and the Energy Bureau will retain the ability to make program changes within the permanent program, to increase program cost-effectiveness and scale, and to manage overall program costs as needed.

2. Design the permanent program based on successful elements of the CBES pilot, to build on these successes and reduce customer transition costs, shocks, or loss of participation between the CBES pilot and the permanent program.

3. Design the program with the expectation that the participating resources will be regularly dispatched during high -load periods on the grid (such as the summer months), as well as in other times of grid stress.

4. Design the program with the intention to not only increase the number of participants in the program but also to optimize the available energy and capacity from each participant so the grid resources can grow faster than the number of participants.

See id. at pages 3-4.

46. Furthermore, the Energy Bureau indicated that the DR Regulation allows the use of backup generators as a DR resource in emergency situations, and that LUMA, to date, had not deployed a DR program "to be used in rare dire situations only, or one with backup generator participation". *See id*. at page 4. The Energy Bureau then ordered LUMA to develop and implement such a program before summer of 2025 and to file monthly reports on the 15th of each month, beginning on January 15, 2025, detailing its efforts to design and implement the program. *See id*.

47. Regarding the September 16th Motion, the Energy Bureau determined to defer the requirement to submit the draft Three-Year Plan by the original December 2024 deadline and ordered LUMA to begin stakeholder engagement on a draft Three-Year Plan on or before April 15, 2025 and file the first Three-Year Plan on or before July 15, 2025. According to the Energy Bureau this first Three-Year Plan must cover a 2.5-year period from January 1, 2026 to June 30, 2028. *See id*. at page 5. The Energy Bureau also determined to extend the TPP by six months until December 31, 2025. *See id*.

48. To "provide clarity to LUMA for program planning and implementation", the Energy Bureau also directed LUMA to: "(i) plan to achieve aggregate EE savings of at least 0.5 percent of annual sales in FY26, split between six months of TPP and the first six months of the Three-Year Plan; and (ii) file, on or before December 2, 2024, a revised TPP, amended to cover

the period through December 31, 2025, including EE and DR program offerings, budgets, and the estimated EE Rider amount for the first half of FY26". *See id.*

49. Finally, with respect to the October 9th Motion, the Energy Bureau granted LUMA's request to rollover the unused FY24 EE funds to the FY25 EE budget and directed LUMA to, as part of the revised TPP, "include a detailed breakdown of its full expected FY25 revenue (from the EE Rider, rollover funds, and other sources) and spending". *See id*. at page 6.

50. On November 7, 2024, LUMA submitted its responses to the October 23rd ROIs in compliance with the October 23rd Resolution and Order.

III. Request to Reconsider Requirement to Submit, with each Quarterly Report, Copy of Invoices and Other Records to Support Allocation of Administrative Costs of EE and DR Programs

A. Legal Authority

This request for reconsideration is filed pursuant to Section 10.01 of the EE Regulation which provides that:

> Any person who is not satisfied with a decision made by the Energy Bureau under this Regulation may file, within the term of twenty (20) days from the date copy of the notice of such decision is filed by the Energy Bureau's Clerk, a request for reconsideration before the Energy Bureau wherein the petitioner sets forth in detail the grounds that support the request and the decisions that, in the opinion of the petitioner, the Energy Bureau should reconsider.

This request also arises under Section 9.02 of the DR Regulation and Section 11.01 of Regulation 8543, Regulation on Adjudicative, Notice of Noncompliance and Rate Review and Investigations Proceedings[7].

B. The Energy Bureau's Requirement to LUMA to submit invoices and other records to evidence EE and DR program administrative costs is not consistent with applicable regulations, contrary to the typical role of a utility regulator, and burdensome.

[7] This provision references the Puerto Rico Administrative Procedures Act, which is currently Act 38, and which establishes this 20-day term in its Section 3.15. *See* 3 LPRA §9655.

51. As mentioned, in the October 23rd Resolution and Order, the Energy Bureau requires LUMA to include in future quarterly reports, among others, "a specific breakdown of non-incentive costs between 1) administrative costs incurred for LUMA employees, 2) administrative costs incurred for professional services to assist with planning and regulatory process, 3) administrative costs incurred by the program implementation contractor(s), 4) program evaluation and 5) other administrative costs" and that this breakdown be provided separately for EE and for DR programs. *See* October 23rd Resolution and Order on page 2. The Energy Bureau also directs LUMA to provide in each quarterly report "[d]ocumentation (such as invoices and supporting information provided with those invoices) supporting the administrative costs for external professional services and […] [d]ocumentation and attestation regarding the assignment of LUMA staff time to the EE and DR administrative cost budgets". *See* October 23rd Resolution and Order on page 2. The Energy Bureau explains, as the purpose of these requirements, its "close oversight of administrative costs" to "make sure LUMA assigns costs to the correct funding source and does not allow EE Rider and [PPCA] funds to be used for purposes intended to be funded with the base rate." *See id*.

52. In this request, the Energy Bureau is in essence requiring a breakdown of administrative costs of all EE and DR programs that is additional to and more detailed than the breakdown that has been provided in the quarterly reports and as per the Energy Bureau's directives to date, in order to provide more detail on the categories of non-incentive costs. In addition, the Energy Bureau is requiring invoices and records to support some of these costs, specifically focusing on external professional services and assignment of LUMA staff time.

53. With respect to the latter request for invoices and other records, it is the first time in this proceeding that the Energy Bureau has requested such level of granularity on EE or DR

program costs or on any other costs. Up to now, an accounting of costs organized by category has been reasonably required and provided by LUMA throughout this proceeding. The Energy Bureau is now requesting an additional breakdown providing more detail on the categories of these administrative costs, with which LUMA will abide. However, requiring, in addition to this breakdown, the submittal of professional invoices and internal staff work assignment records on a regular basis as part of these quarterly reports appears to deviate from the typical exigencies on a utility in this type of situation.

54. With respect to the regulatory requirements, neither the EE Regulation nor the DR Regulation require the submittal of such granular documentation. The EE Regulation contains a quarterly reporting requirement for the EE TPP which requires that a description of costs be provided. *See* EE Regulation, Section 2.02(E)(1). The EE Regulation also provides that the EE TPP annual reports must contain "detailed assessment tables" with respect to "PREPA administration costs, marketing costs, outside services (e.g., third party contractors or implementers) by each provider, customer incentives and other costs." *See id*. Section 2.02(E)(2)(iv)(A). Although in the latter case, the EE Regulation provides that these reports are to include "other such information as the Energy Bureau shall determine by Order or Resolution" (*see id*. Section 2.02(E)(2)(vi)), this statement refers to "information" and not specific documents. Nowhere else in the regulation are there specific requirements to submit invoices or specific operational records on costs, including with respect to the quarterly or annual reports for the EE Three Year Plan. *See id*. Section 6.01(A) and (B).[8] The latter annual reports require more details

[8] Under these provisions, the quarterly reports "shall include a description of PREPA's progress in implementing the plan, a summary of the EE resources secured to date measured on the metrics used to evaluate PREPA's performance under its contract, and other such information as the Energy Bureau shall determine and establish under the terms of the contract between PREPA and the Energy Bureau". *Id*. Section 6.01(A). The annual reports are required to include, in turn, a detailed assessments of costs in the categories specified in the regulation. *See id*. Section 6.01(B)(4).

on breakdown of costs requiring these be categorized by "administration costs, marketing and delivery costs, program vendor costs, customer financial incentives, technical or training support offered to customers or other trade allies, customer payments, and other costs." *See id.* Nonetheless, specific records, such as invoices, to evidence each cost are not required.

55. The DR Regulation's reporting requirements, which apply only to the DR Three-Year Plan, do not include requirements on costs and therefore there is no mention on the submittal of documentation to evidence costs. *See* DR Regulation, Section 5.01(B).

56. As noted, the EE Regulation, however, does contemplate the submittal of "detailed assessment tables" with respect to administrative costs, marketing costs, and outside services, among others, in the case of TPP programs and detailed breakdown of costs for administrative and other functions, with respect to the Three-Year Plan. Hence, consistent with this approach, LUMA respectfully submits that an assessment of the allocation of costs raised by this Honorable Energy Bureau can be provided in the form of a table containing an additional breakdown of information in this case, instead of by submitting the specific invoices or records.

57. Complying with the Energy Bureau's requirements demands a significant time commitment from LUMA to these budget-related activities and is inefficient for both LUMA and the Energy Bureau. As the Energy Bureau recognizes in the October 23rd Resolution and Order, some of these documents contain confidential information. Therefore, the process to identify and prepare these documents for submittal entails evaluating each one of them line by line for confidential information and conducting the appropriate redaction. Therefore, LUMA respectfully submits that these complex and time-consuming activities will divert key personnel from their regular program administration activities and increase program administration costs.

58. Furthermore, LUMA respectfully mentions that, based on its review of legal decisions in the United States relating to the role of utility regulators in budget-related matters, utility oversight at such micro level, as in this case, is not generally favored.[9] Therefore, we submit, an approach that avoids such detailed involvement is more sensible and reduces administrative burdens and inefficiencies to both the regulator and the utility.

59. LUMA reviewed the regulations on an assortment of other EE or DR programs in other jurisdictions for additional perspective on this subject. This review revealed that specific invoices and other records to evidence program costs are not ordinarily requested in the management of these programs, although other reporting methods are used, and the reporting requirements appear to be less frequent. For instance, the Oklahoma Corporation Commission requires utilities to submit an annual report each year with any true-up mechanism for cost recovery and this annual report shall include "projected program costs'" and "actual program costs" including "administrative cost, inducements education and marketing costs, program delivery costs, and EM&V costs", as well as workpapers to "allow review and reconciliation of

[9] The Supreme Court has ruled that while regulators "may regulate with a view to enforcing reasonable rates and charges, it is not the owner of the property of public utility companies and is not clothed with the general power of management incident to ownership." *Mo. ex rel. Sw. Bell Tel. Co. v. Pub. Serv. Comm'n*, 262 U.S. 276, 289 (1923). *See also id.* ("The commission is not the financial manager of the corporation and it is not empowered to substitute its judgment for that of the directors of the corporation; nor can it ignore items charged by the utility as operating expenses unless there is an abuse of discretion in that regard by the corporate officers.") (quoting *State Pub. Utils. Comm'n ex rel. Springfield v. Springfield Gas & Elec. Co.*, 291 Ill. 209, 234 (Ill. 1919) (*Springfield*); see also, *State ex rel. Harline v. Pub. Serv. Comm'n*, 343 S.W.2d 177, 182 (Mo. Ct. App. 1960) (stating the powers of the Public Service Commission, "do not, however, clothe the Commission with the general power of management incident to ownership. The utility retains the lawful right to manage its own affairs and conduct its business as it may choose, as long as it performs its legal duty, complies with lawful regulation, and does no harm to public welfare."); *In re General Investigation into Power Outages that Occurred During and After the Winter storm on December 18 and 19, 2009*, 2010 W. Va. PUC LEXIS 3158, *59 (W. Va. P. Serv. Comm'n 2010) ("The Commission will not micro-manage a utility by requiring customers to pay for expected and needed maintenance in advance and then monitor the reasonable expenditures of the customer-provided funds."); *In re Proposals to implement a competitive procurement process by establishing Rider BGS, Rider BGS-L, Rider RTP, Rider RTP-L, Rider D, and Rider MV,* 2006 Ill. PUC LEXIS 3, *294 (Ill. Com. Comm'n 2006) ("It is not the Commission's role to take over or to micro-manage public utility functions."); *In the Matter of the Complaint of Darrel Prows v. Mountain States Telephone and Telegraph Co.,* 2000 Utah PUC LEXIS 80 (Utah Public Serv. Comm'n 2000) ("It is well-settled utility law that the Commission cannot 'micro manage' the utility and substitute its business judgment for that of the company.").

accounting information." OAC 165:35-41-7 Reporting. The Rules and Regulations of the North Carolina Public Utilities Commission requires the agency to conduct a proceeding to establish an annual demand side management/energy efficiency rider, and requires, among other requirements, utilities to provide "total expenses for the test period in the aggregate and broken down by type of expenditure, per appropriate capacity, energy and measure unit metric and the proposed jurisdictional allocation factors" and "workpapers supporting the calculations and adjustments." R8-69(b)(1) and (f)(1)(iii), (viii). The New Mexico Public Utilities Commission permits public utilities to recover prudent and reasonable program costs and approved incentives, either through an approved tariff rider, or in the base rates and requires annual reports to be filed on public utility's website, including documentation[10] of program expenditures and estimates of the program expenditures in the next year, as well as estimated and actual monetary cost of the public utility. *See* 17.7.2.13(B) and 17.7.2.14(B), (C)(1) and (5). In Louisiana the utility is required to submit annual reports on its quick start EE programs, providing information on annual program costs, broken out by the following categories: (a) administration and planning, (b) promotion and advertising, (c) customer incentives, (d) delivery and vendors, (e) participant contributions, and (f) monitoring and verification. *See* Docket No. R-31106, Attachment A, Section X. The Public Service Commission can audit the program; however, this audit is an investigation occurring at the end of the quick start process (which is a program of at least four years) to review the costs that have been recovered through the EE Rate Rider and is governed by a process allowing review of the audit report by the utility and hearings in some cases. *See id.* Attachment A, Section VIII.

60. In Arizona, utilities must provide annual reports of demand side management programs that detail "the costs incurred during the previous year, disaggregated by type of cost,

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[10] Which in the context evidently refers to worksheets or other calculations and not invoices.

such as administrative costs, rebates, and monitoring costs" among other information. R14-2-2409(4)(d). In Iowa, "[e]ach utility shall file by May 1 of each year an energy efficiency annual report which shall include the utility's energy efficiency and demand response spending compared to the approved budgets, actual demand and energy savings compared to the performance standards approved by the commission, cost-effectiveness results for the prior calendar year, the results of any monitoring and verification activities, any additional information pertinent to the implementation or performance of the energy efficiency or demand response plan for the previous calendar year such as changes in outside firms used to implement energy efficiency programs, updates on pilot projects, and other information as required by commission order." Iowa Admin. Code 199-35.8 Annual reporting requirements. Finally, the Pennsylvania Public Utilities Commission conducts biannual review of each utility's implementation of energy efficiency programs. *See* Pennsylvania Public Utility Commission, *Energy Efficiency and Conservation Program*, Docket No. M-2009-2069887 (Jan. 2009); *see also* Pennsylvania Public Utility Commission, *Energy Efficiency and Conservation Program*, Docket No. M-2020-3015228 (June 18, 2020). The reports include a summary of program finances that disaggregate costs by type, such as incentives, marketing, administration, and audit. *See* examples, accessible at https://www.puc.pa.gov/filing-resources/issues-laws-regulations/act-129/electric-distribution-company-act-129-reporting/.

61. The foregoing also provides examples of other ways to submit detailed cost-related information, such as, for example, by providing a "summary of program finances" and "disaggregating costs by type".

62. In accordance with the TPP and Energy Bureau directives and consistent with the EE Regulation, LUMA has been providing detailed assessments of costs in its quarterly and annual

reports in this proceeding as well as in responses to requests for information issued by this Honorable Energy Bureau, in varying levels of detail depending on the applicable reporting requirement and the requests of the Energy Bureau. As can be seen in the procedural history of this motion, LUMA has been responsive to all requests from the Energy Bureau in this proceeding, which have been numerous. Consistent with the history of this proceeding and the provisions of the EE Regulation, LUMA respectfully proposes to this Honorable Energy Bureau that, in lieu of providing the invoices and other specific records at issue, LUMA be allowed to provide a detailed breakdown and description of the types of tasks or work that comprise the professional services and LUMA staffing assignments the costs of which are part of the administrative costs of the EE and DR programs. LUMA submits, as *Exhibit 1*, a proposed sample template for such purposes. This approach also achieves the objective of verifying that the costs for these tasks are allocated to the correct budgets for the PPCA or EE Rider, as applicable. LUMA takes this opportunity to clarify that some of the LUMA staff assigned to EE and DR programs are dedicated full time to these programs.

63. LUMA also respectfully sustains that the submittal of the foregoing proposed detailed breakdown has more value or relevance in the context of the Permanent Rate Proceeding (Case No. NEPR-MI-2020-0001, *In Re: Permanent Rate of the Puerto Rico Electric Power Authority*) rather than the proceeding of reference, given that the purpose for reviewing this information is to determine whether the costs have been appropriately passed to the PPCA or the EE Rider, as applicable, or should have been allocated to the base rate. It is in the Permanent Rate Proceeding that the reconciliation of collections and costs is conducted for the PPCA and EE Rider, among other factors. *See, e.g.,* Resolutions and Orders of June 30, 2023 and July 1, 2023 and July

31, 2023 in Case No. NEPR-MI-2020-0001, *In Re: Permanent Rate of the Puerto Rico Electric Power Authority*.

64. In sum, as a reasonable, more practical and less onerous alternative to the documents requested in the October 23rd Resolution and Order, LUMA proposes providing this more detailed breakdown in Exhibit 1 herein to be submitted, in the case of DR administrative costs, at the time of reconciliation of the PPCA, and in the case of EE administrative costs, at the time of reconciliation of the EE Rider, in the Permanent Rate Proceeding.

65. In light of the aforementioned legal and regulatory tenets and discussion, LUMA respectfully requests that the Energy Bureau release LUMA from the requirement in the October 23rd Resolution and Order to submit "[d]ocumentation (such as invoices and supporting information provided with those invoices) supporting the administrative costs for external professional services and […] [d]ocumentation and attestation regarding the assignment of LUMA staff time to the EE and DR administrative cost budgets" in the TPP Quarterly Reports, and substitute this requirement with the information in the template set forth in Exhibit 1 herein to be filed in the Permanent Rate Proceeding as further detailed in this Motion.

WHEREFORE, LUMA respectfully requests that the Energy Bureau (i) **take notice** of the aforementioned; (ii) **reconsider** its October 23rd Resolution and Order with respect to the requirement to submit invoices and other records to evidence professional services and LUMA staffing costs in the TPP Quarterly Reports and **vacate** such requirement; and **provide** instead for the submittal of the information set forth in Exhibit 1 herein in the Permanent Rate Case as part of the reconciliations of the PPCA and EE Rider.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 12th day of November 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; PREPA at arivera@gmlex.net; and mvalle@gmlex.net; and agraitfe@agraitlawpr.com, info@sesapr.org, bfrench@veic.org, shanson@veic.org, evand@sunrun.com, jordgraham@tesla.com, forest@cleanenergy.org, customerservice@sunnova.com, javrua@sesapr.org, pjcleanenergy@gmail.com, and mrios@arroyorioslaw.com.

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Exhibit 1

Proposed Template for Cost Breakdown Document

CBES and EE Programs Administrative Costs – Tasks associated to each Cost Component

NEPR-MI-2022-0001

NOVEMBER 12, 2024

CBES and EE Programs Administrative Costs

Administrative Costs per LUMA Initiative – CBES and EE Programs

LUMA is dedicated to promoting transparency in its Energy Efficiency (EE) and Demand Response (DR) program operations. In alignment with this commitment, LUMA proposes the following detailed breakdown of administrative costs associated with these programs. This structured approach clarifies specific cost components and tasks for both internal and professional services, providing a clear view of program management activities, outreach efforts, and continuous improvement processes

CUSTOMER BATTERY ENERGY SHARING INITIATIVE – PPCA AND EE RIDER INITIATIVES	COSTS	TASKS ASSOCIATED TO EACH COST COMPONENT[1]

LUMA staff/ Program Management[2] (i.e., salaries – LUMA internal labor)	$$$	**Program Administration**
		Includes but is not limited to:
		• Project management of program workplans, milestones, tasks, budget and contracts
		• Coordinating meetings with LUMA Staff and contractors regarding program implementation matters
		• Program reporting
		• Planning and coordination of activities to launch new programs and measures
		• Quality Control and Assurance of all program work such as data, outputs, reporting
		    ○ Program documentation
		    ○ Data and information management
		    ○ Continuous improvement system including Quality Control SOPS
		Education and Outreach
		Customer Programs marketing and communication efforts:
		• Design and implementation of outreach and education campaigns and/or initiatives

Professional Services – Contractors[3]	$$$	**Advisory Support** • Energy Efficiency (EE) and Demand Response (DR) expert input on planning and design of new EE and DR activities and program continuous improvement **Implementation Contractor (Devoted solely to EE/DR activities only)[4]** • Program Management, coordination, and stakeholder management support • Planning and design of expanded EE and Customer Battery Energy Sharing (CBES) program activities • Provide education, outreach and marketing support and promote customer awareness • Support program data management and reporting • Support program continuous improvement assessments and Quality Control and Assurance activities • Recommend and support implementation of program Continuous improvement activities Roadmap execution
Total		

CBES and EE Programs Administrative Costs

[1] These cost categories (that is, LUMA staff/Program Management and Professional Services) are two of the categories of administrative costs for EE and DR as set forth in Table 14: *Breakdown of EE Program Non-Incentive Costs and* Table 18: *DR (CBES) PP&A Budget and Cost* of the approve template of the quarterly reports (which will appear in the FY2025 Q1 Consolidated TPP and DR Administrative Costs).

[2] LUMA uses internal processes and project codes within its financial and timekeeping systems to accurately allocate staff time costs to the appropriate budget. For each customer energy program, there is a set of assigned “project codes” that are enabled in LUMA’s financial software platforms and allow teams to categorize all revenues and expenses associated with a particular program, as well as the projects within that program. In the case of the EE and DR programs, the codes mirror the categories outlined in the Transition Period Plan (TPP) and regulatory reporting. Most program expenses from salaries/wages are for staff members whose time is 100% dedicated to administering the EE program, and staff members whose time is 100% dedicated to administering the DR program. LUMA also has staff who work on both programs and are responsible for allocating their time to the appropriate project code as described below. All employees track their program hours using these project codes. These codes are also embedded in LUMA’s timekeeping and labor accounting software. EE costs are charged to the EE budget, while DR costs are charged to the DR budget, as identified by the codes.

[3]This number may vary depending on program expansion or contraction.

[4]The LUMA staff meets monthly with its financial department to discuss the invoices as issued by its vendor, including whether the invoiced tasks were conducted in accordance with applicable standards, and weekly to determine how invoiced costs will be allocated to the EE and DR program budgets.