

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

NEPR

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In Re: ENERGY EFFICIENCY AND DEMAND
RESPONSE TRANSITION PERIOD PLAN

Case no. NEPR-MI-2022-0001

Subject: Comments and support for rapid
approval of CBES+ Program

**COMMENTS AND SUPPORT BY THE SOLAR AND ENERGY STORAGE ASSOCIATION
(SESA) ON LUMA ENERGY'S "MOTION TO SUBMIT PROPOSAL FOR EXPANDED
CUSTOMER BATTERY SHARING PROGRAM AND REVISED TECHNICAL CONFERENCE
PRESENTATION" AS FILED MAY 8, 2025**

TO THE HONORABLE ENERGY BUREAU:

COMES NOW, the **PUERTO RICO SOLAR ENERGY INDUSTRIES ASSOCIATION CORP. DBA SOLAR AND ENERGY STORAGE ASSOCIATION OF PUERTO RICO** ("SESA"), represented by the undersigned legal counsel and respectfully submits the following comments in response to the filing submitted by LUMA Energy on May 8, 2025, titled: "Motion to Submit Proposal for Expanded Customer Battery Sharing Program and Revised Technical Conference Presentation in Compliance with Resolution and Order of April 30, 2025" in the above-captioned docket.

1. SESA commends LUMA for its continued commitment to distributed energy resource (DER)-based demand response and supports CBES expansion via CBES+. SESA also offers the following comments and recommendations regarding to LUMA's CBES+ proposal with the short, mid and long-term benefits to Puerto Rico's grid and energy customers in mind:
2. CBES+ Should Be Treated as an Ongoing Program. While LUMA frames CBES+ as a summer of 2025 emergency expansion, SESA recommends that the programs (both CBES and CBES+) reflect the long-term, systemic nature of Puerto Rico's generation shortfall. The energy emergency is not temporary and CBES/CBES+ should be

maintained as a rolling or permanent resource until system-wide generation adequacy is materially improved. In any case, if at some future point new generation sources are actually procured, interconnected and placed in service materially improving the persistent generation shortfall in Puerto Rico, then CBES/CBES+ activation calls would naturally decrease or adjust to meet the changing grid needs. Therefore, maximally scaling and ramping up CBES/CBES+—beyond 19,500 or 60,000 customers—is an independent public interest emergency goal, as behind the meter batteries are an existing and continually expanding 500+ MW virtual peaker resource and there are no realistic alternatives in the foreseeable horizon. CBES/CBES+ must be understood in the context of the fact that no other emergency energy resource in Puerto Rico is as readily available and dispatchable today as distributed battery storage systems. And as this Energy Bureau has expressed “[t]he economic benefit of avoiding load shed is likely to be, on the order of, twice as large as the cost of the incentives, if not more”.¹ Thus CBES/CBES+ represents a cost-effective means of mitigating the significant societal and economic harms of blackouts, particularly given the absence of comparable, near-term generation alternatives. **Consequently, SESA supports automated program enrollment, (with customer education, clear customer-friendly per-event opt-out, program unenrollment, and battery percentage rights) as a mechanism for rapid CBES+ scale-up.**

3. DERMS Is a Valuable Tool But Should Not Be a Mandatory Prerequisite. The current permanent CBES program, since its initial pilot phase, has functioned effectively to date without a DERMS platform. While SESA supports DERMS implementation to enhance coordination and automation, it should not be positioned as a pre-condition precedent to program continuation nor expansion. DERMS is a beneficial enhancement—not a sine qua non. Its rollout should be flexible, reflecting operational maturity rather than bureaucratic mandate. SESA looks forward to continued DERMS implementation in a way that is beneficial to all stakeholders.
4. No Minimum Dispatch Event Threshold Should Be Imposed. The CBES+ proposal forecasts 75 events between June and October 2025. SESA supports this estimate but advises against setting a formal “minimum” number of events. Dispatch should

¹ Resolution and Order of April 3rd 2025, NEPR-MI-2022-0001, p. 3.

reflect actual system conditions. Mandated minimums risk overuse and customer fatigue. With persistent supply deficits, organic dispatch need will in all probability be necessary to utilize this ‘virtual power plant’ resource effectively. SESA also encourages capturing data on CBES+ performance and impacts, including but not limited to the number and duration of events called, outages avoided, MW delivered per event and overall.

5. Default Reserve Level Policy Is Reasonable—Customer Flexibility Must Be Maintained. The CBES+ initial 80% default battery reserve level, leaving 20% for dispatch, is appropriate. However, SESA requests confirmation that after CBES+ enrollment customers retain the ability to adjust their reserve thresholds both upward and downward through their respective online and/or smartphone platforms (e.g., TESLA app). This flexibility is essential to ensure that CBES+ participation does not compromise customer-level trust to ensure continued enrollment of customer battery resources, energy independence, security and resiliency.
6. Customer Autonomy Must Remain Intact. SESA supports LUMA’s statement that customer choice—including the ability to opt-out or unenroll—is preserved. It is essential that CBES+ participants maintain the same post-enrollment rights as standard CBES users, including adjusting reserve levels and partially or fully opting out the program (battery percentage control, per event opting out rights, and/or full opt- out).
7. Support for Scenario B, But Voluntary Scenario C Should Be Permitted. LUMA recommends Scenario B—limited dispatch year-round with full enrollment. SESA supports this option as reasonable. Greater flexibility may enhance grid benefits without increasing administrative burden.
8. Maintain Current Pay for Performance Level—Clarify Customer Payment Cadence. SESA recommends that PREB establish clear guardrails regarding cadence of aggregator-to-customer incentive payments. This promotes trust, fairness and transparency.
9. SESA Supports LUMA’s Regulatory Requests, with minor Modifications. SESA agrees

with LUMA's requests for:

- A. Approval of auto-enrollment (with appropriate guardrails).
- B. Removal of the 19,500-participant cap. (we recommend PREB set no upper limit).
- C. Continued use of PPCA for cost recovery, though exploration of supplemental funding sources for further enhancement of CBES's performance and scalability should not be discarded.
- D. SESA recommends that PREB issue approvals via a formal "Order" or "Resolution and Order" as soon as practicable to ensure clarity and legal effect.
- E. Additionally, SESA comments that DERMS integration should not be a mandated pre-requisite, given inherent uncertainty involved in its rollout, yet looks forward to continued DERMS implementation.

10. Preserve Enrollment Beyond October 2025—Avoid Auto-Unenrollment. SESA appreciates LUMA's emphasis on communication and customer experience. However, we advise against automatic unenrollment of customers after October 2025. Given that the energy emergency is unlikely to be resolved by then, this policy would needlessly dismantle a valuable resource at a time when the grid remains vulnerable. Customers should be permitted to remain enrolled unless they voluntarily choose to exit the program.

11. Success Metric. LUMA plans to call CBES/CBES+ events whenever the grid is forecasted to be within 200MW of a blackout. Therefore, a logical measure of success is the number of days when the grid would have otherwise been within 200MW of a blackout, but VPP activation kept the grid outside of that clear danger zone of being within 200MW of a blackout.

12. CONCLUSION. SESA fully supports the CBES+ expansion and commends LUMA's effort to mobilize distributed battery resources in response to Puerto Rico's grid challenges. We urge the Energy Bureau to fully approve the CBES+, preserve full customer autonomy, avoid arbitrary caps, and issue a clear Resolution and Order promptly.

WHEREFORE, SESA respectfully requests that the Honorable Energy Bureau rapidly issues a Resolution and Order approving LUMA's CBES+ proposal, taking into consideration SESA's comments and suggestions.

Respectfully submitted, on May 19, 2025, in San Juan, Puerto Rico.

We hereby certify that we filed this motion using the electronic filing system of this Puerto Rico Energy Bureau and that copy of this motion was notified to hrivera@jrsp.pr.gov; arivera@gmlex.net; mvalle@gmlex.net; agraitfe@agraitlawpr.com, info@sesapr.org, bfrench@veic.org, shanson@veic.org, jordgraham@tesla.com, forest@cleanenergy.org, customerservice@sunnova.com, picleanenergy@gmail.com, mrios@arroyorioslaw.com.

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