

**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 May 2025 Report on
the Development of the Pilot Emergency Backup
Generators Demand Response Program

**MOTION TO SUBMIT MAY 2025 REPORT ON THE DEVELOPMENT OF THE
PILOT EMERGENCY 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 on October 23, 2024, LUMA has been working on the development of a pilot Emergency Backup Generator DR Program (now referred to as the “Emergency Load Reduction Program”) which the Energy Bureau directed be in place for summer of 2025. In addition, since January 15, 2025, LUMA has been submitting monthly reports on these efforts. LUMA is now submitting, as *Exhibit 1* to this Motion, the report for May 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, which included, among the proposed DR programs, an Emergency DR Program and a Battery DR Program. *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, with respect to these programs, specific milestones were established only for the CBES 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 informed regarding the various TPP programs, including the CBES and the Emergency Backup Generator DR Program. Regarding the latter, LUMA informed that it had reached out to industrial customers regarding the proposed program but that based on feedback from participants, there were challenges to broad enrollment, which included 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 Emergency 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.

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*.

7. On October 23, 2024, the Energy Bureau issued a Resolution and Order (“October 23rd Order”) in which, among other determinations, it determined to extend the TPP by an additional six months, until December 31, 2025², and ordered LUMA to submit a revised TPP (“Revised TPP”) and a proposed permanent CBES Program, 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 (that is, the Emergency Backup Generators DR Program, now Emergency Load Reduction Program) 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 Emergency Load Reduction Program, in which LUMA informed, among others, that: (a) 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 their key concern was their air permitting limitations; (b) LUMA had planned to build upon these initial efforts, update the program design and conduct new outreach; (b) however, LUMA did not expect formal enrollment without a waiver of the air permitting restrictions. *See Motion to Submit January 2025 Report on the Development of the Backup Generators Emergency Demand Response Program* and its Exhibit 1.

9. On January 31, 2025, LUMA submitted the proposed permanent CBES and Revised TPP.³ *See Motion to Submit Permanent Customer Battery Energy Sharing Program Proposal in Compliance with Resolutions and Order of October 23, 2024 and December 5, 2024*

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.*

³ January 31, 2025 was the deadline to submit these documents as provided in the Energy Bureau’s Resolution and Order of December 5, 2024, in attention to a request by LUMA in a *Motion for Extension of Deadlines and Modification of a Reporting Requirement in Resolution and Order of October 23, 2024*, filed on November 25, 2024.

and *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*.

10. On February 15, 2025, LUMA submitted its second monthly report on the development of the Emergency Load Reduction Program, in which it informed, among others, of the progress in reevaluating the program design and new outreach to industrial customers, while noting that air permitting limitations continued to be a concern for stakeholders. *See Motion to Submit February 2025 Report on the Development of the Backup Generators Emergency Demand Response Program* and its Exhibit 1.

11. On March 17th 2025, LUMA submitted its third monthly report on the development of the Emergency Load Reduction Program, in which it informed, among others, that it had conducted outreach to relevant government agencies on the air permitting concerns and to customers and worked on further refining and revising the pilot program. *See Motion to Submit March 2025 Report on the Development of the Backup Generators Emergency Demand Response Program* and its Exhibit 1.

12. On April 3, 2025, the Energy Bureau issued a Resolution and Order in which it determined, among others, that the start date of the first Three-Year EE and DR Plan period will be July 1, 2026, partially approved the permanent CBES program, and scheduled a technical conference for April 24, 2025 to discuss the pending aspects of the permanent CBES program proposal, the Revised TPP, and the status of the Emergency Load Reduction Program.

13. On April 15, 2025, submitted its fourth monthly report on the development of the Emergency Load Reduction Program, in which it provided information on the progress as well as the further development of the program and new outreach with stakeholders and meetings with

relevant regulatory agencies to address the air permitting limitations, continued stakeholder engagement and further refining of the program design based on internal evaluations and stakeholder feedback. *See Motion to Submit April 2025 Report on the Development of the Backup Generators Emergency Demand Response Program* and its Exhibit 1.

14. On April 24, 2025, the Energy Bureau held the April 24th Technical Conference, in which LUMA provided a presentation on the Emergency Load Reduction Program, the CBES program proposal, and the Revised TPP, and other potential quick-start DR programs to address the summer generation shortfall, including an expanded CBES program (“CBES+”).

15. On April 30, 2025, the Energy Bureau issued a Resolution and Order (“April 30th Resolution and Order”) ordering LUMA to submit a filing with additional information regarding its proposed quick-start DR programs for summer 2025 and to include in its submission the proposal the CBES+ and the proposal for the Emergency Load Reduction Program, among others, addressing the topics brought up by stakeholders and certain subjects specified by the Energy Bureau. The Energy Bureau also requested an updated/revised version of the presentation provided in the April 24th Technical Conference.

16. On May 8, 2025, LUMA submitted a proposal for the CBES+ program and updated/revised Technical Conference presentation in compliance with the April 30th Resolution and Order and informed that it was working on the proposal for the Emergency Load Reduction Program to be submitted to the Energy Bureau. *See Motion to Submit Proposal for Expanded Customer Battery Energy Sharing Program and Revised Technical Conference Presentation in Compliance with Resolution and Order of April 30, 2025.*

III. Submittal of Report on Development of Emergency Load Reduction Program

17. In compliance with the October 23rd Order, LUMA submits with this Motion its report for May 2025 on the development of the Emergency Load Reduction Program. *See Exhibit I* (the “Report”).

18. The attached Report provides information on the progress and further refinement of the program, continued engagement with stakeholders and regulatory agencies, and the forthcoming submittal of a final proposal for this program to the Energy Bureau. *See id.* The United States Environmental Protection Agency (“EPA”) has not yet addressed the air permitting limitations that constrain customers’ ability to participate in the program. *See Exhibit I.*

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

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 14th day of May 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, javrua@sesapr.org, pjcleanenergy@gmail.com, cfl@mcvpr.com; mqs@mcvpr.com; and mrrios@arroyorioslaw.com.



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Exhibit 1

May 2025 Report on Emergency Backup Generator Demand Response Program



Demand Response: Backup Generator Demand Response Pilot Monthly Report

NEPR-MI-2022-0001

May 14, 2025

Backup Generator Demand Response Pilot Monthly Report

B On target
 Y Caution
 O Off plan
 G Complete

Key Activity Summary
<ul style="list-style-type: none"> LUMA remains in active communication with the relevant state and federal agencies to facilitate customer participation in the Emergency Load Reduction Program (ELRP), allowing them to use their backup generators during Emergency DR Events. Participated in a technical conference with the Puerto Rico Energy Bureau (PREB) and stakeholders in April to present the ELRP, among other proposals and programs, outlining program objectives, scope, and projected grid capacity relief from participating customers operating on backup generation. LUMA will submit a final proposal, for the ELRP, to the PREB in compliance with the April 30, 2025, Resolution and Order. Continued stakeholder engagement with Key Accounts customers and industry representatives to validate program design and participation requirements. There continues to be significant interest in participation. Ongoing refinement of the program design driven by internal evaluations and stakeholder feedback, particularly in the areas of enrollment, event and dispatch, technical specifications, and administrative implementation. The customer compensation model was completed and will be submitted for PREB approval.

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 customer outreach materials as needed	Ongoing	B
Work with stakeholders 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
Initial customer agreements signed and program ready for events.*	6/1/2025 – 6/15/2025	Y

Risk / Issues:
<p>The United States Environmental Protection Agency (“EPA”) has not yet addressed the air permitting limitations that constrain customers’ ability to participate in the program.</p> <p>*Subject to PREB approval of ELRP Proposal.</p>





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Safety Always.

