

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

IN RE: ENERGY EFFICIENCY AND DEMAND
RESPONSE TRANSITION PERIOD PLAN

CASE NO: NEPR-MI-2022-0001

SUBJECT: Summer 2025 Emergency Demand
Response Program Proposals.

RESOLUTION AND ORDER

I. Introduction and Procedural Background

On October 23, 2024, the Energy Bureau issued a Resolution and Order through which the Energy Bureau ordered LUMA to file the first Three-Year Energy Efficiency ("EE") and Demand Response ("DR") Plan by July 15, 2025. The Energy Bureau also extended the Transition Period Plan ("TPP") by six months to December 31, 2025, and ordered LUMA prepare and file a revised TPP and proposed permanent Customer Battery Energy Sharing ("CBES") program and a proposed backup emergency DR program to be implemented by June 2025, subject to monthly reporting starting on January 15, 2025.

On January 31, 2025, LUMA submitted a *Motion to Submit Permanent Customer Battery Energy Sharing Program Proposal in Compliance with Resolutions and Orders of October 23, 2024, and December 5, 2024* ("January 31 CBES Motion"). This motion included details regarding a proposed permanent Customer Battery Energy Sharing program that would begin July 1, 2025, and run for three years.

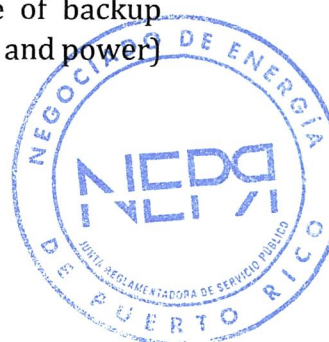
On January 31, 2025, LUMA also submitted a *Motion to Submit Revised Energy Efficiency and Demand Response Transition Period Plan and Request for Modification of Deadlines Relating to Three-Year Energy Efficiency and Demand Response Plan* ("January 31 TPP Motion"). This motion included as an attachment a revised TPP intended to run through June 30, 2026. The revised TPP included the permanent CBES program.

On April 3, 2025, the Energy Bureau issued a Resolution and Order ("April 3 Resolution") through which the Energy Bureau extended the TPP until June 30, 2026; modified the first three-year plan to cover two years, from July 1, 2026 through June 30, 2028 ("2026-2028 EE and DR Plan"); partially approved LUMA's CBES program proposal, specifically, the customer and aggregator-facing aspects of the program that remain unchanged from the pilot stage; and scheduled a Technical Conference for April 24, 2025 to discuss LUMA's permanent CBES program proposal, the Emergency Demand Response program (using on-site generators), and LUMA's Revised Transition Period Plan, and the 2026-2028 Plan process.

The Energy Bureau held a Technical Conference on April 24, 2025. LUMA representatives presented on the agenda items set forth in the April 3 Resolution. In addition, LUMA presented proposals for partially addressing the projected summer 2025 generation shortfall through its demand response portfolio. This Resolution and Order provides follow-up instruction to LUMA regarding summer 2025 resources and invites stakeholders to file comments.

II. Discussion

During the April 24 Technical Conference, LUMA stated that it is expecting over 90 generation shortfall load shed events this summer (May 1 to October 31, 2025), lasting an average of 5.5 hours each. Factors such as a hurricane, a hotter than usual summer, heat wave, or generation unit failure could cause additional load shed events. Given the emergency, LUMA stated it is exploring several quick-start or expanded DR programs, including rapid expansion of the CBES program for summer 2025, the use of backup generation for load reduction, and the potential for cogeneration (combined heat and power) demand response.



The Energy Bureau **ORDERS** LUMA to submit a filing with additional information regarding its proposed quick-start DR programs for summer 2025 **no later than May 8, 2025**. LUMA should include in submission its proposal for the CBES and Emergency Load Reduction Program and should address the topics brought up by stakeholders, the Energy Bureau, and its consultants during the Technical Conference. Additionally, LUMA should clearly state what actions it is requesting from the Energy Bureau.

A. Customer Battery Energy Sharing Program Expansion (CBES +)

LUMA presented its proposal to rapidly expand the CBES program for summer 2025 by auto-enrolling customers in the CBES program. The Energy Bureau is generally supportive of aggressively ramping up the CBES program to mitigate expected summer outages but requires additional information from LUMA. In its May 8 filing, LUMA should provide its detailed proposal to expand the CBES program for this summer.

LUMA should provide in its filing an estimate of the total installed battery capacity and an estimate of the total firm capacity expected for summer 2025, including any associated “derating” assumptions LUMA used, such as percent of battery customers eligible for participation, percentage of battery capacity they are enrolling in the program and expected participation rates in events. LUMA should provide its estimates in terms of number of customers, battery capacity (kW), energy (kWh), and the duration of the effective resource (hours). LUMA should also provide its expected quarterly budget, broken out by the cost categories required in EE and DR administrative cost quarterly reports.

Additionally, the Energy Bureau is particularly concerned with ensuring customers are satisfied with the CBES program and will continue to participate beyond 2025. LUMA should include how it plans to mitigate any negative customer experiences and minimize un-enrollments due to adverse customer experiences. Finally, LUMA should discuss its plan for the transition between the summer 2025 and the remainder of the year and program term. In particular, LUMA should explain what will happen to customers at the end of the summer period who are auto enrolled, and how LUMA’s CBES+ proposal affects its Permanent CBES Program Proposal as submitted on January 31.

B. Emergency Load Reduction Program (“ELRP”)

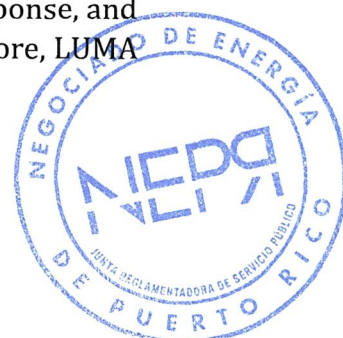
LUMA discussed its Backup Generation Demand Response program, which would pay large industrial and commercial customers to temporarily reduce their grid demand by shifting their load to backup generators in the case of an emergency grid event. LUMA stated it is working to address air quality permitting barriers and is fine tuning other administrative procedures in order to launch by June 1st.

The Energy Bureau notes that the Regulation for Demand Response does not allow for the use of combustion fossil fuel generators except for in case of emergency. Therefore, LUMA should clearly explain in its filing its strategy for dispatching back-up generators in compliance with this regulation.

LUMA stated it is budgeting \$8.2 million for the back-up generation program. In its proposal, LUMA should provide further support for this budget (including LUMA’s expectation for the participant compensation structure), the timing of how it proposes to collect the funds given the uncertainty around the program feasibility, and greater detail around the timing of program launch. The Energy Bureau expects LUMA to file a full ELRP program proposal for approval as soon as it is ready to do so, if that full proposal is not filed on or before May 8.

C. Cogeneration Demand Response

LUMA stated it has begun exploring cogeneration as an option for demand response, and that it believes the near-term potential for demand response is limited. Therefore, LUMA



need not include this program in its May 8th filing. The Energy Bureau expects to address this potential resource as part of its consideration of the DR pilots in the TPP.

III. Conclusion

The Energy Bureau **ORDERS** LUMA to file additional information regarding its summer emergency DR proposals **by May 8, 2025**. The filing should include the minimum required materials discussed above, a revised Technical Conference presentation consistent with the rest of the filing, and any additional information LUMA may deem necessary for the Energy Bureau to make a determination.

The Energy Bureau invites stakeholders to submit comments on LUMA's filing by May 19th.

The Energy Bureau **WARNS** LUMA that, in accordance Art. 6.36 of Act 57-2014:¹

- (i) noncompliance with this Resolution and Order, regulations and/or applicable laws may carry the imposition of fines and administrative sanctions of up to one hundred twenty-five thousand dollars (\$125,000) per day; and
- (ii) for any recurrence of non-compliance or violation, the established penalty shall increase to a fine of not less than fifteen thousand dollars (\$15,000) nor greater than two hundred fifty thousand dollars (\$250,000), at the discretion of the Energy Bureau.


Be it notified and published.



Edison Avilés Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Seegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



Antonio Torres Miranda
Associate Commissioner

¹ Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").



CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on April 30, 2025. I also certify that on April 30, 2025, a copy of this Resolution and Order was notified by electronic mail to RegulatoryPREBorders@lumapr.com; margarita.mercado@us.dlapiper.com; laura.rozas@us.dlapiper.com; lionel.santa@prepa.pr.gov; hriviera@jrsp.pr.gov; javrua@sesapr.org; mrios@arroyorioslaw.com; jordgraham@tesla.com; forest@cleanenergy.org; customerservice@sunnova.com; pjcleanenergy@gmail.com; agraitfe@agraitlawpr.com, info@sesapr.org; cfl@mcvpr.com; mqs@mcvpr.com; and I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

I sign this in San Juan, Puerto Rico, today April 30, 2025.


Wanda I. Cordero Morales
Interim Clerk

