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

IN RE:	**CASE NO.:** NEPR-MI-2022-0001 **SUBJECT:** Motion to Submit FY2025 Q1 Consolidated Transition Period Plan and Demand Response Administrative Cost Quarterly Report
ENERGY EFFICIENCY AND DEMAND RESPONSE TRANSITION PERIOD PLAN	

MOTION TO SUBMIT FY2025 Q1 CONSOLIDATED TRANSITION PERIOD PLAN AND DEMAND RESPONSE ADMINISTRATIVE COST QUARTERLY REPORT

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

As the system operator, LUMA is responsible for facilitating the implementation of 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 first quarter of the 2025 fiscal year providing information and data on progress, performance, and costs associated with the implementation of the EE and DR pilot programs developed by LUMA as per the current EE and DR Transition Period Plan ("TPP") and related information on program administrative costs, all as per the Energy

Bureau's directives (the "FY2025 Q1 Consolidated TPP and DR Administrative Costs Quarterly Report" or "Q1 Report"). These pilot programs promote energy savings through Energy Efficiency and peak demand reduction through Demand Response, both of which contribute to Puerto Rico's energy consumption reduction targets under the law. The FY2025 Q1 Report covers the period between July 1, 2024, to September 30, 2024.

The FY2025 Q1 Report follows the reporting format proposed by LUMA on August 13, 2024, as approved by the Energy Bureau in its Resolution and Order of October 23, 2024, and incorporates the changes and additional information therein requested by the Energy Bureau.

The FY2025 Q1 Report includes, among others, information and updates on the DR program known as the Customer Energy Battery Sharing ("CBES") Program; education and outreach activities aimed at building market awareness and readiness; and details on the progress of the EE programs, including the In-Store EE Discount Program providing point-of-sale discount for EE measures, launched in July 2024; the Residential EE Rebate Program providing incentives for customers purchasing energy efficient equipment; the Business EE Rebate Program providing incentives to businesses for adopting efficient lighting, HVAC, and water heating equipment; the EE Kit Program providing EE measures at no cost to residential and business customers; and the Community Street Light Initiative providing restoration of and energy savings through the conversion of street lighting to LED lamps. In addition, the FY2025 Q1 Report provides comprehensive information on EE and DR program costs.

LUMA is fully committed to the implementation of the TPP EE and DR programs which were designed to build a more reliable and resilient energy system for the people of Puerto Rico and advance the energy efficiency marketplace.

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*.

2. The Proposed TPP's EE and DR Programs 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 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. *See id*. Exhibit 1. LUMA proposed a total budget for EE and DR Programs of $9.9 million for FY2023 and $20.5 million for FY2024. *See id*. at page 10.

3. On February 16, 2023, the Energy Bureau issued a Resolution and Order in the instant proceeding (the "February 16th Order") in which it considered, amended, and approved the Proposed TPP (as approved, the "TPP"). Among others, the Energy Bureau established deadlines and requirements for various activities under the TPP and ordered LUMA to deliver TPP 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")[1]. *See* February 16th Order on pages 18, 20, 21, 21, 27, 30 and Tables 1 and 2. In addition, 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 funding was obtained by other means), and file an EE Rider on or before April 1, 2023. *See id*. at pages 27 and 30.

4. On April 3, 2023, the Energy Bureau issued a Resolution and Order in which, among other considerations, it 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.

5. On April 11, 2023, LUMA submitted a petition for approval of the EE Rider ("EE Rider Petition") providing the proposed calculated factor to determine the EE charge ("EE Charge") to cover the budgeted amount of $20,538,083 for both EE and DR programs for FY2024 set forth in the TPP. *See Motion to Submit EE Rider* filed on that date. *See id*. Exhibit 1 at page 7.

[1] Specifically, the February 16th Order provided for filing of these reports for FY2024 on November 23, 2023, March 29, 2024, 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*. Except for the deadline for the Q2 report, this timeline is consistent with the requirement in 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). The Q2 deadline appears to be a typographical error and should be February 29, 2024.

6. On May 19, 2023, LUMA filed a revised EE Rider Petition[2] in which, among others, it combined 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.

7. 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 Power Purchase Charge Adjustment ("PPCA"). *See* July 31st Resolution and Order on pages 8 and 10. It estimated a budget of approximately $11.5 million for EE programs and of approximately $5.1 million for DR programs for the remainder of FY2024. *See id*. at page 8.

8. 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.

9. On August 23, 2023, LUMA submitted to the Energy Bureau the proposed estimated costs associated with the CBES. *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 23rd Motion").

10. 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

[2] This in compliance with an Energy Bureau bench order of May 5, 2023.

costs for DR Programs will be recovered through the PPCA. *See* August 29th Order on page 3. Relatedly, the Energy Bureau required LUMA to submit reports quarterly, within forty-five (45) days after each quarter of a fiscal year closes ("DR Administrative Costs Quarterly Report") meeting the requirements set forth the August 29th Order. *See id.* at pages 3 and 4. The Energy Bureau also indicated that the Q4 report was to include the year-end report ("DR Administrative Costs Year-End Report"). *See id*. footnote 8.

11. 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* of that date.

12. 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") in which 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 22nd Budgets Order on page 9.

13. 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 22nd Budgets Order, that the charge for the EE Rider for FY2023 was eliminated (*See* September 29th Rate Order on page 8) and ordered LUMA to include in the customer invoices an EE Rider charge equal to zero (0) (*see id*.). [3]

14. On October 30, 2023, LUMA filed a motion requesting the 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.

[3] The Energy Bureau had previously suspended the EE charge for July 2023 in a Resolution and Order issued on June 30, 2023, in the Permanent Rate Case ("June 30th Resolution and Order"). *See* June 30th Resolution and Order on page 11.

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") of that date, pages 15-16 and Exhibit 1.

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

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

17. 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. The Energy Bureau also ordered LUMA to file by December 8, 2023, a revised TPP with the information specified in the November 29th Order.

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

19. 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

[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).

(which is the Revised TPP). 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 Reporting requirement. *See id*. Exhibit 1, Section 6.1. 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.* Sections 1.2 and 4.6.

20. The Revised TPP also set forth a budget for EE and DR programs of approximately $11.5 million (for EE) and $5.0 million (for DR) for Program Year 1 (i.e., FY 2024) and an estimated budget of $13,745,450 (for EE) and $5,032,813 (for DR) for Program Year 2 (i.e., FY2025). *See id*. Section 1.2, Table 1-1, Section 8.3, Table 8-5, and Section 8.4, Table 8-8.

21. 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*.

22. 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* filed on February 29, 2024.

23. 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 annual TPP reports one hundred and twenty (120) days following the end of the fiscal year. *See* March 21st Order on page 2.

24. 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* filed on May 15, 2024.

25. 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.

26. On August 13, 2024, LUMA filed its FY2024 Q4 Consolidated TPP and DR Administrative Costs Quarterly Report in compliance with the February 16th Order, the August 29th Order, and the March 21st Order ("August 13th Motion"). LUMA also requested approval of a template attached in the submission, for purposes of future submittals. *See Motion to Submit*

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

FY2024 Q4 Consolidated Transition Period Plan and Demand Response Administrative Cost Quarterly Report and Request for Approval of Template for these Quarterly Reports.

27. 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 LUMA had commenced the implementation of the EE Charge on July 1, 2024 and, due to an unanticipated situation in the billing setup, this charge was not reflected in the July 2024 bills for certain customers, but that LUMA had implemented corrective measures and would be collecting the unrecovered amounts (totaling $445,238.92) in the September 2024 bill. *See Informative Motion on Proposed Action Plan Relating to July 2024 EE Rider Charge*.

28. On August 26, 2024, the Energy Bureau issued a Resolution and Order in case NEPR-MI-2021-0008, *In Re: Review of LUMA's Model Bill* in which it directed LUMA not to collect the July 2024 EE Charge uncollected amounts and determined that this amount was to be removed from the FY2025 EE budget.

29. On October 9, 2024, LUMA requested the Energy Bureau to approve the rollover of the FY2024 EE unspent funds (of approximately $5.8 million) to the FY2025 EE Budget. *See Motion Requesting Approval for Rollover of Unspent FY2024 Energy Efficiency Program Funds to the FY2025 Budget for Energy Efficiency Programs*.

30. On October 23, 2024, the Energy Bureau issued a Resolution and Order ("October 23rd Order"), whereby, among other considerations, it approved the rollover of FY2024 EE unspent funds to the FY2025 EE Budget (requested by LUMA on October 9, 2024) and approved LUMA's template submitted with the August 13th Motion, conditioned upon LUMA supplementing the template with additional information specified in the October 23rd Order. Regarding the template,

the Energy Bureau ordered that LUMA include the following new information to the administrative cost 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 October 23rd Order on page 2. The Energy Bureau indicated its understanding and appreciation that "the documentation of professional service and staff costs may warrant confidential treatment". *See id*. at page 3.

31. The Energy Bureau also ordered LUMA to make the following additional changes to the reports on administrative costs, to facilitate a streamlined review of the program status and implementation:

1. Add to Table 7 the number of year to date (YTD) participants for each program and in total, in addition to the participants in the quarter being reported on.

2. Add to Table 8 the YTD quantity of installed measures, in addition to the quantity of installed measures in the quarter being reported on.

3. For each measure in Table 8, provide the YTD average per-unit kW and kWh savings. If a measure as listed in the table includes multiple similar types of installed technology (e.g. different forms of residential air conditioners or commercial cooking equipment), provide the range of per-unit savings.

See id.

32. On November 12, 2024, LUMA filed a Motion for Reconsideration of the October 23rd Order. In its Motion, LUMA requested for the Energy Bureau to reconsider its October 23rd 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 allow instead for LUMA to provide a detailed breakdown and description of the types of tasks or work that comprise the professional services and LUMA staffing assignments. LUMA submitted, as Exhibit 1, such detailed breakdown, proposed to achieve 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 also proposed that this detailed breakdown be submitted in the Permanent Rate Case (Case No. NEPR-MI-2020-0001, *In Re: Permanent Rate of the Puerto Rico Electric Power Authority*).

III. Submission of FY2025 Q1 Consolidated TPP and DR Administrative Costs Report

33. In compliance with the February 16th Order, the August 29th Order, March 21st Order, and October 23rd Order, LUMA herein submits its FY2025 Q1 Consolidated TPP and DR Administrative Costs Quarterly Report. *See Exhibit 1*. Additionally, LUMA submits, in *Exhibit 2*, Table 8: Installed Measures by Sector, Segment, and Program (FY2025 Q1) which is an Excel table providing an overview of the energy efficiency measures implemented across various sectors during the first quarter of fiscal year 2025, which table forms part of the FY2025 Q1 Consolidated TPP and DR Administrative Costs Quarterly Report. This report follows the template approved by this Energy Bureau in the October 23rd Order, including the additional information and requirements set forth therein, with the exception of the requirements currently under reconsideration.

WHEREFORE, LUMA respectfully requests that the Energy Bureau (i) **take notice** of the aforementioned; (ii) **accept** the FY2025 Q1 Consolidated DR Administrative Costs and TPP Quarterly Report in *Exhibit 1* and *Exhibit 2* in compliance with the February 16th Order, as modified by the August 29th Order, March 21st Order, and October 23rd Order; and (iii) **deem** LUMA in compliance with the FY2025 Q1 reporting requirements under such orders.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 14 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

FY2025 Q1 Consolidated TPP and DR Administrative Costs Quarterly Report

Exhibit 2

Table 8 of the FY2025 Q1 Consolidated TPP and DR Administrative Costs Quarterly Report

[Excel table submitted by email]

Consolidated Transition Period Plan and Demand Response Administrative Costs

FY2025 Q1 Quarterly Report

NEPR-MI-2022-0001

November 14, 2024

LUMA

Executive Summary

LUMA is committed to working with the Puerto Rico Energy Bureau (Energy Bureau) in its mission to build a more reliable and more resilient energy system for the people of Puerto Rico. As the system operator, LUMA is responsible for and fully committed to helping implement Puerto Rico's public energy policy, including driving key customer initiatives such as Energy Efficiency (EE) and Demand Response (DR) programs.

This quarterly report provides an update on LUMA's Transition Period Plan (TPP) and includes a portfolio of LUMA's progress and achievements on customer EE and DR programs during the first quarter of fiscal year 2025 (FY2025 Q1), from July 1 to September 30, 2024. Through the TPP, LUMA has launched multiple EE and DR programs and projects to raise customer awareness about EE and savings, both of which directly contribute to Puerto Rico's energy consumption reduction targets established in the Puerto Rico Energy Transformation and RELIEF Act (Act 57-2014).

LUMA's EE & DR Progress

During FY2025 Q1, LUMA made progress on the following programs and initiatives:

- **EE Education:** Reaching out to customers through social media, bill inserts, monthly email updates and a media campaign to raise awareness of LUMA's EE programs.
- **EE Kits:** Fulfilling more than 9,300 free Residential EE Kit orders and distributing nearly 1,500 free kits to commercial customers to help reduce their monthly energy usage, lower their energy bills and keep their homes and businesses safe.
- **EE Rebates:** Issuing more than 1,100 financial rebates to residential customers for buying high-efficiency equipment and providing approximately $84,000 in rebates to eight (8) commercial customers, with additional funds pre-approved, reducing energy consumption and costs.
- **In-Store EE Discounts:** Launching in-store discounts at 10 Home Depot locations, resulting in sales of approximately 51,400 LED units. LUMA plans to expand the program to Walmart and other retailers to increase access to EE opportunities for low-income customers.
- **Community Streetlight Initiative:** Installing approximately 4,700 streetlights across thirty-two (32) municipalities, improving safety and EE for customers while building a more modern and resilient grid for the communities.

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- **Customer Battery Energy Sharing Initiative:** Enrolling more than 7,100 customers in the initiative, representing 45 MW of storage capacity, to help increase the supply of critical energy available during peak demand periods, improve daily service reliability and minimize the impact of load shedding.

Regulatory Background

On June 1, 2022, LUMA submitted to the Energy Bureau the EE and DR Transition Period Plan ("2022 TPP")[1], which describes the various quick-start EE and DR programs to be implemented by LUMA during a two-year transition period ending on June 30, 2024. By Resolution and Order of February 16, 2023 ("February 16th Resolution and Order") the Energy Bureau approved (with some modifications) the 2022 TPP. Subsequently, by Resolution and Order of November 29, 2023 (November 29th Resolution and Order), the Energy Bureau approved the extension of the 2022 TPP for an additional year. On December 20, 2023, LUMA prepared and submitted to the Energy Bureau a revised TPP ("Revised TPP"; as used hereinafter in this report, "TPP" refers to this revised TPP) updating the EE and DR programs and extending them until June 2025.

This report encompasses the period from July 1 to September 30 of 2024 and is presented by LUMA in adherence to the requirements of the Energy Bureau's February 16th Resolution and Order to submit quarterly reporting on the reporting metrics set forth in Section 6 of the 2022 TPP, which requirements remained unchanged in the Revised TPP. In addition, this report has the purpose of complying with the requirements set forth in the Energy Bureau's Resolution and Order of August 29, 2023 ("August 29th Resolution and Order"), requiring LUMA to report quarterly on specified data regarding the administrative costs for the implementation of the Customer Battery Energy Sharing (CBES) Initiative that forms part of the TPP. The Energy Bureau approved the consolidation of these two quarterly reporting requirements by Resolution and Order of March 21, 2024 ("March 21st Resolution and Order") and approved the reporting format submitted on August 13, 2024 (August 13th Motion)[2] through the Resolution and Order of October 23, 2024 ("October 23rd Resolution and Order") conditioned to the inclusion of new information, and modification of existing information.

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[1] *See Motion Submitting Proposed EE/DR Transition Period Plan* filed on June 21, 2022, in Case No. NEPR-MI-2021-0006, *In Re: Demand Response Plan Review, Implementation and Monitoring*, and its Exhibit 1.

[2] *See Motion to Submit FY2024 Q4 Consolidated Transition Period Plan and Demand Response Administrative Cost Quarterly Report and Request for Approval Template for these Quarterly Reports* filed on August 13, 2024, in Case No. NEPR-MI-2022-0001, *In Re: Energy Efficiency and Demand Response Transition Period Plan*, and its Exhibit 1.

CONSOLIDATED TRANSITION PERIOD PLAN AND DEMAND RESPONSE ADMINISTRATIVE COSTS

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CONSOLIDATED TRANSITION PERIOD PLAN AND DEMAND RESPONSE ADMINISTRATIVE COSTS

1.0 Description of Implementation Progress

1.1 Summary of Program Implementation Experience and Progress

This section provides a high-level summary of the implementation experience and progress to date for each program and initiative. Table 1: *Activities and Achievements for FY2025 Q1* below summarizes the activities, achievements, and status of various programs under the TPP.

Table 1: Activities and Achievements for FY2025 Q1

TPP PROGRAM	INITIATIVES	DESCRIPTION AND EXPERIENCE	STATUS
Education and Outreach Sec. 4.2 of TPP	Stakeholder Outreach	Engagement and promotion through LUMA's social media channels. During this quarter, **ten (10) posts** were made across LUMA's social media platforms. See Appendix A-Figure 6: *Social Media Posts*.	Completed
Education and Outreach Sec. 4.2 of TPP	Stakeholder Outreach	During July, more than **1.5 million customers** received promotional information about the EE Rebates and EE Kits for residential and business customers, included with their bill. The impact of this initiative was reflected in increased traffic to LUMA's portal and the rise in calls to the customer service center. See Appendix A-Figure 11: *Bill Insert*	Completed

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TPP PROGRAM	INITIATIVES	DESCRIPTION AND EXPERIENCE	STATUS
Education and Outreach Sec. 4.2 of TPP	Stakeholder Outreach	At the end of July, LUMA issued a press release to raise awareness about its existing EE programs available to residential and business customers. The campaign included a substantial media push, featuring interviews in segments across major TV channels with broad reach, such as Tele11, Radio Isla, and Telemundo. See Appendix A-Figure 5: *Residential and Business Rebate Programs Press Release* and Figure 7: *Media Coverage*	Completed
Residential EE Rebates Sec. 4.3 of TPP	Pilot Program	Provide customers with a financial incentive for buying and installing eligible high-efficiency equipment and appliances. A total of **1,121 customers** took part and received reimbursements in FY2025 Q1.	Ongoing
Business EE Rebates Sec. 4.7 of TPP	Pilot Program	Provide commercial customers with a financial incentive for buying and installing eligible high efficiency equipment and appliances. LUMA has intensified its efforts to increase market awareness and enhance program adoption for Business EE Rebates through contractors, emails, social media, and local business-focused organizations. As a result, eight customers took part and received reimbursements in FY2025 Q1, totaling **$84,000** in Business EE Rebates paid, with **$103,000 pre-approved** by the end of September. LUMA anticipates continued growth as Program Year 2 progresses.	Ongoing

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TPP PROGRAM	INITIATIVES	DESCRIPTION AND EXPERIENCE	STATUS
In-Store EE Discounts Program Section 4.5 of TPP	Pilot Program	The program offers customer point-of-sale (POS) discounts on eligible products at participating retail stores. It launched in July 2024 at ten (10) Home Depot locations across Puerto Rico, providing discounts on qualifying lighting products at the cash register. A total of **51,403 LED units** were sold in FY2025 Q1. Walmart stores and other independent retailers will be added in FY2025, expanding access and equity for customers throughout Puerto Rico.	Ongoing
Residential EE Kits Sec. 4.6 of TPP	Pilot Program	LUMA provided free mail-order “kits” containing typical EE measures and educational materials. A total of **9,369** customers across Puerto Rico ordered these kits this quarter. Each round of kit distribution received immediate and full uptake, with all available kits being claimed within days of the online launch.	Ongoing
Business EE Kits Sec. 4.6 of TPP	Pilot Program	Commercial customers receive a free mail-order “kit” that includes typical EE measures and educational materials. A total of **1,499** kits were distributed during this quarter. LUMA is implementing additional strategies in FY2025 to enhance awareness and distribution, aiming to increase the reach and impact of this initiative.	Ongoing

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TPP PROGRAM	INITIATIVES	DESCRIPTION AND EXPERIENCE	STATUS
Street Light Conversion Program Sec. 4.8 of TPP	Street Light Conversion Program	During FY2025 Q1, LUMA saved approximately **87,170** kWh as the result of replacing around **4,700** streetlights, demonstrating its commitment to looking at its work holistically, combining EE and infrastructure modernization.	Ongoing
Customer Battery Energy Sharing Program Sec 5.1 of TPP Pilot Program	Pilot Program	The DR program saw significant growth in FY 2025 Q1, with customer enrollment reaching **7,142** and nameplate battery capacity expanding to **45 MW**. Customer participation in **23 DR events** ranged between 66% and 86%, showing strong customer engagement and reliable capacity for Emergency DR Events. Additionally, the rollout of some test events started, where the feedback will offer valuable insights for improving the CBES Pilot Program.	Ongoing

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1.2 Residential EE Kits Program

During FY2025 Q1, LUMA achieved significant milestones in advancing its Residential EE Kits Program. The initiative not only continued to offer energy-saving kits to the public but also expanded its reach to support specific customers affected by power issues in Santa Isabel.

In August, LUMA launched a fifth distribution round of the Residential EE Kits for the public. This release was met with overwhelming enthusiasm, with all **7,369 units** claimed in less than **12 hours.** This rapid uptake highlighted the program's growing popularity and showed the powerful impact of strategic press releases and media engagement in raising awareness about LUMA's Customer Incentive programs.

Recognizing the unique challenges faced by customers in Santa Isabel due to power issues, LUMA took proactive steps to enhance accessibility to EE resources in this region. An added round of **2,000 kits** were directly distributed at the Santa Isabel regional customer service center, ensuring that affected customers receive immediate support to mitigate their energy concerns.

Year-to-date, a total of **9,369 kits** have been distributed, resulting in energy savings totaling **3,225 MWh**[3]**,** which represents **67.6%** of LUMA's energy savings goal for the Residential EE Kits Program for FY2025. Looking ahead, the remaining Residential EE Kits for FY2025 are likely to be distributed through community organizations, helping to get kits into the hands of those who need them most.

These efforts reflect LUMA's commitment to promoting energy efficiency and supporting its customers' needs. By effectively combining widespread public outreach with focused regional support, the Residential EE Kits Program has made substantial progress in increasing its reach and impact during the first quarter of FY2025. The swift exhaustion of available kits and positive customer engagement are strong indicators of the program's success and its alignment with LUMA's goals for customer service excellence and energy savings.

1.3 Residential EE Rebate Program

During FY2025 Q1, the Residential EE Rebate Program continued to garner strong participation. LUMA made substantial progress in processing and reimbursing Residential EE Rebates, surpassing the total rebates paid in FY2024. This achievement reflects the growing interest among customers in energy-saving equipment and underscores the program's continued success.

In July, a total of **355 applications** were successfully reimbursed. This initial momentum confirms the increasing enthusiasm for the program that began at the end of FY2024.

[3] The total energy savings of 9,369 MWh were calculated by multiplying the number of distributed energy-efficient kits by the average energy savings per kit. Specifically, with 9,369 kits distributed and each saving approximately 0.344 MWh annually, the total savings amount to 3,223 MWh.

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In August, the number of reimbursed applications increased to **427**. This growth confirms the continued interest in the program, with more customers taking advantage of the available incentives for eligible energy-efficient appliances.

By September, **339 applications** were reimbursed. Although slightly lower than the previous month, this consistent level of participation indicates ongoing customer engagement and commitment to EE.

Overall, during FY2025 Q1, a total of **1,121 applications** were reimbursed, showing significant progress in promoting EE among residential customers. The steady participation each month highlights LUMA's successful efforts in encouraging the adoption of energy-saving technologies and its dedication to supporting customers in reducing their energy consumption. See Table 2: *Rebates Processed FY2025 Q1* below.

Table 2: Rebates Processed FY2025 Q1

CUSTOMERS SERVED	APPLICATIONS PROCESSED[4]	REBATES ISSUED	REBATES SPEND
1,121	**1,121**	**1,479**	**$1,020,304**

LUMA's Residential EE Rebate Program has seen a diverse range of measures installed. The data reflects various types of EE upgrades made during the period. For a detailed breakdown of the measures and their distribution, refer to Table 3: *Measures Installed in FY2025 Q1* below.

Table 3: Measures Installed in FY2025 Q1

MEASURE	QTY (#)	PERCENTAGE
Solar Water Heater	193	13%
Energy Star® Tankless Water Heater	10	1%
Energy Star® Refrigerator	72	5%
Energy Star® Freezer	4	0%
Mini-Split Air Conditioner	1,167	79%

[4] One application allows for more than one measure.

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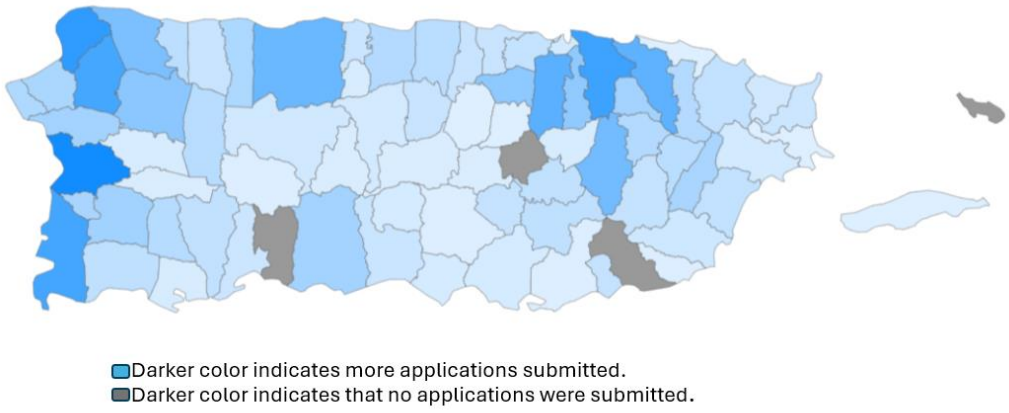
MEASURE	QTY (#)	PERCENTAGE
Energy Star® Window Air Conditioner	34	2%
Total	**1,480**	**100%**

Figure 1: Geographical Distribution of Residential EE Rebates



Consistent with the purpose of the TPP, LUMA uses insights from the EE Program experience and data from the Puerto Rican market, including data and insights from the Market Baselines and Potential studies when received, to advance program continual improvement and data-driven program design.

For instance, within the Residential EE Rebates Program, the concentrated consumer demand for Heating, Ventilation and Air Conditioning (HVAC) rebates, specifically mini-split air conditioning units, has been evaluated to understand the types of systems consumers are buying most. The TPP assumption was that the market demand would concentrate on larger mini-split units that would require higher incentive amounts to encourage customer adoption. However, program data on real systems bought shows that market demand has been concentrated in smaller units that cost less to buy. This impacts the way that energy savings for this measure are calculated. This also points to a need to rebalance incentives for this measure to improve cost effectiveness. The incentive rebalance will occur in FY2025

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Q2 through adoption of a tiered incentive structure for mini-split air conditioners that will define different incentives “tiers” based on unit size bought.

1.4 Business EE Kits Programs

During FY2025 Q1, LUMA made significant progress in its Business EE Kits Program, achieving key milestones in distributing these kits to small businesses. With four different types of kits to choose from, the program is specifically designed to meet the diverse needs of small businesses aiming to improve their EEand reduce operating costs.

In July, the program began with the distribution of **27** Business EE Kits, marking the initial outreach to the small business community. August saw a steady increase, with **112** Business EE Kits distributed as awareness of the program started to grow. The most remarkable progress occurred in September, with a surge of **1,235** Business EE Kits distributed. This significant jump demonstrates the program's escalating impact and the effectiveness of LUMA's promotional efforts.

To drive this growth, LUMA actively participated in industry events to promote the program, such as the **PYMES Workshop, Refricentro Tradeshow,** and the ***Centro Unido de Detallistas***, engaging directly with small business owners and stakeholders. Additionally, targeted social media posts focused on the Business EE Kits helped raise awareness and encouraged participation among the small business community.

Figure 2: *Centro Unido de Detallistas* Event

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Recognizing the unique challenges faced by business customers in Santa Isabel due to power issues, LUMA took proactive measures to increase access to EE resources in this region. To support these customers, an additional **500** Business EE Kits were allocated for distribution at the Santa Isabel regional customer service center, ensuring that affected customers receive immediate support to mitigate their energy concerns. Of these, **125** kits have been delivered to customers, providing much-needed assistance to address their energy needs. LUMA plans to allocate the remaining Business EE Kits for the Lions Club's small business-focused event to be held on FY2025 Q2.

In total, during FY2025 Q1, LUMA distributed **1,499 Business EE Kits** to small businesses across Puerto Rico. This cumulative distribution includes the kits delivered in July, August, and September, as well as the **125** kits provided to customers in Santa Isabel. The substantial number of kits distributed reflects LUMA's commitment to enhancing EEand reducing operating costs for small businesses.

These concerted efforts highlight LUMA's dedication to supporting small businesses in their EE initiatives. The significant increase in Business EE Kit distribution over the quarter underscores the successful strategies implemented to enhance program visibility and reach. The program's progress reflects its success in fostering energy-saving practices within the small business sector and contributes to LUMA's broader goals of promoting sustainability and energy conservation.

1.5 Business EE Rebates Program

During FY2025 Q1, the Business EE Rebate Program made steady progress, with two (2) applications approved in July, four (4) in August, and two (2) in September. Although the program offered seventeen (17) eligible EE measures, all rebates processed up to that point were for HVAC upgrades, reflecting early interest in this category. These upgrades helped businesses improve their EEand laid the foundation for greater adoption of other measures as awareness increased.

In July, two (2) rebates were approved for a total of $3,000. August saw a significant increase, with four (4) Business EE Rebates totaling $79,500. In September, two (2) additional $1,500 Business EE Rebates were processed, bringing the quarterly total to eight (8) Business EE Rebates and $84,000 in reimbursed applications. In addition, LUMA has pre-approved $100,000 in Business EE Rebates for businesses planning their EE upgrades.

Although the program's rollout progressed gradually, LUMA intensified outreach efforts to engage more businesses. These efforts included collaboration with contractors to promote eligible measures and encourage word-of-mouth referrals, along with direct outreach to business owners.

To further drive participation, LUMA actively participated in events such as the PYMES Workshop, the *Refricentro Tradeshow*, and the *Centro Unido de Detallistas*. During these events, representatives provided personalized guidance on the seventeen (17) available EE measures, helping businesses understand the rebate opportunities, especially the benefits of HVAC systems for achieving immediate savings. These in-person efforts were complemented by digital campaigns, including emails, and social media promotions.

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With these multi-channel outreach strategies, LUMA aimed to accelerate program adoption, encouraging businesses to explore all available measures. As interest grows, the program is expected to continue gaining momentum, generating sustainable energy savings and operational benefits throughout Puerto Rico.

Table 4: Eligible Equipment for Rebates

ELIGIBLE EQUIPMENT	REBATE AMOUNT
Exit Sign	$10
Omni Directional LED Replacement	$10
LED Troffer Replacement	$25 - $30
Linear Fluorescent LED Replacement	$5 - $10
Occupancy Sensor	$20 per sensor
Fryer	$350
Convection Oven	$350
Combination Oven	$800
Ice Machine	$500
Solar Water Heater	$550
Commercial Refrigerator and Commercial Freezer	$100 each
Commercial Air Conditioning	Tier 1: $100 per ton Tier 2: $175 per ton
Ductless Split Air Conditioner	$750
Energy Star® Window Air Conditioner	$130
Chiller	Tier 1: $100 per ton Tier 2: $175 per ton
Window Film	$1 per square foot
Pool Pump Valuable Frequency Drive (“VFD”)	$200 per HP

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1.6 In-Store EE Discounts Program

During FY2025 Q1, the LUMA In-Store EE Discount Program made significant strides since its launch on July 1, 2024. Designed to promote EE through discounted lighting products, the program has shown steady growth in retailer collaboration, customer participation, and overall energy savings.

In July, the program kicked off with the Memorandum of Understanding (MOU) between The Home Depot and lighting manufacturers Philips, Klite, Leedarson, and ETI becoming active throughout the month. Fieldwork began to ensure incentives for qualified products were launched and to establish relationships with store staff.

The team completed sixteen (16) store visits, engaged with fourteen (14) customers, interacted with sixty-four (64) retail staff, and trained twenty-six (26) employees. Over **1,100** point-of-purchase (POP) signage were placed, boosting visibility. Customer participation reached **881** individuals, with **15,214** units sold, $46,299.34 in incentives paid, and energy savings of **531** MWh.

Momentum continued in August with fifteen (15) store visits, thirty-two (32) employee interactions, seven (7) customer engagements, and training for eighteen (18) retail staff, along with the placement of **538** additional POP signage to further promote the program. Customer participation increased to **1,146** individuals, resulting in sales of **20,242** units, $95,987.98 in incentives paid, and energy savings of **698** MWh.

In September, the program continued its efforts with twenty-eight (28) store visits, twenty-eight (28) field reports, interactions with thirty-nine (39) employees, forty-three (43) customer engagements, and training for fifty (50) retail staff, while installing 179 more POP materials. Preparations also began to expand the program to eighteen (18) Walmart locations and to plan High Impact Events for later in the year. Customer participation was **1,084** individuals, slightly lower than in August. Sales included **15,947** units sold, $37,647.07 in incentives paid, and energy savings of **599** MWh.

Throughout FY2025 Q1, the program demonstrated consistent growth and effectiveness. Total participants increased from **881** in July to **1,146** in August, before experiencing a slight decrease to **1,084** in September. Over the quarter, this resulted in a cumulative total of **51,403** units sold, $179,934.39 in incentives paid, and **total energy savings of 1,828 MWh**. These achievements highlight the program's success in promoting EE practices among consumers, fostering strong partnerships with retailers and manufacturers, and underscoring LUMA's commitment to sustainability and energy conservation. The slight decrease in participation in September is being addressed through plans to expand to additional retail locations and to host high impact events, aiming to boost customer engagement in the coming months.

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Figure 3: Home Depot Store POP Signage Placement

1.7 Program and Implementation Strategies

Focus on Equity and Access

During FY2025 Q1, LUMA's EE programs continued advancing efforts to promote equity and access by providing enhanced incentives for low-income households. These tiered incentives are designed to offer higher financial support to low-income participants, addressing the challenges these households face when adopting EE technologies. Through this approach, LUMA aims to reduce the financial burden for vulnerable families, making energy-saving measures more accessible. See **Table 5** below.

Eligibility for the low-income incentives is determined based on the combined yearly income and household information provided by applicants. LUMA carefully reviews this information to ensure the incentives reach those with the greatest need, supporting equitable participation in the programs. This structure reflects LUMA's commitment to bridging gaps in access to EEand fostering inclusivity across diverse income groups.

LUMA works actively to identify and implement targeted measures to increase participation rates of low-income customers. These efforts include enhanced data tracking for low-income customer identification, focused outreach initiatives, and strategic program expansions to improve accessibility for low-income communities. For instance, in FY2025, LUMA has allocated **1,400** EE kits for distribution through Community-Based Organizations (CBOs) to ensure these kits reach low-income customers effectively.

Additionally, a strategy developed in April 2024 aims to distribute kits at Regional Customer Service Center offices, enhancing accessibility. The FY2024 Q4 report indicates that LUMA has allocated 10,110

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kits across seven centers in low-income areas. Notably, LUMA's EE rebates program has seen promising engagement among low-income customers, with **32**% of incentives paid to this demographic.

To further enhance customer identification and participation tracking, LUMA is refining its data collection methods and launching initiatives that incentivize low-income residents' involvement in EE programs. This includes reviewing the application process for kit distribution and requiring household income information for in-store discounts on eligible equipment.

Continued efforts also focus on educational campaigns targeting low-income residents. For example, LUMA participated in the Solar Fair on November 9, distributing EE kits to **100** low-income families in *Castañer,* where over **50**% of the population lives below the federal poverty level. This outreach aims to empower residents with knowledge about energy savings opportunities.

Through these initiatives, LUMA hopes to improve EEand enhance the quality of life for low-income communities while ensuring that support mechanisms are effectively reaching those who need them most.

Table 5: Contrast by Sector of Eligible Measures

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
Energy Star® Air Conditioner – Window	$130	$175
Air Conditioner – Mini-Split	$750	$1,000

During FY2025 Q1, LUMA paid a total of **$340,823** in incentives specifically to low-income customers, representing **33%** of the FY2024 Q1 incentive spent on rebates, supporting a variety of EE upgrades. The distribution of these funds was reflected in the installation of **435** energy-savings measures for **376** low-income customers across different categories, see Table 6: *Measures Installed for Low-income Customers* below.

This effort highlights LUMA's dedication to providing long-term community benefits through energy savings. By ensuring that low-income households can participate meaningfully in EE programs, LUMA fosters broader program engagement and drives economic and environmental benefits. The focus on equity remains central to LUMA's strategy, ensuring that all customers, regardless of income, can enjoy the advantages of EE technologies.

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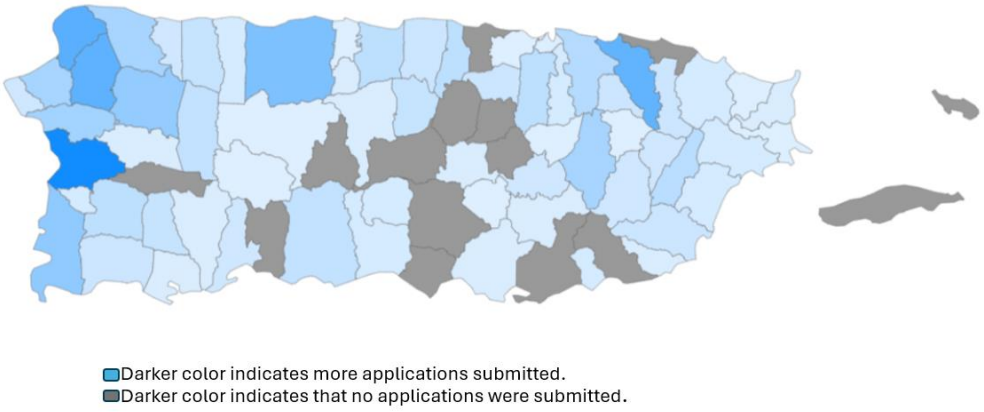
Table 6: Measures Installed for Low-income Customers

MEASURE	QTY #
Solar Water Heater	40
Electric Tankless Water Heater	3
Energy Star® Refrigerator	16
Energy Star® Freezer	2
Energy Star® Air Conditioner – Window	11
Air Conditioner – Mini-Split	363
Total	**435**

Figure 4: Geographic Distribution of Residential EE Rebates for Low-income customers



1.8 Funding Sources and Cost Recovery

In July 2024, LUMA, as ordered by the Energy Bureau, implemented the EE Rider as a reliable and long-term funding source essential for planning and delivering EE programs to meet Act 17 objectives. While LUMA explored other funding options like federal grants—which support individual projects but do not provide direct funding to utilities—the EE Rider was established, in line with the Energy Bureau's 2019 determination to recover program costs from all customers on a per kilowatt-hour basis. For FY2025, an initial EE fund of $13,745,450 million will be collected through the EE Rider, which was calculated by

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dividing this amount by the estimated FY2025 kWh sales of 15,871,074,200 kWh, resulting in an estimated rider factor of $0.000853 per kWh.

However, LUMA continues to explore the potential to expand its program's reach and impact through additional funding sources such as the Department of Energy (DOE) and the Central Office for Recovery, Reconstruction and Resiliency (COR3) partnerships. Particularly, LUMA is working with COR3 to obtain a one-time funding to further expand the CBES Program to allow for increased participation, testing and flexibility, in addition to the currently budgeted funds for the CBES Pilot Program, thereby increasing its impact and effectiveness.

Additionally, LUMA is actively engaged in discussions with key stakeholders, including the State Office of Public Energy Policy, Fortaleza, and the DOE. These discussions are vital for aligning efforts and ensuring comprehensive support for LUMA's initiatives. The collaboration with these entities is ongoing, with a dedication to fostering strong partnerships to advance its objectives.

2.0 Energy Efficiency Participants Enrolled and Installed Measures

2.1 Number of Participants in Energy Efficiency Programs

During FY2025 Q1, LUMA's EE programs saw strong engagement, with **15,108** participants benefiting from various initiatives designed to promote energy savings across Puerto Rico. This reflects LUMA's ongoing commitment to ensuring accessible and equitable energy solutions for both residents and businesses.

Residential EE Rebates played a key role in driving participation, with **1,121** customers securing rebates for EE upgrades. Of these, **376 low-income households** benefited from enhanced incentives, addressing financial barriers and making it easier to adopt technologies such as **Energy Star® appliances** and **efficient air conditioners**. The remaining **745 non-low-income participants** accessed standard Residential EE Rebates, demonstrating broad community engagement in energy-saving initiatives. These upgrades empower residents to lower energy costs while contributing to sustainability goals.

Businesses also participated, with **eight (8) companies** securing Business EE Rebates for energy-efficient improvements, such as **HVAC upgrades**, and **1,499 Business EE Kits** distributed to support operational savings. These efforts help businesses reduce operating costs and enhance energy efficiency.

On the residential side, **9,369 Residential EE Kits** were distributed to households, promoting energy-saving practices and raising awareness of energy efficiency. As LUMA continues to promote these programs, targeted outreach to contractors, small businesses, and community organizations is expected to further increase participation.

Additionally, **3,111 customers** participated in the **In-Store EE Discount Program**, benefiting from immediate savings on eligible energy-efficient products at retail locations. During this period, the program focused on efficient lighting measures, offering discounts on products such as **LED bulbs, fixtures**, and other high-efficiency lighting solutions. These upgrades not only provided customers with savings at checkout but also contributed to long-term reductions in energy consumption and utility costs.

This strong participation in FY2025 Q1 establishes a solid foundation for the remainder of the fiscal year. LUMA remains committed to expanding outreach efforts, particularly among low-income households and small businesses, to ensure these programs deliver lasting energy savings and financial benefits for communities across Puerto Rico.

Table 7: *Number of Participants enrolled or receiving incentives in each EE Program during FY2025 Q1* below includes the number of participants enrolled or receiving benefits in the EE programs by program to date (limited to those programs where customers enrolled or received the rebates and/or incentives).

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Table 7: Number of Participants enrolled or receiving incentives in each EE Program during FY2025 Q1

PROGRAM	PARTICIPANTS FY2025 Q1	PARTICIPANTS YTD
Residential Rebates	1,121	1,121
Low-Income	340	340
Non-Low-Income	781	781
Business Rebates	8	8
Residential EE Kits[5]	9,369	9,369
Business EE Kits	1,499	1,499
In-Store Discount	3,111	3,111
Total	**15,108**	**15,108**

Table 8: Installed Measures by Sector, Segment, and Program (FY2025 Q1) is presented in Exhibit 2 and provides an overview of the energy efficiency measures implemented across various sectors during the first quarter of fiscal year 2025. This table categorizes the installed measures into distinct sectors, including residential, commercial, industrial, and utility segments, allowing for a clear understanding of where energy efficiency efforts are concentrated. Each sector is further broken down by specific programs that detail the types of measures installed, such as lighting upgrades, HVAC improvements, and insulation enhancements.

[5] A strategy was implemented to distribute 2,000 kits at the Santa Isabel Customer Service Center, specifically targeting customers affected by power issues. It is highly likely that a substantial part of these kits was requested by customers from low-income households.

3.0 Energy Efficiency Performance

3.1 Energy and Peak Demand Savings by Sector

During FY2025 Q1, LUMA's EE programs delivered notable energy (MWh) and peak demand (MW) savings across various market sectors and subsegments, as shown in Table 8: *Energy and Peak Demand savings performance by Market Sector and Subsegment*, which includes preliminary estimates of savings achieved during the quarter in relation to annual targets.

Table 8: Energy and Peak Demand savings performance by Market Sector and Subsegment

MARKET SECTOR	SUBSEGMENT	ANNUAL ENERGY SAVINGS TARGET (MWH)	FY25 Q1 ENERGY SAVINGS (MWH)	YTD ENERGY SAVINGS (MWH)	ACTUAL SAVINGS (%) OF ANNUAL TARGET	PEAK DEMAND SAVINGS TARGET (MW)	FY25 Q1 PEAK DEMAND SAVINGS (MW)	YTD PEAK DEMAND SAVINGS (MW)	ACTUAL PEAK DEMAND SAVINGS (%) ANNUAL TARGET
Residential Sector	Low-Income	2,463	548	548	22%	5.0	0.05	0.05	1%
Residential Sector	Non-Low-Income	17,893	6,636	6,636	37%	8.8	1.05	1.05	12%
Commercial, Industrial and Agriculture (C&I) Sector	Small Business	4,188	2,357	2,357	56%	1.1	0.23	0.23	21%
Commercial, Industrial and Agriculture (C&I) Sector	Other Commercial/Industrial and Agricultural Sector	14,416	0.0	0.0	0%	3.9	0.00	0.00	0%
Government/Public	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Portfolio Total		**38,960**	**9,541**	**9,541**	**24.5%**	**18.8**	**1.33**	**1.33**	**7%**

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3.2 Energy and Peak Demand Savings by Program

Table 9: *Energy and Peak Demand Savings Performance* below provides the preliminary estimates of energy (MWh) and peak demand (MWh) savings achieved during the quarter for each program and how these relate to annual targets.

Table 9: Energy and Peak Demand Savings Performance

PROGRAM	ANNUAL ENERGY SAVINGS TARGET (MWh)	FY25 Q1 ENERGY SAVINGS (MWh)	YTD ENERGY SAVINGS (MWh)	FY25 YTD ENERGY SAVINGS (%)	FY25 PEAK DEMAND SAVINGS TARGET (MW)	FY25 Q1 PEAK DEMAND SAVINGS (MW)	YTD PEAK DEMAND SAVINGS (MW)	FY25 YTD PEAK DEMAND SAVINGS (%)	FY25 Q1 SPEND ($)	YTD PROGRAM SPEND ($)	$/kWh[6]
Residential EE Rebates[7]	11,556	2,131	2,131	18%	7.3	0.22	0.22	3%	1,407,688	1,407,688	$0.66
In-Store EE Discounts	4,035	1,828	1,828	45%	2.2	0.34	0.34	16%	728,863	728,863	$0.40
Residential EE Kits	4,765	3,225	3,225	68%	4.4	0.53	0.53	12%	1,069,525	1,069,525	$0.33
Business EE Rebates	11,151	710	710	6%	4.1	0.03	0.03	1%	616,505	616,505	$0.87
Business EE Kits [8]	7,453	1,647	1,647	22%	0.9	0.19	0.19	22%	140,194	140,194	$0.09
Total	**38,960**	**9,541**	**9,541**	**24.5%**	**18.9**	**1.33**	**1.33**	**7%**	**3,962,776**	**3,962,776**	**$0.42**

[6] The calculation of cost per kilowatt-hour ($/kWh) is based on the YTD program spend for FY2025 divided by the YTD Energy Savings (kWh). This figure helps gauge the cost-effectiveness of the program's investments in relation to the energy savings achieved.

[7] Total Actual Energy Savings for Residential EE Rebates and Residential EE Kits reflect rebates disbursed and kits ordered and shipped to customers during the reporting period.

[8] The Annual Energy Savings and Peak Demand Target for Business EE Kits was moved from the Business EE Rebates Program target, as the Business EE Kits were not included in the original energy savings and peak demand targets.

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3.3 Customer Education and Outreach

During FY2025 Q1, LUMA made considerable progress in enhancing its outreach and promotion efforts for the EE Program. These efforts aimed to increase awareness and participation among residential and business customers in energy-saving initiatives. Table 10: *Customer Education and Outreach Activities for each EE Program during FY2025 Q1* summarizes the customer education and outreach activities conducted during the quarter.

Table 10: Customer Education and Outreach Activities for each EE Program during FY2025 Q1

PROGRAM	EVENT	EVENT DESCRIPTION	MONTH
Residential and Business EE Rebates	Bill Insert	Promotional information about the EE Rebate programs for residential and business customers was included with the bills sent to over 1.5 million customers.	July 2024
Residential and Business EE Rebates & EE Kits	Press Release	LUMA released a press release to raise awareness of its existing EE programs for residential and business customers.	July 2024
Residential and Business EE Rebates & EE Kits	PYMES Workshop	LUMA participated in a small business-focused event attended by approximately 400 business owners. At the event, LUMA set up a booth to promote Business EE Rebates and EE Kits, delivered a five-minute presentation to the participants, and distributed business rebates brochures and EE Kits postcards among them.	July 2024
Residential and Business EE Rebates & Business EE Kits	*Refricentro* Trade Show	LUMA participated in an expo directed at HVAC technicians, attended by approximately 150 individuals. At the event, LUMA set up a booth, distributed brochures on Business EE Rebates and Business EE Kits postcards and	August 2024

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PROGRAM	EVENT	EVENT DESCRIPTION	MONTH
		had an opportunity to speak to the attendees.	
Residential and Business EE Rebates & Business EE Kits	*Centro Unido de Detallistas*	LUMA participated in the annual convention of the *Centro Unido de Detallistas,* attended by approximately 500 participants. At the event, LUMA set up a booth, distributed brochures on Business EE Rebates and Business EE Kits, and had the opportunity to speak to the participants on the main stage. Following the event, a post-event email was sent to all participants, which included program information and a special coupon code for ordering kits exclusively for the event attendees, reinforcing the message and encouraging engagement.	September 2024
Residential and Business EE Rebates	*Mesa Informativa*	LUMA undertook an initiative to promote and raise awareness of its EE programs in all 25 of its service center offices. Over the course of a week, regional centers were visited—including Vieques and Culebra—where booths were set up to distribute brochures about the rebate programs and to inform customers on how to apply for incentives.	September 2024

These outreach activities highlight LUMA's ongoing efforts to educate and engage with the public, ensuring that more individuals and businesses are aware of, and can benefit from, the available EE and DR programs.

In July 2024, LUMA launched an extensive outreach initiative by incorporating promotional information about the EE Rebate Program in bills sent to over **1.5 million customers**. This mass communication was

enhanced by a **press release** aimed at raising awareness of existing EE programs for both residential and business customers. The initiative included a substantial media push, featuring interviews in segments on major TV channels, which resulted in increased traffic to LUMA's portal and a rise in calls to the customer service center. Additionally, LUMA engaged with approximately 400 small business owners at the **PYMES Workshop** by setting up a booth, delivering a presentation, and distributing brochures and postcards to promote Business EE Rebates and EE Kits.

In August 2024, LUMA continued its outreach by participating in the ***Refricentro Trade Show***, focusing on HVAC technicians, where about 150 professionals attended. This event provided an excellent platform for LUMA to promote its Business EE Rebates and Business EE Kits, fostering relationships within the industry and helping to build a future trade ally network. In September, LUMA expanded its engagement further by attending the annual convention of the ***Centro Unido de Detallistas***, which attracted around 500 participants. At this significant event, LUMA set up a booth, distributed promotional materials, and spoke on the main stage to maximize visibility. A post-event email was sent to all attendees, including detailed program information and a special coupon code for ordering kits, reinforcing the message and encouraging ongoing participation.

Additionally, in September, LUMA launched the ***Mesa Informativa*** initiative to promote EE programs across all 25 of its service center offices. Over a week, the team visited regional centers—including those in Vieques and Culebra—setting up booths to distribute brochures about the rebate programs and inform customers on how to apply for incentives. This initiative brought program information directly to customers in their communities.

These concerted efforts demonstrate LUMA's commitment to expanding the reach of its EE programs. By utilizing a mix of mass communication, targeted events, and community outreach, LUMA effectively increased program visibility and customer engagement during FY2025 Q1.

For more details about Customer Outreach and Education efforts, please see Appendix A: *Customer Education & Outreach Materials*

3.4 Marketing Performance

Customer Feedback

Durning FY2025 Q1, the LUMA EE programs have engaged with a diverse range of customers and community partners. The feedback LUMA has received highlights the positive impact of its initiatives on energy savings, cost reductions, and fostering collaborative relationships. Below are some of the success stories and testimonials from valued customers.

- **Highgate Hotels** - In early July, Highgate Hotels applied for one of their resorts and received a capped rebate for replacing two chillers. Pleased with the program, they invited LUMA for site visits. During the tour of the Verdanza Hotel in Carolina, LUMA identified additional chillers set for replacement that qualify for the program. The Highgate Hotels' team expressed satisfaction to LUMA's support and is looking forward to further collaborations.

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- **Sunset Paradise Villas** - In August, LUMA collaborated with Sunset Paradise Villas, who were operating their resort with eight (8) 40-gallon electric water heaters. Partnering with Delvin Solar—a responsive contractor and early adopter—LUMA transitioned them to five solar water heaters. After installation and rebate application, the facility invited LUMA for a deeper site walkthrough. Opportunities to replace thirty-four (34) mini-split units, install 300 LED lightbulbs, and add over twenty (20) motion sensors were identified. Sunset Paradise Villas have recently submitted a pre-approval application for the mini-splits and plan to submit applications for the lighting and sensors soon. They expressed their gratitude to the LUMA team and are eager to continue with their collaboration.

- **Wyndham Las Palmas** - In October, the LUMA team met with Wyndham Las Palmas to assist them in applying for four (4) packaged units, leading to an anticipated rebate of $10,500. During a site walkthrough, LUMA identified over 100 mini-split units scheduled for replacement. This discovery generated significant enthusiasm from the Wyndham team, who expressed excitement about the potential energy savings and improvements.

- **AC Condado** - LUMA visited AC Condado, where they were warmly welcomed. After addressing initial concerns from their facilities manager, LUMA demonstrated its commitment to collaboration. This led to fruitful discussions, resulting in the identification of over twelve (12) improvement projects, which could generate more than $50,000 in incentives and over $100,000 in annual energy savings. LUMA also assisted them resolve a condensation issue at their pool deck bar, which was greatly appreciated.

- **NUC University –** LUMA visited NUC University to educate them on the Business EE Program offerings. Excited about the resources available, they are working with LUMA to identify immediate and future opportunities. In a recent email, NUC University indicated their satisfaction with LUMA's support and the value they find in the program.

- **Community Partnerships** – LUMA's initiatives have garnered appreciation from community partners such as *Colegio de Técnicos de Refrigeración* y *Aire Acondicionado and Centro Unido de Detallistas***.** They are actively helping LUMA to promote the EE programs to a broader audience, recognizing the benefits of EE for the community.

- **Residential Engagements -** LUMA received positive feedback from a residential customer who expressed satisfaction with their new equipment. They noted that the upgraded systems allow them to use significantly less energy while achieving improved cooling performance. In addition, LUMA facilitated the participation of relatives living near a Residential EE Program participant, both of whom opted for mini-split air conditioners. This not only enhanced their individual comfort but also fostered a sense of community engagement in energy efficiency.

Marketing Progress

In FY2025 Q1, the website demonstrated strong marketing performance, achieving a total of **170,253 views** across various programs. The Residential EE Kits Program led the traffic with 72,000 views, highlighting the effectiveness of this offering in engaging customers. The Residential EE Rebate Program

also performed well, attracting 56,684 views, indicating a robust interest in residential energy-saving incentives.

The Customer Incentive programs page contributed significantly with 22,849 views, showcasing its importance in driving traffic. However, the Business Incentives programs page generated a modest 706 views, suggesting a need for targeted marketing efforts to enhance visibility in this area. The Business EE Rebate Program saw 3,463 views, while the Business EE Kits program recorded 9,600 views, indicating moderate engagement from the business sector.

Lastly, the Energy Savings Tips page received 4,951 views, reflecting user interest in practical advice for energy efficiency. Overall, the data suggests that while residential programs are performing well, there is an opportunity to improve the visibility and attractiveness of business-oriented initiatives.

3.5 Stakeholders' Consultations

LUMA's engagement with federal agencies, organizations, and programs continues to be a cornerstone of its efforts. LUMA has maintained its collaboration with key federal agencies, including the Department of Energy (DOE) and the Environmental Protection Agency (EPA), to identify either funding or support. These discussions have clarified eligibility requirements and streamlined application processes, allowing LUMA to leverage opportunities such as the EE and Conservation Block Grant Program and various Energy Star incentives. Additionally, consultations with the DOE's Office of EEand Renewable Energy (EERE) have provided valuable technical assistance, helping LUMA refine pilot designs and align with best practices in EE. Collaborative initiatives with federal programs will enable LUMA to showcase innovative energy solutions and benefit from cutting-edge research and technologies.

Furthermore, LUMA is still meeting on a biweekly schedule with the Department of Economic Development and Commerce (DDEC), facilitating coordinated efforts regarding the launch of the different programs and educational initiatives for both organizations to launch their respective programs while addressing different customer sectors across the island, addressing challenges with engagement and market penetration, and ensuring alignment with broader economic development goals. Overall, these engagements have significantly advanced LUMA's pilot programs, equipping the organization with the necessary resources and support to drive impactful change and enhance operational effectiveness.

3.6 Research Activities

As part of its research efforts, LUMA continues completing surveys with the recipients of the EE kits with the intent to learn more about their home energy consuming equipment. A survey is included with each kit to learn about the type of home cooling and water heating equipment that each customer has in their home. In addition, LUMA is ranking the most popular EE pilot measures to provide feedback for the three-year plan. Once LUMA achieves a significant number of responses it will be able to analyze the data and provide insights into customers' appliances and equipment in subsequent quarterly reports.

LUMA is moving forward with its consumer research survey for the CBES Pilot Program to collect valuable feedback from participants about their experiences. The survey has already been developed and is set to be distributed to a randomly selected sample of over 300 participating households during FY2025

Q2. It will examine key areas, including customer motivations for joining, participation patterns, and overall satisfaction with program events. The feedback gathered from these survey efforts will help LUMA fine-tune the pilot program, address participant concerns, and improve future DR initiatives. Additionally, these insights will aid in optimizing the pilot program's integration and transitioning into a formal DR Program ensuring meaningful benefits for participants and the wider community.

3.7 Collaboration with Key Strategic Groups

During FY2025 Q1, LUMA's outreach initiatives were dedicated to strengthening contractor engagement as part of its overarching goal to build a robust trade ally network for its EE programs. LUMA successfully completed nine (**9) site visits** and organized four (**4) outreach events** to connect with key stakeholders, notably engaging community partners such as *Centro Unido de Detallistas*, *Colegio de Técnicos de Refrigeración* y *Aire Acondicionado*, and Foundation for Puerto Rico. This collaboration was vital in promoting LUMA's EE initiatives and enhancing community awareness.

LUMA's outreach strategies encompassed a variety of coordination activities, including introductory calls, site visit performance evaluations, and follow-up emails. These efforts are instrumental in fostering strong relationships with contractors and creating a supportive trade ally network that facilitates the adoption of EE measures across both residential and commercial sectors.

For the CBES Program, LUMA convened its second quarterly Aggregator Meeting on July 19, 2024. This meeting focused on clarifying the definition of a DR event and discussing the process for its notification. Initial conversations also addressed pilot updates and customer survey metrics, ensuring that all stakeholders are well-informed and engaged in the program's progress.

Additionally, LUMA has maintained its ongoing engagement with local government agencies, including the DDEC and its Energy Policy Program (EPP). This collaboration has been instrumental in the creation and dissemination of educational materials and joint outreach efforts. Discussions regarding strategy and marketing for EE and DR branding will continue as the TPP is implemented and input is incorporated. By working closely with these agencies, LUMA ensures that its EE initiatives are well-supported and effectively communicated to a broader audience.

As LUMA moves forward, it will continue with contractor outreach efforts for the remainder of the fiscal year, reinforcing its commitment to building strong partnerships and increasing participation in the EE and DR programs. LUMA anticipates that these sustained efforts will yield significant benefits, including enhanced awareness of EE initiatives within the contractor community.

3.8 LUMA's Streetlight Modernization and Energy Efficiency Initiative

LUMA is poised to enhance public safety and EE in Puerto Rico with its ambitious plan to install **300,000** streetlights over the next three years. This initiative aims to improve safety for residents while promoting energy efficiency across communities.

In the first quarter of FY2025, LUMA achieved significant progress by saving approximately **87,170** kWh, reflecting its commitment to a holistic approach that integrates energy efficiency with infrastructure

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modernization. This energy savings resulted from the replacement of around **4,700** streetlights as part of this initiative. This includes the Community Streetlight Initiative (CSI), funded by FEMA, which represents a total investment of $1 billion aimed at modernizing streetlight infrastructure across all 78 municipalities in Puerto Rico.

To date, LUMA has successfully installed over **127,000** streetlights, focusing on replacing outdated systems with energy-efficient LED technology. This modernization not only improves visibility and safety but also contributes to long-term energy savings and environmental sustainability. Each new LED streetlight consumes approximately **65**% less energy and has a lifespan up to four times longer than traditional lighting solutions.

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4.0 EE Program Costs[9]

During this reporting period, LUMA has incurred costs associated with the management of various pilot programs. These expenditures include funding for six types of Residential EE Rebates, the distribution of free Residential EE Kits, the In-Store EE Discount Program and the development of Business EE Rebates and Business EE Kits. Additional resources were dedicated to education and outreach initiatives, as well as to cross-cutting areas such as planning, administration, and evaluation, covering professional services, salaries, and the ongoing assessment of implemented measures. For a detailed breakdown of costs for each EE program, please refer to Table 11: *EE Budget & Costs* below, which outlines expenditures for FY2025 Q1 and Year to Date.

[9] Note that, contrary to the template submitted on the August 13th Motion, the Business Incentive Program section is not included on this report. Some sections will vary according to updates in the reporting period.

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Table 11: EE Budget & Costs

PROGRAM	PP&A ($)	PARTICIPANT INCENTIVES ($)	COST FOR FY2025 Q1 ($)	FY25 YTD COSTS ($)	TOTAL PROGRAM BUDGET FY2025 ($)	% OF TOTAL PROGRAM BUDGET
Residential Rebates	392,460	1,015,228	1,407,688	1,407,688	4,471,875	31%
In-Store Discounts	586,576	142,287	728,863	728,863	1,125,000	65%
Residential EE Kits	149,961	919,564	1,069,525	1,069,525	676,700	158%
Business Rebates	532,505	84,000	616,505	616,505	4,066,674	15%
Business EE Kits	-54,092[10]	194,287	140,195	140,195	405,201	35%
Education & Outreach	316,745	n/a	316,744	316,744	1,500,000	21%
Cross-Cutting Planning, Administration & Evaluation Costs	7,969	n/a	7,969	7,969	1,500,000	1%
Total Portfolio	**1,932,124**	**2,355,366**	**4,287,489**	**4,287,489**	**13,745,450**	**31%**

Shifts in funds between programs

During FY2025 Q1 LUMA did not perform any shifting of funds between programs. LUMA recognizes the importance of evaluating potential reallocation of funds between programs. As more data becomes available, LUMA will assess the need for any adjustments to optimize savings, performance, and market uptake of the initiatives, ensuring that resources are directed where they can have the greatest impact.

Managing Budget Variations Above 20 Percent

As shown in Table 11: *EE Budget & Costs*, during FY2025 Q1, the Residential EE Kits program for FY25 Q1 incurred a total expenditure of $1,069,525, which represents 158% of the total program budget of $676,000 for FY2025. This expenditure includes $414,460.50 attributed to kits distributed in June FY24. Although the invoice for these kits was received and recorded in July, the expense was recognized in

[10] The negative figure in the Business Kits reflects adjustments made to reconcile accrued expenses from previous months with actual expenditures

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FY25 Q1. In the FY24 Q4 report, while the expenditure was not recognized, the quantity of kits distributed, and the energy savings achieved during that period were duly noted.

If we exclude this expenditure, the total incurred for Residential EE Kits for FY25 Q1 would be $655,064, which accounts for 97% of the total program budget.

EE Program Non-Incentive Administrative Costs

Table 12: *Breakdown of EE Program Non-Incentive Administrative Costs* provides a breakdown of EE programs' non-incentive administrative costs incurred by LUMA between staff administrative costs, planning and regulatory professional services, program implementation contractors, program evaluation and other administrative costs.

Table 12: Breakdown of EE Program Non-Incentive Administrative Costs

CATEGORIES	PROGRAM BUDGET FY2025	COSTS FOR FY2025 Q1
LUMA Staff	682,732	31,329
Professional Services	0	0
Program Implementation Contractors	5,968,234	1,900,794
Other Administrative Costs	0	0
Total	**$6,650,966**	**$1,932,124**

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5.0 Demand Response Programs

In compliance with the August 29th Resolution and Order, as well as the reporting requirements outlined in the TPP submitted on December 20, 2023, this section of the report details the DR administrative costs. It presents the actual receipts for both the quarterly and fiscal-year-to-date periods, compared to the budgeted inflows from the Power Purchase Charge Adjustment (PPCA), and reflects the current fund balance.

The report includes a summary of program information indicators for the same periods, aligning them with the assumptions used in the August 13th Motion, and highlighting any significant variances from the approved budget. Additionally, it outlines the quarterly and fiscal-year-to-date expenditures for the DR Program, broken down by line items, and details any discrepancies from the approved budget.

This overview is essential for assessing fund management, withdrawals, and outstanding balances. It also addresses any material variances greater than 10%, providing explanations to ensure transparency and facilitate effective oversight by the Energy Bureau.

5.1 DR: Customer Battery Energy Sharing Pilot Program

During FY 2025 Q1, the DR Program made significant strides in expanding customer enrollment and increasing capacity for DR events.

In July, the program saw the addition of **379** customers, marking a positive start to the quarter. This momentum continued into August, with a substantial increase as 634 new customers enrolled. September sustained this upward trend with 311 more customers joining the program, bringing the total number of enrolled customers to **7,142** by the end of FY2025 Q1.

The program's total enrolled battery capacity has reached 45 MW, with 26 MW consistently reported by LUMA's aggregator partners as available for emergency DR events. This reflects the program's strengthening capacity to manage demand fluctuations by adjusting energy supply during critical grid shortages.

For FY2025 Q1, the average impact per event reached approximately 8 MW. This lower figure is largely attributable to aggregator/customer strategies for managing battery energy during extended emergency DR events, particularly those lasting over two hours. Notably, out of the twenty-three (23) DR events this past quarter, fifteen (15) spanned around four (4) hours. Additionally, customer participation also likely influences the observed reductions in capacity provided for DR events.

During the quarter, customer participation rates ranged from 66% to 86%, indicating strong engagement among those enrolled in the program. This participation reflects customers who opt out of emergency DR events, with LUMA recognizing that participation decisions often align with individual battery management preferences. The CBES Pilot Program allows aggregators to offer customers the choice to participate in these events, factoring in diverse influences such as personal battery management strategies, weather conditions, and even local news regarding grid stability.

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To better understand the factors impacting customer decisions to participate, LUMA is conducting survey research. This ongoing assessment aims to provide valuable insights into customer motivations, enhancing program engagement and responsiveness.

Notably, this quarter also saw the introduction of test events aimed at analyzing and improving the CBES Pilot Program. These test events will offer valuable insights to enhance the firmness, reliability and impact of the CBES Pilot Program moving forward.

Overall, these achievements underscore the continued progress of increasing customer participation and strengthening the program's ability to handle emergency DR scenarios effectively.

5.2 Demand Response Participants

Table 13: *Number of Participants and total MW available in each DR Program during the FY2025 Q1* below includes the number of participants enrolled in the CBES Pilot Program to date by program and sector/segment and total MW enrolled.

Table 13: Number of Participants and total MW available in each DR Program during the FY2025 Q1

SECTOR	SEGMENT	PROGRAM	TOTAL PARTICIPANTS ENROLLED (YTD)	TOTAL MW AVAILABLE (YTD)*	TOTAL MW ENROLLED (YTD)
Residential	Residential Housing	Customer Battery Energy Sharing	7,050	25.9	44.9
Commercial	Small Business	Customer Battery Energy Sharing	92	0.3	0.6
Total			**7,142**	**26.2**	**45.5**

5.3 CBES Performance for FY2025 Q1

In FY2025 Q1, LUMA has been closely monitoring key performance indicators to evaluate the effectiveness of the CBES Program, as detailed in Table 14: *DR Performance Values*. This includes tracking the number of enrolled customers, the power and energy enrolled per event, and the total number of events dispatched. By analyzing these indicators—such as the average customer response rate and the average battery power and energy dispatched per event—LUMA aims to gain insights into program performance. This data helps in assessing the program's benefits and guiding future improvements to enhance customer engagement and operational efficiency.

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Table 14: DR Performance Values

PERFORMANCE	FY2025 Q1
Enrolled Customers (#)	7,142
Enrolled Power per Event (MW)	45,445
Enrolled Energy per Event (MWh)	81,187
Events Dispatched (#)	23
Average Customer Response (%)	77.8
Average Dispatched Battery Power per Event (MW)	7.6
Average Dispatched Battery Energy per Event (MWh)	23.2
Peak Demand Savings Target (MW)	26.2
Peak Demand Savings (MW)	26.2
YTD Peak Demand Savings (%)	100.0
Costs ($)	**$883,412**

Table 15: DR YTD Performance Indicators

PROGRAM PARAMETERS	YTD FORECAST (A)	YTD ACTUALQ1 (B)	VARIANCE BETWEEN YTD FORECAST AND ACTUAL YTD [(A-B)]
Enrolled Customers (#)	6,500	7,142	642

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PROGRAM PARAMETERS	YTD FORECAST (A)	YTD ACTUALQ1 (B)	VARIANCE BETWEEN YTD FORECAST AND ACTUAL YTD [(A-B)]
Enrolled Load (kW)	21,125	45,445	24,320
Average Battery Capacity (kWh/battery)	13	11.4	1.6
Average Battery Reserve (%)	50	31.3	18.7
Average Impacts per Event (kW)	21,125	7,619	13,506
Aggregate Seasonal/Annual Impacts (kW)	21,125	7,619	13,506
Impacts as % of Enrolled Load	100.0	16.8	83
Average Event Response (%)	N/A	77.8	0
Average Event Duration (Hours)	2	3.3	1.3
Events (#)	50	23	27
Capacity per Event (kW)	21,125	26,205	5,080
Estimated Energy per Event (kWh)	42,250	55,859	13,609

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PROGRAM PARAMETERS	YTD FORECAST (A)	YTD ACTUALQ1 (B)	VARIANCE BETWEEN YTD FORECAST AND ACTUAL YTD [(A-B)]
Total Energy Delivered (kWh)	3,168,750	534,101	2,634,649
Participant Incentive Payments ($)	$4,277,813	$516,027	$3,761,786
Program Planning and Administrative (PP&A) Costs ($)	755,000	$367,385	$387,615
Total program costs ($)	**$5,032,813[11]**	**$883,412**	**$4,149,401**

Understanding DR Variances

For this analysis, LUMA's DR team is focusing on Year-to-Date (YTD) forecasts, using data from FY2025 Q1 as it offers the most comprehensive view of the program's performance. As there was no data available for FY2024 Q1 due to the program's official launch in FY2024 Q2, the FY2025 data provides the clearest understanding of current trends. When comparing the forecasted values from the Three-Year Transition Period Plan (TPP FY2023) to actual results, several key variances are evident, shedding light on both the successes and the areas where original assumptions may need revision.

The success of the CBES Pilot Program has brought with it encouraging progress related to customer management in battery reserves. The initial forecast assumed customers would reserve a specific portion of their battery capacity, but actual behavior revealed a more aggressive approach, with customers providing more capacity than expected.

The variance in average battery capacity is largely due to the way customers choose to manage their batteries. The forecast assumed that customers would deplete their batteries to a certain level (50% of their battery capacity) during events, but the actual data shows that customers are more generous, providing more energy in DR events than expected.

[11] The forecast displayed here outlines the approved budget for FY2025, rather than the Q1 forecast. For details on the Q1 forecast, please refer to Table 17.

However, participation rates have been lower than expected, with fewer customers fully taking part in each event. This reduced participation is one of the primary reasons why the impacts per event and overall energy contributions are below forecasted levels.

Another key factor affecting the variance is the duration of DR events. While the forecast assumed events would last for a set period, actual events have often been longer. This longer duration likely affected how much energy could be distributed over time, as customers may have been less able to sustain their participation or manage their capacity over time to fulfill their participation in extended events. The extended event times, combined with lower participation rates, further contributed to the gap between forecasted and actual impacts.

This difference in battery management and customer participation affects the amount of energy that can be delivered during DR events, contributing to lower impacts per event than initially forecasted.

As a result of the variances, this has allowed for a difference in the number of enrolled customers and load from the original forecasts. This higher-than-anticipated enrollment was driven by aggregator outreach efforts and faster customer onboarding during this quarter and supported by LUMA in determination of the variances impacts against available budget and forecasted events for the remainder of the fiscal year.

All these variances in program performance, while significant, provide valuable insights into customer behavior and the real-world functioning of the DR program. They highlight the need for adjustments in key assumptions—particularly around participation rates and battery management—moving forward. In the next section a more detailed explanation of financial variations will be provided to give more context on the operations in DR.

5.4 Program Administrative Costs

In this section, LUMA will analyze the financials for DR with what has occurred YTD for FY2025 Q1. This will provide more context on how much the program has grown in cost and as to why it has grown.

Funds were allocated primarily to enhance the program's capacity to manage DR events. In accordance with the March 21st Resolution and Order, which allows LUMA to exceed quarterly budgets and expand participation in the battery emergency DR Program, these expenditures were strategically invested in several key areas.

A significant portion of the PPCA funds was dedicated to increasing customer enrollment, which saw substantial growth with **1,324** new customers enrolling in June, raising the total to **7,142** by the end of FY2025 Q1. In addition, these funds were also used for designing and implementation on a CBES Program survey to understand customer behavior during DR events. These efforts were essential for boosting the overall capacity available during DR events but also to understand customers behavior in the program and find ways to increase customer satisfaction for the CBES Pilot Program.

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Moreover, the PPCA funds were primarily allocated to continue increasing program participation during FY2025 Q1. Tracking performance indicators, such as customer response rates and battery performance, was part of this effort to further justify this enrollment increase.

Table 16: *DR (CBES) PP&A Budget* **and Costs** below provides the costs to date of the CBES Pilot Program during the Quarter broken down by category.

Table 16: DR (CBES) PP&A Budget and Costs

CATEGORIES	TOTAL PROGRAM BUDGET FY2025	COSTS FOR FY2025 Q1
Program Management[12]	$355,000	$78,840
System Operations	$0	$0
Customer Service	$0	$0
Professional Services[13]	$200,000	$269,850
Program Evaluation	$200,000	$0
Other Expenses[14]	$0	$18,695
Total PP&A	**$755,000**	**$367,385**

5.5 CBES Quarterly and Fiscal-Year-to-Date PPCA Fund Inflows and Balances Comparison

Table 17: *FY2025 CBES Costs and PPCA Fund Overview* below provides an overview of LUMA's financial performance by comparing the actual fund inflows received against the budgeted inflows specified in the PPCA. It also includes the fiscal-year-to-date actual fund balance, offering a clear view of how actual receipts align with the planned budget and how they impact the overall fund balance for the year. This detailed comparison helps assess the accuracy of budgeting, identify any discrepancies, and ensure that financial operations are in line with August 29th Resolution and Order requirements.

[12] LUMA Staff costs are included in this line item.

[13] Please note that planning and regulatory professional services are included in this line item.

[14] This variance corresponds to payments made to legal services.

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Table 17: FY2025 CBES Costs and PPCA Fund Overview

CBES FY2025 Q1 COSTS	CBES YTD COSTS	ESTIMATED BUDGET INFLOWS FOR CBES FROM THE PPCA	PPCA FISCAL YTD ACTUAL FUND BALANCE
$883,412	$883,412	$369,619.07	($513,791.93)

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6.0 Transition Period Plan Conclusions and Recommendations for FY2025 Q1

6.1 Analysis and Observation on Residential Energy Efficiency Programs

One conclusion for this quarter is that the results observed so far for the Residential EE Rebates and Residential EE Kits continue to prove to be successful based on the overall increase of rebates claimed and kits shipped respectively during this period.

Although the mini-split air conditioner rebate ranked as the most popular measure among the Residential EE Rebates, LUMA is considering restructuring this incentive into a 4-tiered incentive structure instead. This new incentive structure will improve the incentive cost per energy saved ratio of the measure itself and for the overall portfolio. LUMA plans to provide more details of this incentive restructuring during the next quarterly report.

In-Store EE Discount Initiative Update

On the other hand, the recent launch of the In-Store EE Discount initiative is proving so far that the consumer is very receptive to such an initiative. However, the existing In-Store EE Discount might suffer changes soon, specifically in its lighting offering due to the imminent phase out of the Energy Star certification for lighting products which is scheduled to occur on December 31, 2024. LUMA is considering how to address the continuation of the offering of lighting products for the In-Store EE Discount initiative going forward and will keep all stakeholders informed.

6.2 EM&V Budget

In compliance with the October 23rd Resolution and Order as issued by the Energy Bureau and in alignment with the Revised Transition Period Plan as filed by LUMA on December 20, 2023, the costs associated with EM&V are included in *Table 20: FY2026 EM&V Budget.*

EM&V evaluations for EE programs are most effective after 12 months of program implementation, depending on program scale and complexity. This timing is consistent with industry best practices and allows sufficient data to accumulate, giving evaluators a representative view of program performance and participant behavior. Starting evaluations too early might result in incomplete or unrepresentative data, as programs require time for customer adoption, adjustments in operation or seasonal variations in energy use to stabilize. LUMA's programs officially commenced on January 23, 2024, with the launch of the Home Efficiency Rebate Program, with solar water heater rebates. The program was expanded on March 4, 2024, with the launch of five additional measures including air conditioning units, refrigeration, and more. LUMA's Business Efficiency Rebate Program launched on April 15, 2024, with 17 different measures such as LED lighting, commercial kitchen appliances, air conditioning units, and more to support local businesses in Puerto Rico. Aligning with the residential programs, Business Energy

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Efficiency Kits were launched on May 17. Home kits launched in January 2024 and In-Store EE Discount Program launch on July 1, 2024. LUMA's programs have not yet reached the industry -standard implementation period required to initiate an EM&V evaluation at this time.

The EM&V plan will be part of LUMA's Three Year Plan filing and the Energy Bureau will evaluate LUMA's EE and DR programs in accordance with such EM&V plan as stated in the Regulation for Energy Efficiency, Regulation 9367, Article 6.

The EM&V budget for each program, which will be incorporated into the program administration budget of the Three-Year Plan, will amount to **3%** of each program's total budget and will be conducted on a **biannual basis**. Below is the detailed budget for FY2026 evaluations:

Table 20: FY2026 EM&V Budget

PROGRAM	FY2026 PROGRAM BUDGET	FY2026 PLANNED EVALUATION BUDGET
Residential Rebate	$4,471,875	$134,156
In-Store Discount	$1,125,000	$33,750
EE Kits	$676,700	$20,301
Business Rebate	$4,471,875	$134,156
Customer Battery Energy Sharing	$5,032,813	$150,984
Customer Education/Awareness	$1,500,000	$45,000
Total	**$17,278,263**	**$518,348**

6.3 Next Steps

As LUMA moves into FY2025 Q2, several strategic initiatives are planned to further promote EE and DR programs and deepen customer engagement. These next steps encompass event participation and enhanced customer outreach efforts aimed at increasing awareness and participation in both residential and business sectors.

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Upcoming Events for Customer Engagement

LUMA will actively take part in several key events to connect with customers, stakeholders, and industry professionals. The company will attend the SESA Summit 2024 to showcase its EE programs, share insights on energy conservation, and network with industry leaders and experts in sustainable energy solutions. Participation in Puerto Rico Energy Week will provide LUMA with a platform to present its energy-saving initiatives, engage with a broader audience interested in energy efficiency, and collaborate with other organizations committed to sustainability. By engaging with community leaders and members at the Lions Club Event, LUMA aims to promote its EE program, distribute informational materials, and encourage community involvement in energy conservation efforts. Continuing the successful *Mesa Informativa* initiative from the previous quarter, LUMA will set up informational booths at various regional centers, including those in remote locations. These booths will provide customers with direct access to program information, brochures, and guidance on how to apply for rebates and incentives.

Enhancing Customer Outreach Strategies

To enhance communication and promote EE programs, LUMA plans to implement several customer outreach strategies. EE programs updates and promotional content will be featured in the monthly LUMA Customer Newsletter sent to customers via email. This will increase program visibility and keep customers informed about new incentives and opportunities. Through the "Top Stories of the Week" newsletter, LUMA will share energy-saving tips with all employees, encouraging them to adopt efficient practices and serve as ambassadors for the EE programs within their communities. LUMA will launch a mass email marketing campaign targeting business customers using the NorthStar system. This campaign will highlight available programs, rebates, and incentives specifically designed for businesses, aiming to boost participation rates. Leveraging social media platforms, LUMA will increase the frequency and reach of posts highlighting business-focused EE programs. This digital strategy aims to engage a wider audience, share success stories, and encourage businesses to take part. Additionally, a dedicated In-Store EE Discount landing webpage will be launched on LUMA's website in FY2025 Q2. This page will provide detailed information about available discounts, participating retailers, eligible products, and instructions on how customers can take advantage of these offers.

Commitment to Advancing Energy Efficiency Goals

The planned activities for FY2025 Q2 reflect LUMA's commitment to advancing EE and sustainability goals. By actively taking part in significant events and enhancing customer outreach efforts, LUMA aims to increase program awareness, foster community engagement, and drive higher participation rates in its EE programs. These initiatives are expected to contribute substantially to achieving greater energy savings and peak demand reductions for the upcoming quarter.

7.0 Appendix A: Customer Education & Outreach Materials

Figure 5: Residential and Business Rebate Programs Press Release

COMUNICADO de prensa

NOTICIAS

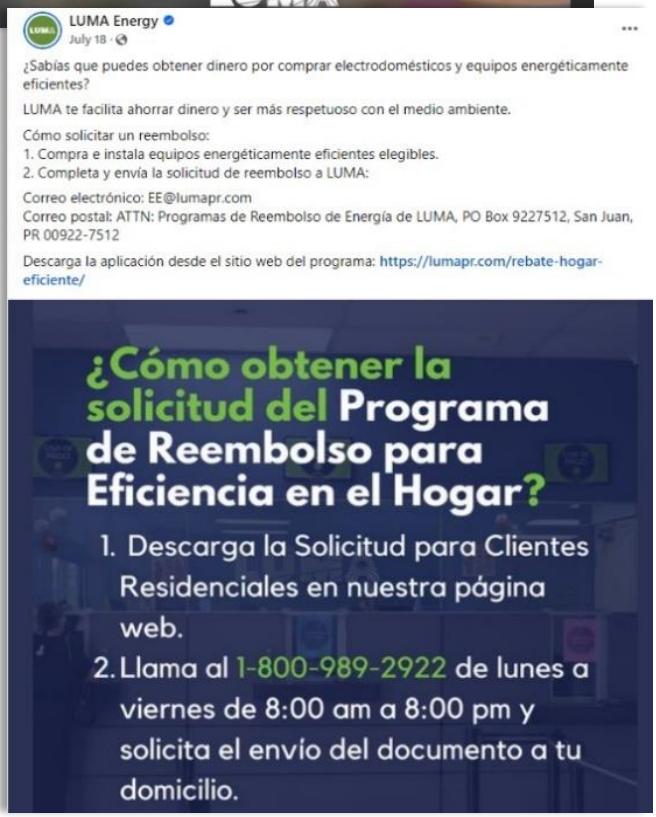
LUMA lanza innovador programa de reembolso para eficiencia energética

SAN JUAN, PUERTO RICO – 30 de julio de 2024 – LUMA lanzó el primer programa de eficiencia energética en Puerto Rico para clientes residenciales y comerciales, reafirmando su compromiso con las iniciativas de ahorro y la eficiencia energética para sus 1.5 millones de clientes a través de Puerto Rico.

Este programa representa un paso significativo en el desarrollo de iniciativas de ahorros y descuentos de eficiencia energética financiadas por empresas de servicios públicos. Su propósito es ayudar a los clientes a tomar decisiones informadas para optimizar su consumo energético, reducir sus facturas y contribuir a un futuro más sostenible.

Consolidated Transition Period Plan and Demand Response Administrative Costs

Figure 6: Social Media Posts



Consolidated Transition Period Plan and Demand Response Administrative Costs

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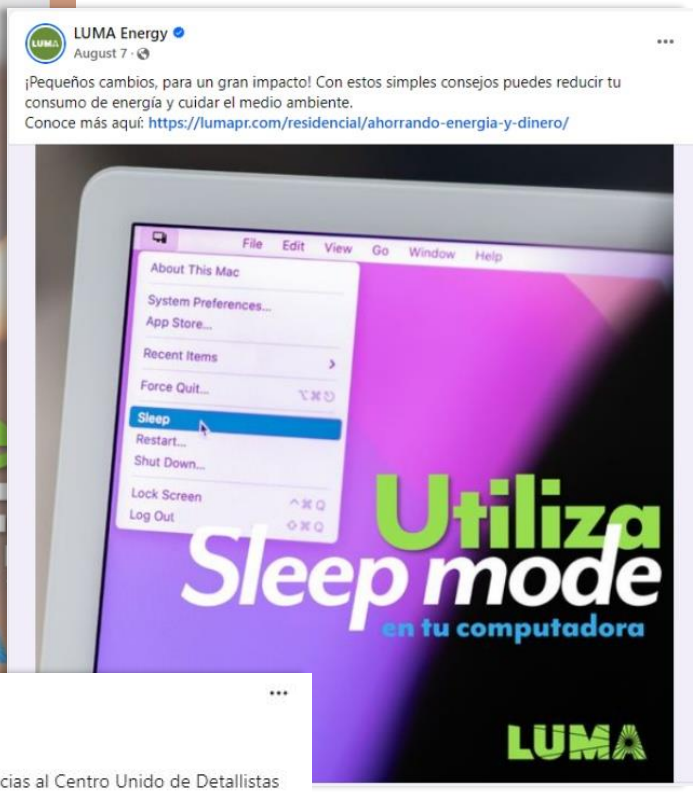

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Figure 7: Media Coverage

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Figure 8: Pymes Workshop (San Juan, July 16,2024)

Figure 9: Refricentro Tradeshow (San Juan, August 8, 2024)

Figure 10: Annual Convention *Centro Unido de Detallistas* (Rio Grande, August 30-31, 2024)

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Figure 11: Bill Insert

Consolidated Transition Period Plan and Demand Response Administrative Costs

Figure 12: "*Mesa Informativa*"