

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

NEPR
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IN RE:

ENERGY EFFICIENCY AND DEMAND
RESPONSE TRANSITION PERIOD PLAN

CASE NO.: NEPR-MI-2022-0001

SUBJECT: Submittal of March 2025 Report on
the Development of the Pilot Backup Generators
Demand Response Program

**MOTION TO SUBMIT MARCH 2025 REPORT ON THE DEVELOPMENT OF THE
PILOT BACKUP GENERATORS DEMAND RESPONSE PROGRAM**

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 Transmission and Distribution 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”). Accordingly, LUMA has been implementing a Transition Period Plan (“TPP”) containing various quick-start or pilot EE and DR programs, which will be setting the stage for the design and implementation of larger scale, more permanent programs.

In compliance with a Resolution and Order issued by the Energy Bureau on October 23, 2024, LUMA has been working on the development of a pilot Backup Generator DR Program, which the Energy Bureau directed be in place before the summer of 2025. On January 15, 2025, and February 18, 2025, LUMA submitted to the Energy Bureau the first and second required monthly reports on these efforts. LUMA is now submitting, as *Exhibit 1* to this Motion, the report for March 2025 on the development of this pilot program.

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*, LUMA's proposed EE and DR Transition Period Plan ("Proposed TPP") containing the description and associated budgets of various quick-start EE and DR Programs to be implemented by LUMA during a two (2)-year Transition Period. *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* and its *Exhibit 1*.

2. On February 16, 2023, the Energy Bureau issued a Resolution and Order ("February 16th Order") considering, amending, and approving the Proposed TPP (the Proposed TPP, as approved by the Energy Bureau, the "TPP). Regarding the TPP's DR Programs, the Energy Bureau indicated that "LUMA's top priority shall be to work with third-party battery aggregators to develop and launch an emergency battery DR Program [now known as the Customer Battery Energy Sharing ("CBES" Program] in FY2023, as part of or paired with its proposed emergency DR program that utilizes backup generators and other load flexibility". *See* February 16th Order, p. 15. However, specific milestones were only established for the Battery DR Program. *See id.*, pp. 21-23, 29.

3. On August 29, 2023, LUMA submitted the quarterly report on the TPP for the fourth quarter (“Q4”) of Fiscal Year 2022-2023 in which it reported regarding the Backup Generator DR Program, among others, informing that it had reached out to industrial customers regarding the proposed program but, based on their feedback, there were challenges to broad enrollment, which included limitations on the hours of operation available under existing air permits, noise pollution, and costs to modify permits. *See Motion to Submit FY2023 Q4 TPP Report*, Exhibit 1, p. 20.

4. On October 30, 2023, LUMA submitted the first report on the TPP for Fiscal Year 2023 in which it provided an update on the various TPP programs, including providing similar information as included in the Q4 report regarding the Backup Generator DR Program. *See id.* Exhibit 1, p. 21.

5. On November 29, 2023, the Energy Bureau issued a Resolution and Order (“November 29th Order”) determining to extend the TPP by one year, until June 30, 2025, and ordered LUMA to submit a revised TPP.¹

6. On December 20, 2023, LUMA submitted to the Energy Bureau a revised version of the TPP which extended its term until June 2025. *See Motion to Submit Revised TPP and Other Information Requested Under the Resolution and Order of November 29, 2023, filed on December 20, 2023*, and its Exhibit 1.

7. On October 23, 2024, the Energy Bureau issued a Resolution and Order (“October 23rd Order”) in which, among others, it determined to extend the TPP by an additional six

¹ This determination was in attention to a request from LUMA of October 30, 2023, to extend the TPP for an additional fiscal year. *See Request to Extend by One Additional Year the Deadline to File the Three-Year Plan, Concomitant Deadlines and Extend the Term of the Transition Period Plan for An Additional Fiscal Year.*

months, until December 31, 2025², and ordered LUMA to submit a revised TPP, as well as to develop and implement a program for the use of backup generators as a DR resource in emergency situations before the summer of 2025 and file monthly reports on the 15th of each month, beginning on January 15, 2025, detailing its efforts to design and implement the program. *See id.*, pp. 4-5.

8. On January 15, 2025, LUMA submitted its first monthly report on the development of the Backup Generators DR Program. *See Motion to Submit January 2025 Report on the Development of the Backup Generators Emergency Demand Response Program.* In this report LUMA informed that, in LUMA's initial outreach to industrial customers in 2023 and 2024, it had received no indication of interest in the program from these customers, and that their key concern was their air permit limitations. *See id.* Exhibit 1. LUMA further informed that it planned to build upon these initial efforts, update the program design, and conduct new outreach to revisit program participation. *See id.* LUMA advised, however, that it did not expect formal enrollment in the program without a waiver of the mentioned air permitting restrictions. *See id.*

9. On February 18, 2025, LUMA submitted its second monthly report on the development of the Backup Generators DR Program. *See Motion to Submit February 2025 Report on the Development of the Backup Generators Emergency Demand Response Program.* In this report, LUMA informed on the progress in reevaluating the program design and new outreach to industrial customers, while noting that air permitting limitations continue to be a concern for these stakeholders. *See id.* Exhibit 1.

² This determination was in attention to a request from LUMA filed on September 16, 2024, to the effect that the TPP be extended given delays in completion of studies needed to prepare the Three-Year Plan. *See Informative Motion, Request for Clarification Regarding Delayed Timeline for Completion of Market Baseline and Potential Studies, And Request for Extension to Submit Draft Three-Year Plan and Associated Tasks and Deadlines.*

III. Submittal of Report on Development of Backup Generators DR Program

10. In compliance with the October 23rd Order, LUMA submits with this Motion its report for March 2025 on the development of the Backup Generator DR Program. *See Exhibit 1* (the “Report”).

11. The attached Report informs on LUMA’s outreach to relevant government agencies relating to the air permitting concerns raised by stakeholders, other outreach to customers via a survey and meetings, and further work to refine and revise the pilot program, among others. *See Exhibit 1*. LUMA notes that air permitting limitations continue to be a barrier to industry participation. *See id.*

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned and **accept** the report included in *Exhibit 1* in compliance with the October 23rd Order with respect to the submittal of monthly reports on the development of the Backup Generator DR Program.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 17th day of March 2025.

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, evand@sunrun.com, jordgraham@tesla.com, forest@cleanenergy.org, customerservice@sunnova.com, javrva@sesapr.org, pjcleanenergy@gmail.com, and mrios@arroyorioslaw.com.



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Exhibit 1

March 2025 Report on Backup Generator Demand Response Program



**Demand Response:
Backup Generator Demand Response Pilot
Monthly Report**

NEPR-MI-2022-0001

March 17, 2025

Backup Generator Demand Response Pilot Monthly Report

B On target
 Y Caution
 O Off plan
 G Complete

Key Activity Summary

- Developed and distributed survey on February on needs and barriers for participation to a large retailer, the Pharmaceutical Industry Association (PIA), a major beverage company, and LUMA Key Accounts for broader industry distribution. No responses as of end of mid-March.
- Conducted 5 one-on-one meetings with customers to collect feedback. Feedback was generally positive – customers would value the program’s advanced notice of grid events. However, air permit regulations for backup generators emerged as the common key participation barrier in these conversations.
- Conducting analysis of similar BUGS program in US jurisdictions to compare structure and compensation models.

Key Milestones

Key Milestones	Date	Status
Continued alignment with internal departments for the re-launch of the Backup Generator Demand Response pilot	Ongoing	B
Refine and revise Backup Generator Demand Response pilot program terms and materials as necessary	Ongoing	B
Work with stakeholder to discuss limitations of EPA regulations for Backup Generators (BUGS)	3/21/2025	Y
Conduct outreach to target industrial customers to recruit and gather additional input	Ongoing	B
Program ready for events	6/1/2025	Y

Risk / Issues:

- As mentioned in previous reports, issues over air permit limits remain a key barrier as highlighted by industry participants. LUMA expects limited participation in current BUGS programs if the identified issues persist.



People First.
Safety Always.

