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GOVERNMENT	OF PUERTO RICO	Received:
PUBLIC SERVICE REGULATORY BOARD PUERTO RICO ENERGY BUREAU		May 15, 2025
		6:14 PM
IN RE:	CASE NO.: NEPR-MI-2022-0001	
ENERGY EFFICIENCY AND DEMAND RESPONSE TRANSITION PERIOD PLAN	<b>SUBJECT:</b> Motion to Submit FY2 Consolidated Transition Period Pla Demand Response Administrative Quarterly Report	2025 Q3 n and Cost

#### MOTION TO SUBMIT FY2025 Q3 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 Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau"). With this motion, LUMA is submitting to the Energy Bureau, as *Exhibit 1*, a consolidated report for the third quarter of the 2025 fiscal year ("FY") 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 in accordance with Energy Bureau's directives (the "FY2025 Q3 Consolidated TPP and DR Administrative Costs Quarterly Report" or "Q3 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 Q3 Report covers the period from January 1, 2025, to March 31, 2025, and follows the reporting format as approved by the Energy Bureau in its Resolution and Order of October 23, 2024, and in the subsequent Resolution and Order of January 24, 2025.

The FY2025 Q3 Report includes, among others, information and updates on the DR program known as the Customer Energy Battery Sharing 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. Additionally, it includes information on 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 Q3 Report provides information on EE and DR program costs.

LUMA remains 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.

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#### 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 FY2023 and FY2024 ("Proposed TPP"). *See Motion Submitting Proposed EE/DR Transition Period Plan* in Case No. NEPR-MI-2021-0006, *In Re: Demand Response Plan Review, Implementation and Monitoring*.

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.* 

3. On February 16, 2023, the Energy Bureau issued a Resolution and Order in the instant proceeding (the "February 16<sup>th</sup> Order") in which it considered, amended, and approved the Proposed TPP. Among others, the Energy Bureau established deadlines and requirements for

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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")<sup>1</sup>. *See* February 16<sup>th</sup> Order, pp. 18 (including Table 1) and 29. In addition, the Energy Bureau ordered LUMA to fund the FY2024 budget of the TPP using the EE Rider (unless funding was obtained by other means) and file an EE Rider by a specified date. *See id.*, pp. 27 and 30.

4. 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 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, p. 7.

5. On May 19, 2023, LUMA filed a revised EE Rider Petition<sup>2</sup> 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*, Exhibit 1, Sections 2.1 and 2.3.

6. On July 31, 2023, the Energy Bureau issued a Resolution and Order ("July 31<sup>st</sup> Resolution and Order") in Case No. NEPR-MI-2020-0001, *In Re: Permanent Rate of the Puerto Rico Electric Power Authority* ("Permanent Rate Case"), 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

<sup>&</sup>lt;sup>1</sup> 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.

<sup>&</sup>lt;sup>2</sup> 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.

the DR programs as part of the proposal of factors corresponding to the Power Purchase Charge Adjustment ("PPCA"). *See* July 31<sup>st</sup> Resolution and Order, pp. 8 and 10.

7. On August 11, 2023, the Energy Bureau issued a Resolution and Order ("August 11<sup>th</sup> 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 11<sup>th</sup> Order, p. 3.

8. 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.* 

9. On August 29, 2023, the Energy Bureau issued a Resolution and Order ("August 29<sup>th</sup> Order") accepting the CBES budget proposed by LUMA and determining that administrative costs for DR Programs will be recovered through the PPCA. *See* August 29<sup>th</sup> Order, p. 3. Relatedly, the Energy Bureau required LUMA to submit reports on the DR Programs' administrative costs quarterly, within forty-five (45) days after each quarter of a fiscal year closes ("DR Administrative Costs Quarterly Report") meeting the information requirements set forth the August 29<sup>th</sup> Order. *See id.*, pp. 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.* fn. 8.

10. 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 22<sup>nd</sup> 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 22<sup>nd</sup> Budgets Order, p. 9.

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11. 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 22<sup>nd</sup> Budgets Order, that the charge for the EE Rider for FY2023 was eliminated and ordered LUMA to include in the customer invoices an EE Rider charge equal to zero (0). *See* September 29<sup>th</sup> Rate Order, p. 8.

12. 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. *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*, pp. 15-16 and Exhibit 1.

13. On November 29, 2023, the Energy Bureau issued a Resolution and Order ("November 29<sup>th</sup> 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 and ordered LUMA to file a revised TPP with certain the information specified therein. *See* November 29<sup>th</sup> Order, p. 7.

14. 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 29<sup>th</sup> Order. *See Motion to Submit Revised TPP and Other Information Requested Under the Resolution and Order of November 29, 2023* and its Exhibit 1. 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 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.

15. 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*.

16. On March 21, 2024, the Energy Bureau issued a Resolution and Order ("March 21<sup>st</sup> 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 21<sup>st</sup> Order, p. 2.

17. On June 11, 2024, the Energy Bureau issued a Resolution and Order in the Permanent Rate Case ("June 11<sup>th</sup> Resolution and Order") approving the implementation of the EE charge to cover the EE program costs for FY2025. *See* June 11<sup>th</sup> Resolution and Order, p. 8.

18. On August 13, 2024, LUMA filed its FY2024 Q4 Consolidated TPP and DR Administrative Costs Quarterly Report and requested approval of the template used for this report for future submittals. *See Motion to Submit FY2024 Q4 Consolidated Transition Period Plan and* 

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Demand Response Administrative Cost Quarterly Report and Request for Approval of Template for these Quarterly Reports ("August 13<sup>th</sup> Motion"), pp. 1-2, 9-10 and Exhibit 1.

19. 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* ("October 9<sup>th</sup> Motion"), pp. 2, 12-15 and Exhibit 1.

On October 23, 2024, the Energy Bureau issued a Resolution and Order ("October 20. 23<sup>rd</sup> Order"), whereby, among other considerations, it approved the rollover of FY2024 EE unspent funds to the FY2025 EE Budget requested by LUMA in the October 9<sup>th</sup> Motion and approved the proposed template for the Consolidated TPP and DR Administrative Costs Quarterly Report submitted by LUMA with the August 13th Motion. See October 23rd Order, pp. 2, 3 and 6. The approval of the quarterly report template was conditioned upon LUMA supplementing the template with the following additional information specified in more detail in the October 23rd Order: a breakdown for each EE and DR program between program planning and administration (PP&A), evaluation, measurement and verification (EM&V), and participant incentives; a breakdown of non-incentives costs among various types of costs specified in the October 23<sup>rd</sup> Order; documentation (such as invoices and supporting information provided with those invoices) supporting the administrative costs for external professional services; and documentation and attestation regarding the assignment of LUMA staff time to the EE and DR administrative cost budgets. See id., p. 2. The Energy Bureau also ordered LUMA to make certain specified changes to two tables in the report to facilitate streamlined review of program status and implementation. *See id.*, p. 3.

21. In addition, in the October 23<sup>rd</sup> Order determined to extend the current TPP (scheduled to expire on June 30, 2025) by an additional six months, until December 31, 2025, and ordered LUMA to file a revised TPP ("Revised TPP"). *See id.* The Energy Bureau further ordered LUMA to file a proposed form of a permanent CBES program and develop and implement a program for the use of backup generators as a DR resource in emergency situations (now referred to by LUMA as the "Emergency Load Reduction Program") before the summer of 2025. *See id.*, pp. 3-4.

22. On November 12, 2024, LUMA filed a *Motion for Reconsideration of Resolution and Order of October 23, 2024* ("November 12<sup>th</sup> Motion"), whereby LUMA requested for the Energy Bureau to reconsider its October 23<sup>rd</sup> Order with respect to the requirement to submit invoices and other records to evidence professional services and LUMA staffing costs in the Consolidated TPP and DR Administrative Costs Quarterly Reports and vacate such requirement, allowing instead for LUMA to provide, in the reconciliation process for the PPCA or EE charge, as applicable, in the Permanent Rate Case, a detailed breakdown and description of the types of tasks or work that comprise the professional services and LUMA staffing assignments in the form of a template provided with the November 12<sup>th</sup> Motion. See November 12<sup>th</sup> Motion, pp. 1-2 and 27 and Exhibit 1.

23. On January 31, 2025, LUMA filed with the Energy Bureau the proposed permanent CBES.<sup>3</sup> *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.* In addition, on that same date, LUMA filed with the Energy Bureau the Revised TPP covering the period from

<sup>&</sup>lt;sup>3</sup> January 31, 2025 was the deadline to submit this document, as well as the Revised TPP, as provided in a Resolution and Order issued by the Energy Bureau on 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.

July 1, 2025 to June 30, 2026 to reflect a request that the permanent EE and DR Three-Year Plan be filed at a later date. *See 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*, pp. 7 and 11-12. Consistent with this request, the Revised TPP submitted by LUMA covered the period from July 1, 2025 to June 30, 2026. *See id.*, p. 7.

24. On January 24, 2025, the Energy Bureau issued a Resolution and Order ("January 24<sup>th</sup> Order") whereby, among others, it released LUMA from the requirement to provide in its Consolidated TPP and DR Administrative Costs Quarterly Reports the documentation evidencing professional services and LUMA staffing costs previously required in the October 23<sup>rd</sup> Order and declined to make the change LUMA proposed with respect to the filing of associated information in the Permanent Rate Case. *See* January 24<sup>th</sup> Order, p. 3. The Energy Bureau also ordered LUMA to use in the quarterly reports the same energy efficiency program cost categories used in LUMA's annual reports, which include customer incentives, PP&A, marketing, and other costs, and to add a column of year-to-date costs in the table used for reporting non-incentive program costs (Table 12) in its quarterly reports. *See id.*, p. 6. The January 25<sup>th</sup> Order also includes additional requirements applicable to annual reports and information requests, among others. *See id.*, pp. 4-6 and Attachment A.

25. On April 3, 2025, the Energy Bureau issued a Resolution and Order ("April 3<sup>rd</sup> Resolution and Order") making various determinations as a result of which the Revised TPP would be in effect until June 30, 2026, partially approving the permanent CBES program proposal, and scheduling a Technical Conference for April 24, 2025 to discuss the Revised TPP, among others.

26. On April 24, 2025, the Energy Bureau held a Technical Conference in with the Revised TPP and permanent CBES program proposal were discussed, among others.

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#### III. Submission of FY2025 Q3 Consolidated TPP and DR Administrative Costs Report

27. In compliance with the February 16<sup>th</sup> Order, the August 29<sup>th</sup> Order, March 21<sup>st</sup> Order, and October 23<sup>rd</sup> Order, LUMA herein submits its FY2025 Q3 Consolidated TPP and DR Administrative Costs Quarterly Report. *See Exhibit 1*. This report follows the template approved by this Energy Bureau in the October 23<sup>rd</sup> Order, and includes the additional information requested in the October 23<sup>rd</sup> Order and the January 24<sup>th</sup> Order.

**WHEREFORE,** LUMA respectfully requests that the Energy Bureau (i) **take notice** of the aforementioned; (ii) **accept** the FY2025 Q3 Consolidated DR Administrative Costs and TPP Quarterly Report in *Exhibit 1* in compliance with the February 16<sup>th</sup> Order, as modified by the August 29<sup>th</sup> Order, March 21<sup>st</sup> Order, October 23<sup>rd</sup> Order, and the January 24<sup>th</sup> Order; and (iii) **deem** LUMA in compliance with the FY2025 Q3 reporting requirements under such orders.

#### **RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 15<sup>th</sup> 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 hrivera@jrsp.pr.gov; PREPA arivera@gmlex.net; Consumer Protection at at and and agraitfe@agraitlawpr.com, info@sesapr.org, bfrench@veic.org, mvalle@gmlex.net: shanson@veic.org, evand@sunrun.com, jordgraham@tesla.com, forest@cleanenergy.org. customerservice@sunnova.com, javrua@sesapr.org, picleanenergy@gmail.com. and mrios@arroyorioslaw.com.

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/s/ Laura T. Rozas Laura T. Rozas

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### Exhibit 1

FY2025 Q3 Consolidated TPP and DR Administrative Costs Quarterly Report

# Consolidated Transition Period Plan and Demand Response Administrative Costs

FY2025 Q3 Report

NEPR-MI-2022-0001

May 15, 2025



## **Executive Summary**

LUMA remains committed to working with the Puerto Rico Energy Bureau (PREB) in our mission to build a more reliable and more resilient energy system for the people of Puerto Rico. As the operator of Puerto Rico's electric Transmission and Distribution (T&D) system, 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 to support a cleaner and brighter energy future for the 1.5 million customers we proudly serve.

The FY2025 Q3 Report provides an update on LUMA's Transition Period Plan (TPP) and includes an overview of LUMA's progress and achievements on EE and DR programs during the third quarter of fiscal year 2025 (FY2025 Q3), from January 1 to March 31, 2025. Through the TPP, LUMA has launched multiple EE and DR programs and projects to raise customer awareness about EE and savings and increase participation.

#### LUMA's EE & DR Progress

During FY2025 Q3, LUMA made progress on the following programs and initiatives:

- **EE Education:** Reaching out to customers through social media, customer newsletters, and a media campaign to raise awareness of LUMA's EE programs.
- EE Kits: Fulfilling more than 49 free Residential EE Kit orders and distributing nearly 626 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 4,350 financial rebates to residential customers for buying highefficiency equipment and providing approximately \$270,657.00 in rebates to 65 commercial customers, with additional funds pre-approved, reducing energy consumption and costs.
- In-Store EE Discounts: Continued this quarter at 10 Home Depot locations. This initiative, which
  now includes ceiling fans and window AC units, 1,605 ceiling fans, and 52 window AC units.
  Given the outstanding results LUMA will continue promoting this initiative for the remaining of this
  fiscal year.
- Community Streetlight Initiative: Replacing approximately 450,960 streetlights across thirty-two municipalities, improving safety and EE for customers while building a brighter and more modern and resilient grid for the communities.
- Customer Battery Energy Sharing Initiative: The Customer Battery Energy Sharing (CBES) Pilot have enrolled a total of 9,549 participants, representing 60 MW of battery capacity, to enhance critical energy grid availability during peak demand, improve daily service reliability, and help minimize load shedding, while scaling operational efficiency and customer participation



through insights from surveys and the implementation of a grid-edge Distributed Energy Resource Management System (DERMS) platform to support the transition into a permanent program.

#### **Regulatory Background**

On June 1, 2022, LUMA submitted to the PREB the EE and DR Transition Period Plan (2022 TPP) <sup>1</sup>, which describes the various quick-start EE and DR programs to be implemented by LUMA during a twoyear transition period ending on June 30, 2024. By Resolution and Order of February 16, 2023 ("February 16<sup>th</sup> Resolution and Order") the PREB approved (with some modifications) the 2022 TPP. Subsequently, by Resolution and Order of November 29, 2023 ("November 29<sup>th</sup> Resolution and Order"), the PREB approved the extension of the 2022 TPP for an additional year. On December 20, 2023, LUMA prepared and submitted to the PREB 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 January 1 to March 31, 2025 and is presented by LUMA in adherence to the requirements of the PREB's February 16<sup>th</sup> 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 PREB's Resolution and Order of August 29, 2023 ("August 29<sup>th</sup> Resolution and Order"), requiring LUMA to report quarterly on specified data regarding the administrative costs for the implementation of the CBES Initiative that forms part of the TPP. The PREB approved the consolidation of these two quarterly reporting requirements by Resolution and Order of March 21, 2024 ("March 21<sup>st</sup> Resolution and Order") and approved the reporting format submitted on August 13, 2024 (August 13<sup>th</sup> Motion)<sup>2</sup> through the Resolution and Order of October 23, 2024 ("October 23<sup>rd</sup> Resolution and Order") conditioned to the inclusion of new information, and modification of existing information. This report also adheres to the PREB's January 24, 2025, Resolution and Order whereby, among others, ordered LUMA to use in the quarterly reports the same energy efficiency program cost categories used in LUMA's annual reports.

<sup>&</sup>lt;sup>2</sup>SeeMotion 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.



<sup>&</sup>lt;sup>1</sup>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.

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## List of Acronyms

ACRONYM	DEFINITION
ADMS	Advanced Distribution Management Systems
ADR	Automated Demand Response
C&I	Commercial, Industrial and Agriculture
CBES	Customer Battery Energy Sharing
COR3	Central Office for Recovery, Reconstruction and Resiliency
CSI	Community Street Lights Initiative
DDEC	Department of Economic Development and Commerce
DERMS	Distributed Energy Resource Management System
DOE	Department of Energy
DR	Demand Response
EESRP	Energy Efficiency System Remediation Plan
EMS	Energy Management Systems
EPA	Environmental Protection Agency
HVAC	Heating Ventilation and Air Conditioning
LED	Light Emitting Diode
POS	Point-of-Sale
PP&A	Program Planning and Administrative Costs
PPCA	Power Purchase Charge Adjustment
TPPERP	Transition Period Plan Emergency Response Plan
VFDIRP	Valuable Frequency Drive Integrated Resource Plan
VPPs	Virtual Power Plants



## 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 Q3* below summarizes the activities, achievements, and status of various programs under the TPP.

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, <b>twenty-two (22)</b> posts were made across LUMA's social media platforms. See Appendix A	Completed
Education and Outreach Sec. 4.2 of TPP	Stakeholder Outreach	During FY25 Q3, approximately 1.5 million customers received a bill insert with information about Energy Savings Tips. See Appendix A	Completed
Education and Outreach Sec. 4.2 of TPP	Stakeholder Outreach	In February, a Stakeholder Newsletter was sent to customers with information about the Business EE Rebate Program. The newsletter was distributed to all LUMA commercial customers. See Appendix A	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 <b>3,488</b> customers took part and received reimbursements in FY2025 Q3.	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. During FY2025 Q3, <b>65</b> business customers participated in the program receiving a total of <b>\$270,657</b> in Business EE Rebates. An additional total of <b>\$34,700</b> in rebates was also preapproved by the end of March.	Ongoing
In-Store EE Discounts Program	Pilot Program	The program offers customer point-of- sale (POS) discounts on eligible products	Ongoing

#### **Table 1: Activities and Achievements**



TPP Program	Initiatives	Description and Experience	Status
Section 4.5 of TPP		at participating retail stores such The Home Depot, providing discounts on Energy Star products such as efficient lighting, window AC units, and ceiling fans. A total of <b>1,605</b> ceiling fans, and <b>52</b> window AC units were sold in FY2025 Q3.	
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 <b>49</b> customers across Puerto Rico received these kits this quarter.	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 <b>625</b> kits were distributed during this quarter.	Ongoing
Street Light Conversion Program Sec. 4.8 of TPP	Street Light Conversion Program	During FY2025 Q3, LUMA saved approximately <b>215, 863</b> kWh as the result of replacing around <b>9,038</b> 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 CBES Pilot has successfully scaled to <b>9,549 participants enrolled</b> . To enhance operational efficiency and support program growth, LUMA is working towards implementing a grid- edge DERMS platform, enabling automated dispatch, real-time reporting, and streamlined processes to meet grid needs and expand demand response capabilities.	Ongoing

## 1.2 Residential EE Kits Program

During FY2025 Q3, LUMA shifted its focus away from the Residential EE Kit Program, as the allocated budget for the program has been nearly exhausted.

LUMA fulfilled **49 kit** orders resulting from the **"LUMA en tu Comunidad"** event held in December near its Santurce Headquarters. Year-to-date, a total of **9,573 kits** have been distributed, including **9,369 kits** shipped in FY2025 Q1, contributing to overall energy savings of **3,295 MWh**.

Moving forward, LUMA is committed to targeting its remaining Residential EE Kit Program resources towards low-income communities, with a strengthened emphasis on collaboration with local community-based organizations. This focused approach aims to maximize the benefits of energy efficiency among



underserved populations and reinforce LUMA's commitment to equitable access to energy-saving opportunities.

## 1.3 Residential EE Rebate Program

As described in the FY2025 Q2 report, due to this overwhelming demand, the residential mini-split units rebate became fully subscribed. Given this high demand, the pace of mini-split rebates exceeded available program funding and the desired balance among various energy efficiency measures. As a result, LUMA proactively adjusted rebate incentives and eligibility limits, ensuring broader customer participation and equitable distribution of remaining fiscal year funds.

During FY2025 Q3, LUMA continued its work with the implementation contractor to clear the pending and new rebate requests, communicating with customers and ensuring they received appropriate rebates in a timely manner.

As a result, the quarter saw a **141.9%** increase in processed rebates compared to the first six months of FY25.

See Table 2: Rebates Processed FY2025 Q3 below.

#### Table 2: Rebates Processed

Customers Served	Applications Processed <sup>3</sup>	Rebates Issued	Rebates Spend
3,488	3,533	4,350	\$2,036,883

The program also featured diverse energy efficiency upgrades, though mini-split air conditioners were predominant. For a detailed breakdown of the measures and their distribution, refer to *Table 3: Measures Installed in FY2025 Q3* below.

#### **Table 3: Measures Installed**

Measure	QTY	Percentage
Solar Water Heater	351	8.07%
ENERGY STAR® Tankless Water Heater	44	1.01%
ENERGY STAR® Refrigerator	331	7.61%
ENERGY STAR® Freezer	13	0.30%
Mini-Split Air Conditioner	3,517	80.85%
Energy Star® Window Air Conditioner	94	2.16%
Total	4,350	100%

<sup>&</sup>lt;sup>3</sup>One application allows for more than one measure.



This adoption of energy efficiency products across the island shows widespread awareness and reach of the residential rebates program.



#### Figure 1: Geographical Distribution of Residential EE Rebates

### 1.4 Business EE Kits Programs

During FY2025 Q3, LUMA continued to advance its Business EE Kits Program, achieving important milestones in distributing energy efficiency kits to small businesses across Puerto Rico. Offering four distinct kit types, the program is designed to meet a variety of operational needs while helping businesses conserve energy and reduce costs.

Building on the momentum of the event held with the Lion's Club in November, kits were distributed during the quarter to Club members and small businesses in the Moca area. Distribution efforts continued throughout the quarter, with targeted outreach focused on elderly care centers and childcare facilities in the region.

Additionally, as part of the continued *LUMA en tu Comunidad* initiative, the team visited 19 small businesses near the Santurce office to engage with owners and distribute kits.

To maximize accessibility, the remaining kits stored at LUMA's main office were proportionally distributed among regional offices, making them readily available to commercial customers visiting these locations.

Year-to-date, 3,073 **Business EE Kits** have been distributed to small businesses across Puerto Rico—an increase from 2,448 kits in Q2. Due to high demand from the residential rebate program this fiscal year, the Business EE Kits Program will pause for the remainder of the fiscal year and restart once FY2026 begins.

For a detailed breakdown of the Business EE Kits and their distribution, refer to *Table 4: Business EE Kit by Type distributed in FY2025 Q3* below.



#### Table 4: Business EE Kit by Type distributed

Business EE Kit by Type	Quantity
Lighting	202
Retail	85
Office	131
Restaurant	206
Total	624

### 1.5 Business EE Rebates Program

During FY2025 Q3, the Business EE Rebate Program focused on advancing project implementation by conducting and completing site assessments, performing site inspections for open projects, and engaging in direct outreach with customers flagged as "Missing Information" during application processing.

Over the quarter, a total of **69 applications** were processed, representing the installation of **825 energy efficiency measures**. These efforts resulted in rebate reimbursements totaling **\$270,657** and an estimated 1,145 MWh in annual energy savings. For a more detailed breakdown of eligible equipment, please refer to *Table 5: Eligible Equipment for Rebates*.

A significant portion of the installed measures consisted of high-efficiency lighting and cooling solutions. The most common measures were **Omni Directional LED Replacements** (36%), **LED Troffer Replacements** (29%), and **Mini-Split Air Conditioners** (27%). These three categories alone accounted for 92% of all measures installed during the quarter, reflecting a strong business preference for lighting upgrades and efficient cooling solutions to drive down operational costs.

Looking ahead to the remainder of FY2025, LUMA is directing its efforts toward program review and the development of strategic recommendations to enhance performance and participation for FY2026.

Eligible Equipment	Rebate Amount
Exit Sign	\$10
Omni Directional LED Replacement	\$10
LED Troffer Replacement	\$25 - \$30
Linear Fluorescent LED Replacement	\$5 - \$10
Exterior Lighting	\$40 - \$280
Occupancy Sensor	\$20 per sensor
Fryer	\$350
Convection Oven	\$350
Combination Oven	\$800

#### **Table 5: Eligible Equipment for Rebates**



Eligible Equipment	Rebate Amount
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	\$250 - \$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

#### Table 6: Business Measures Installed

Eligible Equipment	Qty (#)	Percentage
Linear Fluorescent LED Replacement	0	0%
Exterior Lighting	0	0%
Fryer	0	0%
Convection Oven	0	0%
Combination Oven	0	0%
Solar Water Heater	0	0%
Commercial Refrigerator	0	0%
Commercial Freezer	0	0%
Energy Star® Window Air Conditioner	0	0%
Window Film	0	0%
Pool Pump Valuable Frequency Drive ("VFD")	0	0%
Chiller	1	0%



Eligible Equipment	Qty (#)	Percentage
Exit Sign	3	0%
Ice Machine	3	0%
Occupancy Sensor	25	3%
Commercial Air Conditioning	33	4%
Mini-Split Air Conditioner	223	27%
LED Troffer Replacement	237	29%
Omni Directional LED Replacement	300	36%
Total	825	100%

#### Figure 2: Geographical Distribution of Business EE Rebates





## 1.6 In-Store EE Discounts Program

During FY2025 Q3, the LUMA In-Store EE Discount Program made significant progress toward its goals.

LED lighting products were sunset after December 31, 2024, given the sunset of the Energy Star certification. Thus, FY2025 Q3 was focused on two measures: energy efficient window AC units and ceiling fans, both discounted in partnership with The Home Depot.



Sales during FY2025 Q3 continued to be strong for both measures, with **1,605 ceiling fans** and **52 window AC units** sold. This resulted in a combined incentive payout of **\$59,555.00** for these two measures and approximately **113,283 kWh** of annual energy savings.

#### Table 7: In-Store Discounts Units Sold

Measure	QTY
Energy Star® Window AC	52
Energy Star® Ceiling Fan	1,605
Total	1,657

In March, LUMA hosted another in-store event for the program at The Home Depot Humacao. LUMA designed the event to let customers know about the instant discount in stores on ceiling fans and window AC units. The event also helped customers learn about what other EE programs LUMA has for both residential and commercial customers.

Overall, the In-Store Discount program has had outstanding success. Year-to-date, the program has reached nearly **70%** of its savings target (**4,175** MWh energy savings YTD). LUMA continues to evaluate additional measures and retailers to expand program availability for the next fiscal year 2026.

## 1.7 Program and Implementation Strategies

#### **Focus on Equity and Access**

During FY2025 Q3, 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 8: Contrast by Sector of Eligible Measures* below.

Eligibility for the low-income incentives is determined based on the combined yearly income and household information provided by applicants in conjunction with LUMA's low-income tariff. 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 EE and fostering inclusivity across diverse income groups.

LUMA works actively to identify and implement targeted measures to increase participation rates of lowincome customers. These efforts include enhanced data tracking for low-income customer identification, focused outreach initiatives, and strategic program expansion to improve accessibility for low-income communities.





#### Table 8: 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	\$500	\$500

During FY2025 Q3, LUMA paid a total of **\$82,638.06** in incentives specifically to low-income customers, supporting a variety of EE upgrades. The distribution of these funds was reflected in the installation of **166** energy-savings measures for **139** low-income customers across different categories, see *Table 9: Measures Installed by 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.

#### Table 9: Measures Installed by Low-income Customers

Measure	QTY #
Energy Star® Freezer	0
Energy Star® Tankless Water Heater	0
Energy Star® Air Conditioner – Window	3
Energy Star® Refrigerator	9
Solar Water Heater	9
Mini-Split Air Conditioner	145
Total	166





#### 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 PREB, 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 PREB'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 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 have continued working during this quarter with COR3 to start using the federal funding approved by DOE to further expand the CBES Pilot 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.

As informed in previous quarterly reports LUMA continues its recurring discussions with key stakeholders such as 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 EE and DR goals.



## 2.0 Energy Efficiency Participants Enrolled and Installed Measures

## 2.1 Number of Participants in Energy Efficiency Programs

During FY2025 Q3, LUMA's EE programs saw strong engagement, with **5,883** 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 **3,488** customers securing rebates for EE upgrades. Of these, **139 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 **3,322 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 **sixty-five (65)** companies securing Business EE Rebates for energyefficient improvements, such as Heating, Ventilation, and Air Conditioning (HVAC) upgrades, and **626 Business EE Kits** distributed to support operational savings. These efforts help businesses implement energy efficiency and reduce operating costs.

On the residential side, **49 Residential EE Kits** were distributed to households, promoting energy-saving practices and raising awareness of energy efficiency.

Additionally, **1,657 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 window AC and ceiling fans. These upgrades not only provided customers with savings at checkout but also contributed to long-term reductions in energy consumption and utility costs.

Table 10: Number of Participants enrolled or receiving incentives in each EE Program during FY2025 Q3 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).

Program	Participants FY2025 Q3	Participants YTD
Residential Rebates	3,488	5,985
Low-Income	139	485
Non-Low-Income	3,349	5,500
Business Rebates	65	113
Residential EE Kits	49	9,573

Table 10: Number of Participants enrolled or receiving incentives in each EE Program



Program	Participants FY2025 Q3	Participants YTD
Business EE Kits	624	3,072
In-Store Discount	1,657	11,138
Total	5,883	29,881

Table 11: Installed Measures by Sector, Segment, and Program (FY2025 Q3) provides an overview of the energy efficiency measures implemented across various sectors during the third quarter of FY 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.

#### Table 11: Installed Measures by Sector, Segment, and Program

Sector	Segment	Progra m	Installe d Measur e	FY2025 Q1 Quantit y	FY2025 Q2 Quantit y	FY20 Qua	25 Q3 ntity	YTD Quantit y	FY25 Q1 Energy Savings (kWh)	FY25 Q2 Energy Savings (kWh)	FY25 Q3 Energy Savings kWh	YTD Energy Savings (kWh)	FY25 Q1 Peak Deman d Savings (kW)	FY25 Q2 Peak Deman d Savings (kW)	FY25 Q3 Peak Deman d Savings kW	YTD Peak Demand Savings (kW)
Reside ntial	Single- Family Homes	Residen tial Rebate	Air Conditio ner - Window	34	64	94	192	23829.0 2	44,850.5 3	68,080.2 1	136,759. 76	2.29	2.95		2.677	7.920
Reside ntial	Single- Family Homes	Residen tial Rebate	Mini- Split Air Conditio ner	1167	1299	3,517	5,983	1668766 .37	1,992,00 0.23	4,075,34 7.24	7,736,11 3.84	172.38	191.67		431.916	795.966
Reside ntial	Single- Family Homes	Residen tial Rebate	Solar Water Heaters	193	221	351	765	384208. 73	389,145. 50	614,583. 39	1,387,93 7.62	42.23	38.71		68.562	149.497
Reside ntial	Single- Family Homes	Residen tial Rebate	Tankles s Water Heaters	10	25	44	79	9438.05	17,261.2 0	3,773.31	30,472.5 6	0.85	1.	17	0.000	2.020
Reside ntial	Single- Family Homes	Residen tial Rebate	Refriger ators	72	175	331	578	42088.6 8	62,661.0 0	16,841.9 4	121,591. 62	4.52	6.	19	1.986	12.696
Reside ntial	Single- Family Homes	Residen tial Rebate	Freezer s	4	11	13	28	2412.59	3,994.69	555.88	6,963.16	0.38	0.	36	0.065	0.806
Reside ntial	Single- Family Homes	Energy Efficienc y Kits Program	LED Bulbs	56214	828	294	57,336	2572915	37,950.0 0	13,475.0 0	2,624,34 0.00	481.9	7.	18	2.548	491.624
Reside ntial	Single- Family Homes	Energy Efficienc y Kits Program	Advance d Power Strip	9369	138	49	9,556	356772	5,244.00	1,862.00	363,878. 00	41	0.	55	0.196	41.748



Reside ntial	Single- Family Homes	Energy Efficienc y Kits Program	LED Night Light	9369	138	49	9,556	295686	4,278.00	1,519.00	301,483. 00	11	0.14	0.049	11.187
Reside ntial	Single- Family Homes	In-Store Discount Program	Window ACs	0	419	0	105,323	0	98,046.0 0	0	3,880,14 8.00	0	13.83	0	731.860
Reside ntial	Single- Family Homes	In-Store Discount Program	Ceiling Fans	0	1336	1,605	2,941	0	84,168.0 0	101,115. 00	185,283. 00	0	24.05	28.890	52.940
Reside ntial	Single- Family Homes	In-Store Discount Program	Efficient Lighting	51403	53920	52	471	1828122	2,052,02 6.00	12,168.0 0	110,214. 00	344	387.86	1.716	15.546
Comm ercial	Small Business	Busines s Energy Kit Program	Restaur ant Kit	50	113	105	717	87550	197,863. 00	113,400. 00	774,360. 00	11.65	26.33	14.488	98.946
Comm ercial	Small Business	Busines s Energy Kit Program	Lighting Kit	297	146	229	647	341847	168,046. 00	263,579. 00	744,697. 00	39.8	19.56	30.684	86.698
Comm ercial	Small Business	Busines s Energy Kit Program	Retail Kit	431	202	131	1,340	465480	218,160. 00	136,633. 00	1,397,62 0.00	59.48	27.88	15.192	155.440
Comm ercial	Small Business	Busines s Energy Kit Program	Office Kit	721	488	206	369	752003	508,984. 00	360,706. 00	646,119. 00	83.64	56.61	47.998	85.977
Comm ercial	Small Business	Busines s Rebate Program	Exit Sign	0	4	3	7	0	8,873.12	1,287.72	10,160.8 4	0	1.11	0.002	1.112
Comm ercial	Small Business	Busines s	Omni Directio	0	78	300	378	0	27,178.2 3	96,643.1 5	123,821. 38	0	2.16	12.273	14.435
		Rebate Program	nal LED Replace ment												
Comm ercial	Small Business	Busines s Rebate Program	LED Troffer Replace ment	0	670	237	907	0	451,315. 05	20,444.1 7	471,759. 22	0	57.33	2.597	59.928
Comm ercial	Small Business	Busines s Rebate Program	Linear Fluoresc ent LED Replace ment	0	122	0	122	0	123,454. 24	0	123,454. 24	0	15.68	0.000	15.682
Comm ercial	Small Business	Busines s Rebate Program	Occupa ncy Sensor	0	2	25	27	0	8,873.12	1,141.56	10,014.6 8	0	1.11	0.000	1.110
Comm ercial	Small Business	Busines s Rebate Program	Fryer	0	0	0	0	0	0	0	0.00	0	0.00	0	0.000
Comm ercial	Small Business	Busines s Rebate Program	Convent ion Oven	0	0	0	0	0	0	0	0.00	0	0.00	0	0.000
Comm ercial	Small Business	Busines s Rebate Program	Combin ation Oven	0	0	0	0	0	0	0	0.00	0	0.00	0	0.000
Comm ercial	Small Business	Busines s Rebate Program	Ice Machine	0	0	0	0	0	0	0	0.00	0	0.00	0	0.000
Comm ercial	Small Business	Busines s Rebate Program	Commer cial Refriger ator	0	2	3	3	0	9,829.97	2,355.94	2,355.94	0	0.35	0.189	0.189
Comm ercial	Small Business	Busines s Rebate Program	Commer cial Freezer	0	0	0	2	0	0	0	9,829.97	0	0.00	0	0.350



Comm ercial	Small Business	Busines s Rebate Program	Commer cial Air Conditio ner	0	5	0	0	0	38,338.4 5	0	0.00	0	4.27	0	0.000
Comm ercial	Small Business	Busines s Rebate Program	Window Air Conditio ner	0	0	33	38	0	0	409,992. 26	448,330. 71	0	0.00	42.925	47.192
Comm ercial	Small Business	Busines s Rebate Program	Mini- Split Air Conditio ner	12	87	0	0	14,966.4 4	340,864. 61	0	0.00	-0.75	8.31	0	0.000
Comm ercial	Small Business	Busines s Rebate Program	Chillers	2	0	223	322	695,256. 00	0	303,326. 80	659,157. 85	34.05	0.00	33.228	40.789
Comm ercial	Small Business	Busines s Rebate Program	Solar Water Heaters	0	4	1	3	0	20,442.5 0	310,803. 00	1,006,05 9.00	0	1.54	0	34.050
Comm ercial	Small Business	Busines s Rebate Program	Window Film*	0	1	0	4	0	23,222.4 9	0	20,442.5 0	0	0.45	0	1.536
Comm ercial	Small Business	Busines s Rebate Program	Pool Pump VFD	0	1	0	1*	0	8,066.50	0	23,222.4 9	0	0.00	0	0.446

## 3.0 Energy Efficiency Performance

## 3.1 Energy and Peak Demand Savings by Sector

During FY2025 Q3, LUMA's EE programs delivered notable energy (MWh) and peak demand (MW) savings across various market sectors and subsegments, as shown in *Table 12: 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.

Market Sector	Subsegment	Annual Energy Savings Target (MWH) <sup>4</sup>	FY25 Q3 Energy Savings (MWH)	YTD Energy Savings (MWH)	Actual Savings (%) of Annual Target	Peak Demand Savings Target (MW)	FY25 Q3 Peak Demand Savings (MW)	YTD Peak Demand Savings (MW)	Actual Peak Demand Savings (%) Annual Target
Residential Sector	Low-Income	3,667	199	1,367	37%	5.0	.022	0.1	3%
Residential Sector	Non-Low-Income	26,637	4,711	15,524	58%	8.8	0.1	2.2	25%
Commercial, Industrial and Agriculture (C&I) Sector	Small Business	6,416	1,970	6,478	101%	1.1	0.9	0.7	68%
Commercial, Industrial and Agriculture (C&I) Sector	Other Commercial/Industrial and Agricultural Sector	15,063	0	0	0%	3.9	0.00	0.00	0%

Table 12: Energy and Peak Demand savings performance by Market Sector and Subsegment

<sup>&</sup>lt;sup>4</sup>The Annual Energy Savings Target reflects the FY2025 Incremental First-Year Energy Savings from FY2024 unspent funds, minus the EE Rider approved by PREB in the October 23, 2024, Resolution and Order.

Market Sector	Subsegment	Annual Energy Savings Target (MWH)⁴	FY25 Q3 Energy Savings (MWH)	YTD Energy Savings (MWH)	Actual Savings (%) of Annual Target	Peak Demand Savings Target (MW)	FY25 Q3 Peak Demand Savings (MW)	YTD Peak Demand Savings (MW)	Actual Peak Demand Savings (%) Annual Target
Government/Public	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Portfolio Total		51,783	6,879	23,369	45%	18.8	1.5	3.1	16%

## 3.2 Energy and Peak Demand Savings by Program

*Table 13: 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.

Program	Annual Energy Savings Target (MWh)⁵	FY25 Q3 Energy Savings (MWh)	YTD Energy Savings (MWh)	FY25 YTD Energy Savings (%)	FY25 Peak Demand Savings Target (MW)	FY25 Q3 Peak Demand Savings (MW)	YTD Peak Demand Savings (MW)	FY25 YTD Peak Demand Savings (%)	FY25 Q3 Spend (\$)	YTD Program Spend (\$)	\$/kWh <sup>6</sup>
Residential EE Rebates <sup>7</sup>	17,203	4,779	9,420	55%	7.3	0.5	1.0	13%	2,420,327	5,385,536	0.52
In-Store EE Discounts	6,007	113	4,175	70%	2.2	0.0	0.8	36%	238,008	1,129,279	0.27
Residential EE Kits	7,094	17	3,296	46%	4.4	0.0029	0.6	13%	-40,635	907,401	0.28
Business EE Rebates	14,026	1,146	2,917	21%	4.1	0.1	0.3	8%	294,667	998,664	0.10
Business EE Kits <sup>8</sup>	7,453	824	3,562	48%	0.9	0.1	0.4	47%	13,511	272,637	0.08
Total	51,783	6,879	23,369	45%	18.9	0.7	3.1	16%	\$2,925,879	\$8,693,517	\$0.28

#### Table 13: Energy and Peak Demand Savings Performance

<sup>&</sup>lt;sup>5</sup> The Annual Energy Savings Target reflects the FY2025 Incremental First-Year Energy Savings from FY2024 unspent funds, minus the EE Rider approved by the PREB in the October 23, 2024, Resolution and Order.

<sup>&</sup>lt;sup>6</sup> 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.

<sup>&</sup>lt;sup>7</sup> 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.

<sup>&</sup>lt;sup>8</sup> 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.

## 3.3 Customer Education and Outreach

During FY2025 Q3, LUMA continued its 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 14: Customer Education and Outreach Activities for each EE Program during FY2025 Q3* below summarizes the customer education and outreach activities conducted during the quarter.

Program	Event	Event Description	Month
Education and Outreach	Bill Insert	LUMA included informational inserts in over 1.4 million utility bills. These inserts provided practical energy-savings tips, aiming to raise awareness across Puerto Rico.	January 2025
Business EE Rebates & Business EE Kits	Lion 's Club Event	LUMA participated in the Lion's Club members meeting during November 2024. As part of the activity, business kits were handed out to members of the club. The remaining kits were left at the Lion's Club disposition to continue efforts to hand them out. Since January there are remaining kits available, while some have been obtained by elderly care centers and childcare centers locally in Moca.	January 2025
Education and Outreach	EE School Education Program	A school education program aimed at teaching kindergarten to 5th-grade students about energy efficiency. The program targets both public and private schools across Puerto Rico. In January a kick-off meeting was held with a Customer Experience representative to present the program. More than 17 private schools have confirmed the presentation for FY25 Q4.	January 2025
In-Store Discount	ISD Store Event	LUMA held a second high-impact store event at The Home Depot Humacao. Coordinated with the store leadership, this event was designed to generate excitement around LUMA's EE programs, enhance awareness, and provide comprehensive training for retail stores associates.	February 2025
Business EE Kits	LUMA en Tu Comunidad	A community event was held to invite small business in the Santurce area to join, gather educational information and get EE kits for their businesses.	February 2025

#### Table 14: Customer Education and Outreach Activities for each EE Program



Program	Event	Event Description	Month
Business Rebates	LUMA's Stakeholder Newsletter	A stakeholder newsletter was emailed to all commercial customers, detailing the status of the Business EE Rebate Program. The communication included information on eligibility criteria, available incentives, and instructions on how to apply, helping businesses make informed decisions about participating in the program.	February 2025
Residential and Business EE Rebates and Demand Response	Puerto Rico Energy Week	Focused conversations and workshops were mainly directed to micro-grid policy development and implementation, as well as the projected demand response activity lining up for the coming summer. A booth was set up to speak with the attendees about LUMA EE and DR programs.	March 2025
EE Programs and Demand Response (CBES)	Feria de Salud y Servicios del Senado de PR 2025	As part of our outreach efforts, LUMA participated in the Feria de Salud y Servicios del Senado de PR 2025. Our team promoted energy efficiency by educating attendees about our programs and offering practical energy-saving tips. We engaged with approximately 60 individuals who visited LUMA booth throughout the event.	March 2025
Education and Outreach	Presentation to Solar IT Academy– Fundación Borincana	Collaboration with the nonprofit organization 'Fundación Borincana,' where a presentation via Teams on LUMA's EE programs was offered to students at the Solar IT Academy. The academy provides workforce training courses for leaders in Puerto Rico's energy transformation.	March 2025
Demand Response – CBES Program	Interview for Bloomberg magazine	LUMA had an interview with Bloomberg.com to discuss the development and impact of Virtual Power Plants (VPPs) in Puerto Rico.	March 2025
Business EE Rebates	Site Assessments and Inspections	The program has been working closely through the current lined up projects in the pipeline, under the "Missing Information" category, as the team has been managing the backlog processing. The program has continued efforts in site inspections for commercial projects.	January – March 2025



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.

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

## 3.4 Marketing Performance

#### **Customer Feedback**

As part of LUMA's community outreach efforts, the team conducted direct visits to small businesses in the Santurce area to deliver Energy Efficiency kits and provide personalized guidance on strategies to reduce energy consumption. A total of 19 kits were distributed during this initiative. Business owners responded with enthusiasm—many expressing both surprise and gratitude for the unexpected visit. The personalized interaction and hands-on support were well received, creating opportunities to build trust and deepen engagement with the local business community.

#### **Marketing Progress**

In FY2025 Q3, LUMA's marketing slightly declined compared to the previous quarter. This was an anticipated trend following the intentional wind down of outreach efforts once the Residential EE Rebate Program reached full subscription for the most popular measure – mini-split air conditioners. The reduction in promotional activity was a direct response to the overwhelming demand and limited remaining program funds. As a result, LUMA temporarily scaled back marketing for residential programs to manage expectations and ensure a positive customer experience. Despite the reduced campaign intensity, social media remained a vital communication channel, generating a total of **420,610 views** across **22 posts.** Facebook continued to lead with all **420,100 views**, highlighting its role as the primary platform for customer engagement. Although X (formerly Twitter) generated a more modest **510 views**, its presence contributed to a diversified outreach approach.

Website analytics also reflected similar patterns, with **37,354 visits** recorded across the different energy efficiency program pages. The Residential Rebates page led all traffic with 17,078 visits, although this was lower than Q2 due to the rebate program's funding constraints and the shift in focus away from active promotion.

The Residential EE Kits program received 1,200 visits, a decline from prior quarters largely due to kits not being available to the public during Q3—an expected outcome that impacted web visibility for the initiative.

Engagement from the commercial sector, while still developing, showed measurable activity. The Business EE Kits page received 338 visits, while the Business EE Rebates program recorded 1,367 visits, signaling a moderate but stable interest in business-specific incentives.

Additionally, the Energy Savings Tips page garnered 7,507 views, reinforcing customer demand for actionable advice on reducing consumption and costs. Traffic to the In-Store Discounts page also contributed to overall performance, with continued traction expected as new retail partnerships expand.



Overall, residential programs remain the primary drivers of traffic and engagement. However, businessrelated initiatives continue to gain ground, and LUMA recognizes the opportunity to further strengthen outreach to this segment. Future strategies will focus on more targeted, sector-specific marketing to boost program visibility and support participation growth in the commercial space.

## 3.5 Stakeholders' Consultations

LUMA continues its collaboration with key federal agencies, including the Department of Energy (DOE) and the Environmental Protection Agency (EPA), to identify either funding, valuable technical assistance, or best practices that can support program goals and outcomes.

Furthermore, LUMA continues 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. LUMA continues its work to expand stakeholder engagement and consultation to drive program impact and enhance operational effectiveness.

### 3.6 Research Activities

During this quarter, LUMA began conducting a targeted survey of small and medium-sized businesses across Puerto Rico. The purpose of this survey is to gather direct feedback from business customers regarding their experience with current EE offerings to better understand their operational needs, identify potential barriers to participation, assess their awareness of available incentives, and support the development of more effective and inclusive outreach strategies.

This research effort will provide valuable insights that will inform future program enhancements and marketing approaches, particularly for increasing adoption in underrepresented commercial segments.

## 3.7 Collaboration with Key Strategic Groups

During FY2025 Q3, LUMA significantly strengthened partnerships with strategic entities to amplify the impact of its Energy Efficiency program. A pivotal meeting was held with the Puerto Rico Department of Economic Development and Commerce (DDEC), where both organizations reviewed their respective efficiency initiatives, including DDEC's Weatherization Program and LUMA's EE/DR programs. The dialogue emphasized opportunities to better serve low-income communities, and both parties agreed to bolster collaboration through continued alignment on outreach strategies, customer education, and market penetration approaches.

LUMA also expanded its engagement with nonprofit and educational partners, most notably through its collaboration with *Fundación Borincana*. As part of this partnership, LUMA delivered a presentation on its EE programs to students at the *Solar IT Academy*, a workforce development initiative established for training future leaders in Puerto Rico's energy transformation. This effort reflects LUMA's broader commitment to capacity building and long-term sustainability through educational outreach and professional development in the energy sector.



These collaborations are key components of LUMA's strategy to foster broad-based support for energy efficiency and build a more resilient and equitable energy future for Puerto Rico.

### 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 third quarter of FY2025, LUMA achieved significant progress by saving approximately **215,863** kWh, reflecting its commitment to a holistic approach that integrates energy efficiency with infrastructure modernization. This energy savings resulted from the replacement of around **9,038** 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.

On this fiscal year, LUMA has successfully installed **20,852** 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.

## 4.0 EE Program Cost

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 below to *Table 15: EE Budget & Costs* below, which outlines expenditures for FY2025 Q3 and Year to Date.

Program	Cost For FY2025 Q3 (\$)	FY25 YTD Costs (\$)	Total Program Budget FY2025 (\$) <sup>9</sup>	% of Total Program Budget
Residential Rebates	2,420,327	5,385,536	5,753,671	94%
In-Store Discounts	238,008	1,129,279	2,406,796	47%
Residential EE Kits	-40,635	907,401	1,393,341	65%

#### Table 15: EE Budget & Costs

<sup>&</sup>lt;sup>9</sup>The Total Program Budget for FY2025 reflects the rollover of FY24 unspent funds minus unbilled EE Rider approved by PREB in the October 23, 2024, Resolution and Order.



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Business Rebates	294,667	998,664	4,707,572	21%
Business EE Kits	13,511	272,637	712,333	38%
Education & Outreach	-56,827	326,987	2,069,658	16%
Cross-Cutting Planning, Administration & Evaluation Costs	299,733	605,599	2,069,658	29%
Total Portfolio	3,168,784	9,626,103	19,113,028	50%

Please refer below to *Table 16: Energy Efficiency Costs by Program and Cost Category* for a breakdown of energy efficiency costs by categories which include: participant incentives, PP&A, Marketing, EM&V, and other costs for incentive program costs. LUMA reports that there have been no EM&V costs to date, as LUMA awaits notification from the PREB that an EM&V contractor has been selected.

Program	Participant Incentives (\$)	PP&A (\$)	Marketin g (\$)	EM&V (\$)	Other Costs (\$)	Total
Residential Rebates	2,036,883	383,444	0	n/a	0	2,420,327
In-Store Discounts	41,596	196,412	0	n/a	0	238,008
Residential EE Kits	2,720	-43,355	0	n/a	0	-40,635
Business Rebates	270,656	24,011	0	n/a	0	294,667
Business EE Kits	32,963	-19,452	0	n/a	0	13,511
Education & Outreach	n/a	-56,827	0	n/a	0	-56,827
Cross-Cutting Planning, Administration & Evaluation Costs	n/a	299,733	n/a	0	0	299,733
Total Portfolio	\$2,384,818	\$783,966	0	0	0	\$3,168,784

#### Table 16: Energy Efficiency Costs by Program and Cost Category

#### Shifts in funds between programs

During FY2025 Q3 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 15 above: EE Budget & Costs*, during FY2025 Q3, LUMA did not incur any budget variations exceeding 20 Percent.



#### **EE Program Non-Incentive Administrative Costs**

*Table 17: 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.

Categories	Program Budget FY2025	Costs For FY2025 Q3	YTD Costs
LUMA Staff	986,550	92,314	195,308
Professional Services	550,000	231,673	231,673
Program Implementation Contractors	7,568,821	651,525	2,968,742
Other Administrative Costs	0	0	0
Total	\$9,105,371	\$975,512	\$3,395,723

#### Table 17: Breakdown of EE Program Non-Incentive Administrative Costs

## 5.0 Demand Response Programs

In compliance with the August 29<sup>th</sup> 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, 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 PREB.

## 5.1 DR: Customer Battery Energy Sharing Pilot Program

During this quarter, the DR Program made progress in expanding customer enrollment and increasing capacity for DR events with the successful addition of **1,837** customers bringing the total number of enrolled customers to **9,549**.

The program's total enrolled battery capacity has reached 60 MW, with **31.5 MW** capacity per event 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 this quarter, the average impact per event reached approximately 10 MW, which is consistent with that of previous quarters. Last quarter the average duration for an event was 2.8 hours, which represents an increase in event duration of 0.5 hours.

The average participation rate in CBES events was 64%, a slight decline compared to previous quarters. This decrease is not due to reduced customer engagement but rather to changes in data reporting and the participation rate calculation method. LUMA identified that a group of approximately 800 customers had near-zero discharge values in Q2, which were rounded down to exactly 0 kWh in Q3.

Notably, this quarter also saw the completion 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 the strengthening of the program's ability to support emergency DR scenarios effectively.

#### 5.1.1 CBES Pilot Progress and DERMS Implementation

Since its launch in November 2023, the CBES Pilot has successfully enrolled over 9,500 customers through third-party aggregators. These aggregators are responsible for customer recruitment, battery dispatch, telemetry data collection, and performance reporting. Currently, LUMA's System Operations determines the need for DR events based on real-time system conditions and communicates dispatch instructions to aggregators via email.

As the program continues to grow, ensuring operational reliability during periods of grid stress and system emergencies becomes increasingly critical. To support this, LUMA is enhancing its operational processes by transitioning to a more automated and scalable framework. A key component of this modernization effort is the implementation of a DERMS platform<sup>10</sup>, which will provide grid-edge visibility, improve dispatch coordination, and strengthen the overall efficiency and responsiveness of the DR program.

The grid-edge DERMS will enable Automated Demand Response (ADR) to streamline battery dispatch through aggregators and future battery equipment managers via API integrations. This automation will facilitate real-time event scheduling, data exchange, and improved operational efficiency. Additionally, DERMS will support near real-time reporting, providing essential metrics such as enrollment and participation rates, event opt-outs, and post-event analyses. These capabilities will enhance planning, forecasting, and cost-effectiveness tracking, reducing manual processes and operational burdens for LUMA and the aggregators.

The DERMS implementation efforts involve migrating existing batteries to the platform with minimal customer impact. LUMA plans to onboard additional aggregators to improve enrollment rates and streamline processes, with future enhancements like locational dispatch and telemetry-based controls. These investments will not only elevate the CBES Pilot but also lay the groundwork for broader demand response initiatives, supporting advanced grid management technologies such as Energy Management Systems (EMS) and Advanced Distribution Management Systems (ADMS). Ultimately, the DERMS

<sup>&</sup>lt;sup>10</sup> To further improve operational coordination and reporting accuracy, certain implementation steps were initiated.



platform positions LUMA for a more holistic and adaptable DR strategy, meeting both immediate and long-term system needs.

## 5.2 Demand Response Participants

*Table 18: Number of Participants and total MW available in each DR Program during the FY2025* Q3 below includes the number of participants enrolled in the CBES Pilot Program to date by program and sector/segment and total MW enrolled.

Sector	Segment	Program	Total Participants Enrolled (YTD) <sup>11</sup>	Total MW Available (YTD) <sup>12</sup>	Total MW Enrolled (YTD) <sup>13</sup>
Residential	Residential Housing	Customer Battery Energy Sharing	9,425	31.08	59.69
Commercial	Small Business	Customer Battery Energy Sharing	124	0.63	1.02
Total			9,549		

 Table 18: Number of Participants and total MW available in each DR Program

## 5.3 CBES Performance for YTD FY2025 Q3

LUMA has been closely monitoring key performance indicators to evaluate the effectiveness of the CBES Program, as detailed in *Table 18: 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.

#### Table 19: DR Performance Values

Performance	YTD FY2025 Q3
Enrolled Customers (#)	9,549
Enrolled Power per Event (MW)	61



<sup>&</sup>lt;sup>11</sup>Total Participants Enrolled (YTD) reflect estimated figures based on aggregator self-reported data and may be subject to future validation and updates.

<sup>&</sup>lt;sup>12</sup> Total MW Available (YTD) refers to self-report aggregator weekly reports in their available capacity for DR events.

<sup>&</sup>lt;sup>13</sup> Total MW Enrolled (YTD) reflect estimated figures based on aggregator self-reported data and may be subject to future validation and updates..

Performance	YTD FY2025 Q3
Enrolled Energy per Event (MWh)	109
Events Dispatched (#)	59
Average Customer Response (%)	64%
Average Dispatched Battery Power per Event (MW)	9.9
Average Dispatched Battery Energy per Event (MWh)	24.8
Peak Demand Savings Target (MW)	21
Peak Demand Savings (MW)	31.5
YTD Peak Demand Savings (%)	149%
Costs (\$)	\$1,196,029

#### Table 20: DR YTD Performance Indicators

Program Parameters	YTD Forecast (A)	YTD Actual Q3 (B)	Variance Between YTD Forecast and Actual YTD [(A-B)]
Enrolled Customers (#)	6,500	9,549	3,049
Enrolled Load (kW)	21,125	60,715	39,590
Average Battery Capacity (kWh/battery)	13	11.4	1.6
Average Battery Reserve (%)	50	58	8
Average Impacts per Event (kW)	21,125	9,939	11,186
Aggregate Seasonal/Annual Impacts (kW)	21,125	9,939	11,186
Impacts as % of Enrolled Load	100	16	84
Average Event Response (%)	N/A	64%	0
Average Event Duration (Hours)	2	3	1
Events (#)	50	59	9
Capacity per Event (kW)	21,125	31,593	10,468
Estimated Energy per Event (kWh)	42,250	68,338	26,088
Total Energy Delivered (kWh)	3,168,750	1,999,620	1,169,130
Participant Incentive Payments (\$)	\$4,277,813	\$1,525,943	\$2,751,870



Program Parameters	YTD Forecast (A)	YTD Actual Q3 (B)	Variance Between YTD Forecast and Actual YTD [(A-B)]
Program Planning and Administrative (PP&A) Costs (\$)	\$755,000	\$1,196,029	-\$441,029
Total program costs (\$)	\$5,032,813	\$2,721,972	\$2,310,842

#### **Understanding DR Variances**

The comparison between FY2025 Forecast (A) and FY2025 Q3 Actual (B) for the CBES program highlights significant variances across key performance parameters. Enrolled load reached 60,715 kW, nearly tripling the forecasted 21,125 kW, reflecting much stronger-than-expected customer enrollment across aggregators.

Despite this higher enrollment, the average battery capacity per device was slightly lower than forecast (11.4 kWh vs. 13 kWh), and the average battery reserve percentage was higher than expected (58% vs. 50%). However, average impacts per event and aggregate seasonal impacts fell short by 11,186 kW, primarily due to lower active discharge participation and longer DR event durations, which diluted perhour energy availability.

Impacts as a percentage of enrolled load dropped from the expected 100% to just 16% in Q3 FY2025, compared to 20% in Q2. This slight reduction has not had a significant impact on program performance to date, primarily because the increase in customer enrollment has added substantial capacity, helping to offset the lower per-customer discharge levels. However, this dynamic could become a limiting factor once the program reaches its enrollment cap, reducing flexibility and underscoring the importance of enhancing dispatch participation and performance as the program matures.

Additionally, the average event duration increased from 2 to 3 hours, reflecting operational adjustments in event design to better align with system needs and customer availability profiles.

Even with reduced average impacts, capacity per event exceeded projections by 10,468 kW, and estimated energy per event was 26,088 kWh higher than forecast an indication of greater aggregator enrollment capacity. However, total energy delivered remained 1,169,130 kWh below forecasted levels.

On the financial side, participant incentive payments were \$3.58 million lower than projected, due to lower discharge performance. Although planning and administrative costs came in \$441,028 over forecast, total program costs were significantly under budget at \$2.72 million, compared to the projected \$5.03 million, yielding savings of over \$2.31 million.

These results reflect strong aggregator recruitment, opportunities for improving battery dispatch efficiency, and disciplined cost management under real-world operating conditions.



## 5.4 Program Administrative Costs

This section analyzes the financials for DR based on the year-to-date performance for FY2025 Q3. The analysis provides insight into cost growth and the strategic use of funds in support of the CBES Pilot Program's ongoing expansion and operational readiness.

In accordance with the March 21st Resolution and Order, which allows LUMA to exceed quarterly budgets to enable greater program participation and improve grid reliability during emergencies, funds were strategically invested across key areas. The most significant expenditures were in Professional Services, totaling \$989,811 (*Table 21*), primarily for technical and consulting support related.

Additionally, Program Management costs amounted to \$201,038, supporting program oversight, thirdparty coordination, and stakeholder engagement. Other Expenses totaling \$5,180 were used for administrative costs, including the development and deployment of the CBES customer survey as reported in the Q2 report.

By the end of Q3, customer enrollment in the CBES Pilot had surpassed 9,000 customers, reflecting the program's accelerated growth and the success of ongoing recruitment efforts led by third-party aggregators.

To further improve operational coordination and reporting accuracy, LUMA is in the process of implementing a DERMS. This platform will automate dispatch, improve system visibility, and facilitate integration of distributed resources at the grid edge.

*Table 21: 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.

Categories	PP&A Total Budget FY2025	YTD Costs for FY2025 Q3
Program Management	\$355,000	\$201,038
System Operations	\$0	\$0
Customer Service	\$0	\$0
Professional Services <sup>14</sup>	\$200,000	\$989,811
Program Evaluation	\$200,000	\$0
Other Expenses <sup>15</sup>	\$0	\$5,180
Total PP&A	\$755,000	\$1,196,029

#### Table 21: DR (CBES) PP&A Budget and Costs

<sup>&</sup>lt;sup>15</sup>Actual costs correspond to payments made to legal services.



<sup>&</sup>lt;sup>14</sup>Please note that planning and regulatory professional services are included in this line item.

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

*Table 22: FY2025 CBES Costs and PPCA Fund Overview* below provides an overview of 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 budgeting, identify any discrepancies, and ensure that financial operations are in line with August 29<sup>th</sup> Resolution and Order requirements and best practices.

CBES FY2025	CBES YTD	Estimated Budget Inflows for CBES	PPCA Fiscal YTD Actual
Q3 Costs (\$)	Costs (\$)	from the PPCA	Fund Balance
\$891,089.43	\$2,721,971.73	\$1,692,276.23	-\$1,029,695.50

#### Table 22: FY2025 CBES Costs and PPCA Fund Overview<sup>16</sup>

## 6.0 Conclusions and Recommendations

## 6.1 Analysis and Observations

The Energy Efficiency Program continues to gain momentum, as evidenced by the latest results—16,486 MWh compared to 23,369 MWh—representing an increase in energy savings from 32% to 45%. Overall, this quarter's outcomes have been successful, and the following highlights detail progress across various program areas.

#### **EE Residential Rebates**

During this period residential rebates have continued to show a strong acceptance among participants with an increase of 141% increase of processed applications. This acceptance reflects the results of an aggressive campaign to increase awareness. Given the high acceptance and customer engagement, it is highly likely that this measure will be considered for next year.

#### **Demand Response (CBES)**

For this period the CBES pilot has continued to prove consistency in growth of participants whith a total of 1,837 enrolled in the pilot. Over time the pilot has been able to show a steady growth in enrollment. However, more efforts need to be made to increase the rate of active participation once an event is called. With a total capacity of 60 MW and an average impact of 10 MW LUMA continues in conversations with the aggregators to find new and faster ways to increase the impact per event to a much higher rate.



<sup>&</sup>lt;sup>16</sup>LUMA provides an explanation of current discrepancies between actual spending and funds collected through the PPCA in its February 14, 2025 Response to the PREB's January 24, 2025 Requirements of Information. LUMA is in the process of reviewing its forecasting methodology for the CBES program in an effort to produce more accurate forecasts for FY2025 Q3 Report and beyond.

#### **Energy Efficiency Kits**

Although EE Kits have proven over time to be a quick and easy way to achieve savings, during this period a limited number of kits were distributed due to budget limitations. Kits distribution might be considered for a relaunch for the last quarter of this fiscal year and/or for the beginning of the next fiscal year.

#### **In-Store Discounts**

The In-Store Discount Program continued showing significant acceptance for this quarter by achieving about 70% of the targeted savings. This program has proven to be over time a good measure to achieve a significant level of energy savings.

#### **Business Rebates**

Business rebates applications have achieved an accumulated 21% of the targeted energy savings goal. Although this program is lagging in comparison with the residential rebates LUMA has increased the awareness of these rebates with additional social media publications.

#### **Business Kits**

When compared with the success of the Residential EE Kits Program, the Business EE Kits Program continued to face significant challenges in gaining traction with business customers. As of Q2, only 48% of the annual energy savings goal had been achieved, despite various outreach efforts. Given the program's limited impact and low cost-effectiveness relative to other offerings, LUMA has decided to discontinue the Business EE Kits Program for the remainder of the fiscal year. This decision reflects a strategic shift to prioritize resources toward initiatives that deliver stronger results and greater energy savings. LUMA will continue to explore alternative approaches to support small businesses in adopting energy-efficient practices through more targeted and scalable programs.

#### **Overall Results**

The overall results of this quarter have increased the energy savings achieved up to 45% of the goal. The two top major contributors have been the In-Store discount (70%) and the Residential Rebates (55%). The two lower contributor programs have been the residential EE Kits (46%) and Business EE rebates (21%).

## 6.2 Next Steps

Following the assessment of results for the third quarter of FY2025, LUMA is taking important steps to both refine its current pilot programs and strategically prepare for the next fiscal year implementation.

As part of these efforts, LUMA paused the Business EE Kits Program as of March 30, 2025, and will temporarily pause new offerings of the Residential EE Rebate Program beginning on April 30, 2025. These pauses will allow LUMA to reallocate resources and develop improvements for the next fiscal year, while maintaining a smooth transition for customers through coordinated communication strategies.

In the interim, LUMA will continue to offer the Business EE Rebate Program and the In-Store EE Discount Program, including two special promotional events to sustain customer engagement and maximize remaining energy savings opportunities. Additionally, the distribution of additional residential EE Kits will continue, but will be focused exclusively on outreach to low-income communities.



The remainder of FY2025 will be dedicated to finalizing plans for relaunching and expanding these initiatives in FY2026, while using the lessons learned this year to enhance program design, strengthen delivery, and better align offerings with customer needs across Puerto Rico.



# Appendix A Customer Education & Outreach Materials

FY2025 Q3 Report

NEPR-MI-2022-0001

May 15, 2025



## **Appendix A: Customer Education & Outreach Materials**

**Social Media Post** 





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Actualización importante: Algunos clientes pueden estar enfrentando interrupciones en el servicio debido a problemas en la generación. Para ayudar a minimizar el impacto, te recomendamos reducir tu consumo energético si es posible. Consulta más consejos en el siguiente enlace:



LUMAPR COM

Consejos para ahorrar energía en el hogar - Luma Energy Consejos para ahorrar energía en el hogar



Consejos para ahorrar energía en el hogar



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Actualización importante: Algunos clientes pueden estar enfrentando interrupciones en el servicio debido a deficiencias de generación. Para ayudar a minimizar el impacto, te recomendamos reducir tu consumo energético de ser posible.

Consulta más consejos en el siguiente enlace: lumapr.com/residencial/ah... Translate post

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	Consulta más co	onsejos en el sigu	iente enlace: lum	apr.com/residenc	ial/ał	n
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### **Bill Insert**





Inscríbete en el Programa de Reembolso para Eficiencia en el Hogar de LUMA.



Reemplaza las luces viejas por LED, lo que puede ahorrar aproximadamente \$225 al año.



Utiliza los electrodomésticos grandes por la noche cuando la demanda energética sea baja.



Limpia el filtro de tu secadora después de cada uso.



Apaga las luces o desenchufa los equipos eléctricos cuando no los utilices.

Escanea para conocer más formas de ahorrar este año:





## **In-Store Discount Event**



Home Depot, Humacao, Puerto Rico

## LUMA en Tu Comunidad

Santurce Iniciative













### LUMA Stakeholders Newsletter



## **PR Energy Week**













## Feria de Salud y Servicios del Senado de PR 2025









## **Presentation to Solar IT Academy – Fundación Borincana**

	Susiness Redates			Eligible Equipment	Rebate Amount
	ronorcionan a los clientes comercial	e un incentiv	financiero por	Exit Sign	\$10
i	a compra de medidas de alta eficiencia.		Omni Directional LED Replacement	\$10	
				LED Troffer Replacement	\$25 - \$301
	FY202	4 FY2025*	Total	Linear Fluorescent LED Replacement	\$5 - \$10
	Solicitudes Procesadas 0	48	48	Exterior Lighting	\$40 - \$200
	*A diciembre 31 2024			Occupancy Sensor	\$20 per sensor
	A dicientite 51, 2024.			Convection Oven	\$350
		VIENE		Combination Oven	\$800
y energia con los reembolsos de LUMA!			Fryer	\$350	
			Ice Machine	\$500	
			Commercial Refrigerator and Commercial Freezer	\$100 each	
	10		7	Solar Water Heater	\$550
		1117		Chillers	Tier 1: \$50 per ton Tier 2: \$100 per ton
				Commercial Air Conditioner	Tier 1: \$100 per ton Tier 2: \$175 per ton
	Lu MA le ofrece reembolsos energética de su emanesa.	para mejorar la eficiencia Es fócil participar!		Ductless Split Air Conditioner	\$250 - \$750
	Equipme shapilites Benefician Anteropolice UD, Uniterpolitic reds	Press Dynamic country by		Window Film	\$1 per sqft
	aconditionations de oire factures de energie	A meganar et infpada. Campiere su salachud ingulgoory ulatrando kamega ceamir indultate salachud af canata		Pool Pump VFD	\$200 per HP



