

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

IN RE: ENERGY EFFICIENCY AND DEMAND
RESPONSE TRANSITION PERIOD PLAN

CASE NO: NEPR-MI-2022-0001

SUBJECT: ROIs regarding LUMA's Customer
Battery Energy Sharing Program.

RESOLUTION AND ORDER

On October 23, 2024, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order ("October 23 Resolution and Order") through which the Energy Bureau ordered LUMA¹ to file the first Three-Year Energy Efficiency ("EE") and Demand Response ("DR") Plan by July 15, 2025 ("TYP"). The Energy Bureau also extended the Transition Period Plan ("TPP") by six months to December 31, 2025, and ordered LUMA prepare and file a revised TPP and proposed permanent Customer Battery Energy Sharing ("CBES") program and a proposed backup emergency DR program to be implemented by June 2025, subject to monthly reporting starting on January 15, 2025.

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

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

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

The Energy Bureau held a Technical Conference on April 24, 2025. LUMA representatives presented on the agenda items set forth in the April 3 Resolution. In addition, LUMA presented proposals for partially addressing the projected summer 2025 generation shortfall through its demand response portfolio. LUMA discussed its proposal to rapidly expand the CBES program ("CBES+") and attendees at the technical conference expressed their support for the CBES pilot and support for rapidly expanding the resource during summer 2025.

On April 30, 2025, the Energy Bureau issued a Resolution and Order ("April 30 Resolution") ordering LUMA to submit a filing regarding its proposed quick-start DR programs for summer 2025 no later than May 8, 2025.

On May 8, 2025, LUMA submitted a Motion to Submit Proposal for Expanded Customer Battery Energy Sharing Program and Revised Technical Conference Presentation in Compliance with Resolution and Order of April 30, 2025 ("May 8 Motion"), through which LUMA submitted its CBES+ proposal, as Exhibit 1, and a revised April 24 Technical Conference Presentation, as Exhibit 2.

¹ LUMA Energy LLC and LUMA Energy ServCo LLC (jointly referred as, "LUMA").




In the CBES+ Proposal, LUMA describes three potential implementation scenarios for the CBES+, referred to as Scenarios A, B and C; and, among other things, the program proposes expanding the Permanent CBES Program beyond its enrollment threshold to reach an enrollment of about 60,000 customers, using auto-enrollment and traditional enrollment methods, to be able to dispatch up to 50 MW of capacity per four-hour event.² Scenario B reflects continued enrollment of auto-enrolled customers, with reduced event capacity, after the summer season. The CBES+ Proposal requires aspects of the permanent CBES proposal filed in the January 31 CBES Motion, such as the procurement and use of a distributed energy resource management system, or DERMS.

With the best public interest as the guiding principle, the Energy Bureau **DETERMINES** that the weighted interests favor the conditional approval of LUMA's proposal, subject to the satisfaction of specific additional information set forth in this Resolution and Order. Therefore, the Energy Bureau hereby **CONDITIONALLY APPROVES** LUMA's CBES+ proposal for Scenario B, and the remaining unapproved portions of LUMA's permanent CBES proposal, subject to the fulfillment of responses to the request of information ("ROI") included in **Attachment A** of this Resolution and Order **on or before May 27, 2025**. The Energy Bureau **EXPECTS** LUMA's quarterly reporting regarding DR programs to include data on the size and performance of the CBES+ program. Following the summer 2025 period, the Energy Bureau will evaluate plans for continued enrollment of auto-enrolled customers past the end of fiscal year 2026.

The Energy Bureau **ORDERS** LUMA to submit monthly status reports on the CBES+ program during the summer 2025 season (June – October 2025). LUMA **SHALL** file monthly reports on or before the 20th day of each month, starting in July 2025. The reports must include: incentives paid to date, total program costs to date, number of participants, broken-out by auto-enrolled and opt-in, number of events called, average event duration, average event participation rate, average reserve level, total nameplate capacity, total nameplate energy, average event length, average total capacity per event, and average total energy per event. Additionally, LUMA must provide an individual event summary table like the table provided in Table 7: CBES Event-by-Event Summary on page 26 of Exhibit 1 of LUMA's January 31 Motion.

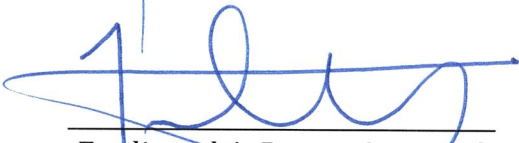
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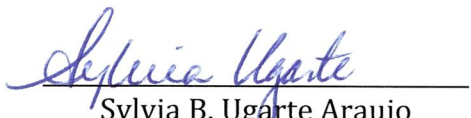
Edison Avilés Deliz
Chairman



Lillian Mateo Santos
Associate Commissioner



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



Antonio Torres Miranda
Associate Commissioner

² Exhibit 1 of May 8 Motion, pp. 5, 18



CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on May 20, 2025. I also certify that on May 20, 2025 a copy of this Resolution and Order was notified by electronic mail to RegulatoryPREBorders@lumapr.com; margarita.mercado@us.dlapiper.com; laura.rozas@us.dlapiper.com; lionel.santa@prepa.pr.gov, hriviera@jrsp.pr.gov; javrua@sesapr.org; mrios@arroyorioslaw.com; jordgraham@tesla.com; forest@cleanenergy.org; customerservice@sunnova.com; pjcleanenergy@gmail.com; agraitfe@agraitlawpr.com, info@sesapr.org; cfl@mcvpr.com; mqs@mcvpr.com. I also certify that today, May 20, 2025, I have proceeded with filing the Resolution and Order issued by the Puerto Rico Energy Bureau.

I sign this in San Juan, Puerto Rico, today May 20, 2025.

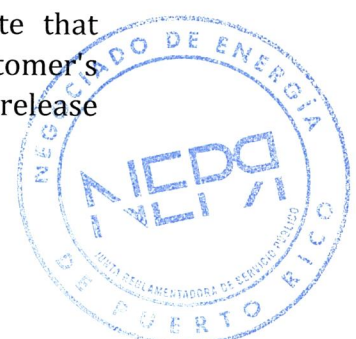




Sonia Seda Gaztambide
Clerk

Attachment A – Requirements of Information (ROIs)

1. Provide the calculations, in working Microsoft Excel worksheets with all formulas intact, that support the analysis provided in Exhibit 1, pages 16-18.
 - a. The calculations should clearly support the proposed budgets in each of the three scenarios. For example, show how 75 events, providing 200 MWh per event at a cost of \$1.25 per MWh results in an incentive budget of \$16.83 million.
 - b. The calculations should clearly support the expected kW and kWh. For example, referring to page 16, show how the Program Level Metrics translate to the Event Level Metrics, including how the nameplate capacity per event of 384 MW, with a participation of 90%, and discharge of 20% provides only 50 MW per event.
2. Refer to Exhibit 1, page 18. The Energy Bureau notes that summer 2025 starts in June 1, whereas fiscal year 2026 does not start until July 1. Please explain how LUMA's proposal captures this with regards to its proposed budgets.
 - a. Does LUMA plan to begin auto-enrolling customers and dispatching events as soon as June 2025?
 - b. If yes, is the budget for June 2025 included in the FY2026 Total Budget for Scenario B?
3. Refer to Exhibit 1, page 6. Indicate LUMA's expected DERMS costs by type of cost (one-time set up fee, annual platform fee, and per device fee). Provide these expected costs for FY26, FY27, and FY28, with stated assumptions regarding the number of devices each year. If this information is confidential, file it with the appropriate justification for protective treatment.
4. Refer to Exhibit 1, page 17, Emergency Auto-Enrollment. Provide support for how LUMA estimated the 46,500 participants. As part of the response, explain how LUMA expects to respond if significantly more or fewer participants are auto-enrolled.
5. Provide LUMA's estimates of:
 - a. Current number of NEM customers
 - b. Number of NEM customers with batteries
 - c. Total nameplate capacity (kW) and average duration (hours) of NEM customer batteries
 - d. Number of NEM customers with batteries who are eligible to participate in CBES program
 - e. Total nameplate capacity (kW) and average duration (hours) of CBES eligible batteries
6. Refer to Exhibit 1, page 18. Explain how modified discharge in Scenario B differs from full discharge in Scenario C. Specifically for Scenario B, provide details on when LUMA will call events, how LUMA estimated 94 events will be called, and how LUMA will determine the number of MWs to call for each event.
7. Will LUMA maintain a separate categorization of each customer as an opt-in or an auto-enrolled customer?
 - a. Will it be possible for an auto-enrolled customer to change their categorization to opt-in?
 - b. What actions would a customer need to take to effectuate that transition? Would changing settings for the size of the customer's offered resource be sufficient to change categorization (such as release



to use 40 percent of the battery instead of the default 20 percent), or will the customer have to complete some other enrollment process?

8. LUMA is requesting approval to dispatch on Saturdays and Sundays. What, if any, effects on customer satisfaction does LUMA anticipate this may have?
 - a. Can customers set their reserve or opt-out preferences based on day of the week? For example, could customers set a preference to opt-out of all Saturday events?
9. Does LUMA think lag between customers providing energy and getting paid is a barrier to enrollment or a reason for unenrollment? How can/ is LUMA working with aggregators to address this?
10. Refer to Exhibit 1, page 11. Please explain why aggregator notifications and confirmations via email are necessary in parallel to the notifications via the DERMS platform. In the response, explain how DERMS improves communication between LUMA and aggregators.
11. LUMA requests the Energy Bureau allow LUMA to unenroll customers who have not participated in any events for the preceding quarter.
 - a. Can customers re-enroll later?
 - b. Will LUMA unenroll customers regardless of whether they originally opted in or were auto-enrolled?
 - c. How does LUMA plan to give customers notice before unenrollment?
 - d. Explain and clarify if unenroll of customers will be directly by LUMA, or coordinated through aggregators?

