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

IN RE:	**CASE NO.:** NEPR-MI-2022-0001
ENERGY EFFICIENCY AND DEMAND RESPONSE TRANSITION PERIOD PLAN	**SUBJECT:** Submittal of Proposal for Emergency Load Reduction Program in Compliance with Resolution and Order of April 30, 2025

MOTION TO SUBMIT PROPOSAL FOR EMERGENCY LOAD REDUCTION PROGRAM IN COMPLIANCE WITH RESOLUTION AND ORDER OF APRIL 30, 2025

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 Puerto Rico transmission and distribution system operator, LUMA is responsible for facilitating the implementation of Puerto Rico's public energy policy, including key customer initiatives such as Energy Efficiency ("EE") and Demand Response ("DR") Programs, which are required by law and mandated by the Puerto Rico Energy Bureau ("Energy Bureau"). LUMA has been implementing a Transition Period Plan containing various quick-start or pilot EE and DR programs ("TPP"), including, among others, a pilot battery DR program (referred to as the "Customer Battery Energy Sharing" ("CBES"). The purpose of the TPP is to set the stage for the

design and implementation of larger scale, more permanent programs that will form part of a Three-Year EE and DR Plan to be prepared and submitted by LUMA for approval by the Energy Bureau.

The deadline to submit the Three-Year EE and DR Plan and concomitant deadlines were extended by the Energy Bureau, and, as a result, the term of the TPP was also extended. Relatedly, and in compliance with Energy Bureau directives, on January 31, 2025, LUMA filed with the Energy Bureau a revised TPP and a proposed permanent version of the CBES program. Also pursuant to Energy Bureau directives, LUMA has been reporting to the Energy Bureau on the development of a proposed program for the use of backup generators as a DR resource in emergency situations (the "Emergency Load Reduction Program") to be implemented for the summer of 2025.

As established in a Resolution and Order issued on April 3, 2025, the Energy Bureau held a Technical Conference on April 24, 2025, to discuss the above submittals and/or programs and the progress of the Three-Year EE and DR Plan. LUMA gave a presentation in accordance with the agenda established by the Energy Bureau, discussing the development of the proposed Emergency Load Reduction Program, the permanent CBES program, as well as other potential programs for consideration to partially address the projected summer 2025 generation shortfall through its DR portfolio, including a CBES Emergency Expansion Program (referred to as "CBES+") to increase available capacity under that program during the period from May 31, 2025, until October 31, 2025. Relatedly, by Resolution and Order issued on April 30, 2025, the Energy Bureau ordered LUMA to submit the detailed proposals for the CBES+ and the Emergency Load Reduction Program and a revised/updated presentation by May 8, 2025, providing that the full

proposal for the Emergency Load Reduction Program should be filed as soon as LUMA is ready to do so, if the full proposal is not filed on or before May 8, 2024.

On May 8, 2025, LUMA submitted its detailed proposal for the CBES+ and a revised and updated version of the Technical Conference presentation, in compliance with the Energy Bureau's mentioned order of April 30, 2025. Also in compliance with such order, LUMA is submitting herein its detailed proposal on the Emergency Load Reduction Program and requesting this Energy Bureau to approve this proposal, its proposed budget, and the associated cost recovery mechanism.

II. Relevant Background and Procedural History

1. On October 23, 2024, the Energy Bureau issued a Resolution and Order ("October 23rd Resolution and Order") in which it determined to defer the deadline to present to stakeholders a draft of the Three-Year EE and DR Plan to on or before April 15, 2025, and the deadline to file the Three-Year EE and DR Plan to on or before July 15, 2025[1]. *See* October 23rd Resolution and Order, p. 5. In addition, the Energy Bureau determined to extend the current TPP[2] (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

[1] The deadlines for these tasks in effect prior to this determination were December 2, 2024 and March 1, 2025, respectively, as per a Resolution and Order issued by the Energy Bureau on November 29, 2023. On September 16, 2024, LUMA requested the Energy Bureau to extend these deadlines given delays in the completion of the Market Baseline and Potential Studies required under the Regulation for Energy Efficiency, Regulation 9637, and needed to prepare the Three-Year Plan. *See Informative Motion, Request for Clarification Regarding Delayed Timeline for Completion of Market Baseline and Potential Studies, And Request for Extension to Submit Draft Three-Year Plan and Associated Tasks and Deadlines*. The Energy Bureau granted this request in its October 23rd Resolution and Order.

[2] The original TPP, covering fiscal years 2023 and 2024, was submitted by LUMA on June 21, 2022 in Case No. NEPR-MI-2021-0006, *In Re: Demand Response Plan Review, Implementation and Monitoring*, and approved with modifications by the Energy Bureau by Resolution and Order issued on February 16, 2023, in the instant case. On December 20, 2023, LUMA submitted a revised version of this TPP extending its term until the end of fiscal year 2025, which revised TPP is currently under implementation.

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.

2. On January 31, 2025, LUMA filed with the Energy Bureau the proposed permanent CBES ("Permanent CBES Program").[3] *See Motion to Submit Permanent Customer Battery Energy Sharing Program Proposal in Compliance with Resolutions and Order of October 23, 2024 and December 5, 2024*. In addition, on that same date, LUMA filed with the Energy Bureau a Revised TPP and requested the Energy Bureau to leave without effect the deadlines to have the draft Three-Year EE and DR Plan and concomitant activities, given delays in the completion of the Market Baseline and Potential Studies needed to prepare this document. *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.

3. On April 3, 2025, the Energy Bureau issued a Resolution and Order ("April 3rd Resolution and Order") determining that the Three-Year EE and DR Plan shall cover the period from July 1, 2026 until June 30, 2028, and ordering LUMA to present the draft Three-Year EE and DR Plan to interested stakeholders on or before October 1, 2025, and file the Three-Year EE and DR Plan with the Energy Bureau on or before February 1, 2026. *See* April 3rd Resolution and Order, p. 2.

4. In the April 3rd Resolution and Order, the Energy also partially approved the Permanent CBES Program proposal for three years, indicating that this approval applies to "all

[3] 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.

aspects of program design that were unchanged from the pilot stage and dictate customer and aggregator interface to the program (such as kWh incentive level, aggregator enrollment model, and option for customers to opt-out of DR events)". *See id*., p. 3. With respect to the changes to the CBES Program, the Energy Bureau indicated that it would address the "necessary changes" before the start of the full program based on stakeholder comments and the discussion at a Technical Conference, which the Energy Bureau scheduled for April 24, 2025 ("April 24th Technical Conference") to discuss the Permanent CBES Program proposal, as well as the Emergency Load Reduction Program, the Revised TPP, and the progress of the EE and DR Three-Year Plan. *See id*., p. 4.

5. The Energy Bureau also provided a preliminary agenda for the April 24th Technical Conference ("April 24th Agenda"), invited interested persons to participate, and ordered LUMA to attend it. *See id*., pp. 4-5. Furthermore, the Energy Bureau invited LUMA, the public and other stakeholders to submit comments on the matters discussed at the Technical Conference or otherwise raised in LUMA's motions on or before June 5, 2024. *See id*., p. 5. Finally, the Energy Bureau ordered LUMA to amend its planned schedule and process for the Three-Year EE and DR Plan as detailed in the April 3rd Resolution and Order. *See id*.

6. On April 23, 2025, LUMA submitted to the Energy Bureau a copy of LUMA's presentation for the April 24th Technical Conference covering the subjects set forth in the April 24th Agenda established by the Energy Bureau, as well as LUMA's proposals to partially address the summer 2025 generation shortfall leveraging its DR portfolio.

7. On April 24, 2025, the Energy Bureau held the April 24th Technical Conference. With respect to the programs to partially address the summer 2025 generation shortfall, LUMA discussed, among others, the Emergency Load Reduction Program and a potential new proposal

to rapidly expand the CBES program for summer 2025 by auto-enrolling customers in the CBES program, referred to as the "CBES Emergency Expansion" or "CBES +".

8. On April 30, 2025, the Energy Bureau issued a Resolution and Order ("April 30th Resolution and Order") ordering LUMA to submit a filing with additional information regarding its proposed quick-start DR programs for summer 2025 no later than May 8, 2025 and to include in its submission its proposal for the CBES+ and Emergency Load Reduction Program and address the topics brought up by stakeholders, the Energy Bureau and the Energy Bureau's consultants during the April 24th Technical Conference. *See* April 30th Resolution and Order, p. 2. In addition, the Energy Bureau indicated that LUMA should clearly state what actions it is requesting from the Energy Bureau. *See id*.

9. In the April 30th Resolution and Order, the Energy Bureau discussed specific additional information that LUMA should include in its May 8th filing regarding the CBES+ and the Emergency Load Reduction Program. *See id*. p. 2. With respect to the Emergency Load Reduction Program, the Energy Bureau noted that the Regulation for Demand Response "does not allow for the use of combustion fossil fuel generators except for in case of emergency" and that, therefore, "LUMA should clearly explain in its filing its strategy for dispatching back-up generators in compliance with this regulation". *See id*. The Energy Bureau also directed LUMA to provide "further support" for the $8.2 million budget for this program "(including LUMA's expectation for the participant compensation structure), the timing of how it proposes to collect the funds given the uncertainty around the program feasibility, and "greater detail around the timing of program launch". *See id*. The Energy Bureau also indicated that they expected LUMA to file a full [Emergency Load Reduction Program] proposal for approval as soon as it is ready to do so, if that full proposal is not filed on or before May 8. *See id*.

10. Finally, in its April 30th Resolution and Order, the Energy Bureau directed LUMA to include in is May 8th filing a "revised [April 24th] Technical Conference presentation consistent with the rest of the filing, and any additional information LUMA may deem necessary for the Energy Bureau to make a determination". *See id*., p. 3.

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

III. Submittal of Emergency Load Reduction Proposal in Compliance with April 30th Resolution and Order

12. In compliance with the April 30th Resolution and Order, LUMA is submitting herein, as *Exhibit 1*, its detailed proposal for the Emergency Load Reduction Program containing the information required by the Energy Bureau in the April 30th Resolution and Order ("ELRP Proposal").

13. LUMA respectfully requests the Energy Bureau to approve the ELRP Proposal as described in *Exhibit 1* and this program's budget of $8,875,000 for the fourth quarter ("Q4") of Fiscal Year ("FY") 2025 and all FY2026 (during the duration of the program). In addition, LUMA respectfully requests that the Energy Bureau approve that LUMA submit the costs of the Emergency Load Reduction Program for recovery as part of the quarterly Power Purchase Cost Adjustment ("PPCA") process in Case No. NEPR-MI-2020-0001, *In re: Puerto Rico Electric Power Authority Permanent Rate* ("Permanent Rate Docket"), commencing with the submittal of

costs incurred and forecasted for Q4 of FY 2025 and the first quarter ("Q1") of FY2026 in the upcoming PPCA filing, subject to later reconciliation based on actual expenditures.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned; **accept** *Exhibit 1* herein in compliance with the Energy Bureau's Resolution and Order of April 30, 2025; and **approve** (a) the Emergency Load Reduction Program, as described in *Exhibit 1*, (b) this program's budget of $8,875,000 covering Q4 of FY2025 and all of FY2026, and (c) the submittal of the costs of the Emergency Load Reduction Program for recovery as part of the quarterly Power Purchase Cost Adjustment ("PPCA") process in Case No. NEPR-MI-2020-0001, *In re: Puerto Rico Electric Power Authority Permanent Rate* ("Permanent Rate Docket"), commencing with the submittal of costs incurred and forecasted for Q4 of FY 2025 and Q1 of FY2026 in the upcoming PPCA filing, subject to later reconciliation based on actual expenditures.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 21st day of May 2025.

We hereby certify that we filed this Motion using the electronic filing system of this Energy Bureau and that we will send an electronic copy of this Motion the Independent Office for Consumer Protection at hrivera@jrsp.pr.gov; PREPA at arivera@gmlex.net; and mvalle@gmlex.net; and agraitfe@agraitlawpr.com; info@sesapr.org; bfrench@veic.org evand@sunrun.com, jordgraham@tesla.com, forest@cleanenergy.org, customerservice@sunnova.com, javrua@sesapr.org, pjcleanenergy@gmail.com, cfl@mcpr.com; mqs@mcvpr.com; and mrios@arroyorioslaw.com.

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Exhibit 1

ELRP Proposal

LUMA

Emergency Load Reduction Program Proposal

May 21, 2025

Content

Use of Backup Generators for Demand Response under Demand Response Regulation

- Emergency DR events, as defined for the Emergency Load Reduction Program, are conditions of actual or imminent system generation shortfall when demand on the electric grid is expected to exceed the generation capacity, which occur during the period from May 1, 2025, through October 31, 2025.
- On April 2, 2025, the Governor of Puerto Rico, Honorable Jenniffer González Colón issued Executive Order OE-2025-016 declaring an emergency state of the energy system, including the transmission and distribution, generation and other energy infrastructure and emphasizing, among others, the need to authorize temporary generation in the short term, as well as other generation supply needs during this critical juncture.
- The Regulation for Demand Response section 1.09 defines "Emergency Situations" as "events such as blackout for periods longer than 24 hours...as well as any other event that has been declared an emergency situation by the Governor of Puerto Rico, through an Executive Order". Furthermore, the regulation provides that "backup generators may be used only in DR programs that call for dispatch only in power supply or grid contingency situations in which customers would lose electric service without the use of such resources". Section 3.01(G).
- LUMA projects system-wide summer peak demand to reach 2,900 to 3,200 MW, with available generation capacity likely under 2,700 MW. Reserve margins are expected to remain under 400 MW for a significant portion of July and August, with higher stress during extreme heat events. Without meaningful additions to the generation supply, during the period of May 1, 2025, until October 31, 2025, LUMA forecasts that, there will be approximately ninety-three (93) generation shortfall events requiring load shed. This marks a threefold increase over the prior year. If Puerto Rico is impacted by a Category 3 hurricane, an extended summer heatwave or a 1-month heatwave occurs, which would increase generation demand, or there is the loss of a baseload plant, the number of generation shortfall events would increase by approximately thirty (30). This means that there would be generation shortfalls between three (3) to seven (7) days a week (that is, daily, in exacerbating circumstances). The shortfall generally coincides with peak demand hours (typically 5:00 p.m. to 11:00 p.m.), with many days in July forecasted to have zero or negative reserve conditions that will trigger mandatory load shed.
- The use of the backup generators in the ELRP during Emergency DR Events may prevent load shedding events that could result in impacts to a significant number of customers. LUMA's estimates indicate that every 1.5 MW of backup generation deployed during an Emergency DR Event would reduce the number of customers impacted by a load shed event by one thousand. The ELRP fits squarely within the provisions of the DR regulation providing with an effective mechanism to address the projected FY25 generation shortfall.

Program Description

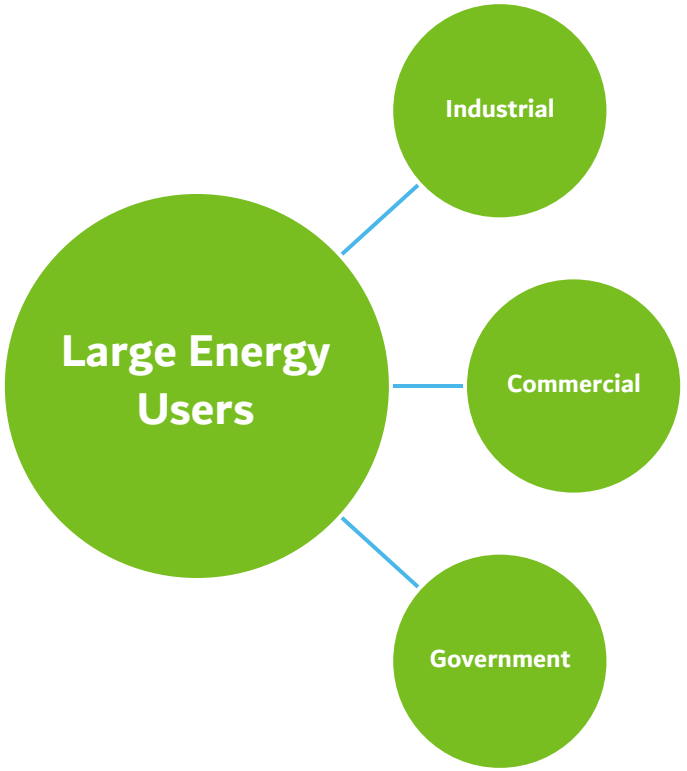
- The Emergency Load Reduction Program (ELRP) will be launched with the goal of enrolling 50 MW of load reduction capacity by the start of FY26.
- Through this program, customers would be compensated for temporarily reducing their load demand from the grid by shifting it to backup generators and/or other generation resources in response to an emergency demand response (DR) event.
- How it would work:
  - Customer determines available load (MW) that can be committed.
  - LUMA and Customer review and sign a participation agreement.
  - Customer begins receiving event notifications.
  - LUMA verifies customer participation through meter data and/or generator or other resource runtime documentation.
  - Bill credits will appear on the customer bill on a quarterly basis.
- Participants in ELRP will be paid quarterly:
  - A monthly capacity payment of per kW of load reduction.
  - An incentive of per kWh of actual load reduction during events.
- Participants must commit firm load reduction available during the hours of 5-11 PM, seven days a week during the established peak season period.

Eligible Customers

- Eligible customers are customers with:
  - The ability to commit to a firm amount of load reduction during each LUMA emergency DR event notification.
  - At least 1MW of peak demand.
  - Current air permits in good standing from DRNA and EPA.

- LUMA is targeting Puerto Rico's Top 100 largest energy-users for recruitment which are mostly industrial and commercial customers along with any eligible federal and commonwealth government customers.

- LUMA has also engaged a small number of entities who have a large portfolio of individual sites (e.g. commercial buildings, stores) on the island which, in the aggregate, account for significant energy load reduction potential.



Incentive Strategy

- The incentive structure, informed by similar programs across North America is designed to reinforce customer firm load commitment by paying customers a monthly capacity payment per kW of load reduction commitment, and a per kWh incentive of load reduction during emergency DR events.
- The proposed incentives for the 2025 ELRP are:
  - $6.00 per kW of firm load commitment.
  - $0.25 per kWh of load reduction during emergency DR events.
- The incentives amounts were designed by both speaking with potential participants as well as doing a bottom-up analysis of typical annual operation and maintenance (O&M) costs, such as fuel costs, labor, materials, inspections, repairs, and other maintenance tasks related to backup generators to develop a cost-per-event depending on generator output.
- Incentives are designed to cover 100% of O&M costs, plus a margin to account for potential variable costs, such as fuel, which could be subject to market forces to remain viable economically for participants.
- These incentives were also compared to similar market jurisdictions, such as Hawaii, which pays $5-10 monthly per kW of firm load commitment, and $0.50 per kWh of load reduction during events.

Firm Commitment
$6.00/kW Monthly

Event Performance
$0.25/kWh

Enrollment Process

Participation Agreement

Firm Load Reduction Commitment

- To enroll in the program, eligible customers will be required to sign a program participation agreement with LUMA and to work with LUMA to develop and finalize a Firm Load Reduction Commitment plan.
- The Firm Load Reduction Commitment (FLRC) is the amount of electricity demand a customer determines it can comfortably reduce while still meeting its operational requirements during an event. When LUMA initiates an emergency event, the customer commits to reduce their electrical usage by the specified FLRC within the chosen notification time.
- The Firm Load Reduction Commitment plan will also document:
  - Backup generator information.
  - Emergency DR Event points of contact and communication methods for receiving event dispatch instructions.
  - Event participation verification data requirements tailored to each customer.
  - Any additional on-site energy generation and storage; or load reduction which could be part of current or future demand response programs.

Event Process

Event Notification

- As a participant in the program, customers will be notified in advance of an anticipated Emergency DR Event. Notification methods may include pre-notification via SMS, email and/or phone call will be made one day ahead and/or at least 6 hours prior to scheduled event. A last notification will be sent via SMS, email and/or phone call to the Customer no less than 30 minutes before the event.

Customer Confirmation

- Upon receipt of LUMA event notification, the customer must acknowledge receipt of LUMA's event notification and reply in writing via SMS or email within at least 15 minutes to confirm participation. Lack of response by a customer does not impact overall event dispatch strategy.

Customer Execution

- Participating customers will shift or reduce their electric load from the electrical grid by the Firm Load Reduction Commitment amount within 30-minutes of the time indicated in the corresponding event notification.

Event Termination

- A similar process would be followed for termination of the Emergency DR event. The customer will be notified in advance of the expected time of termination of the event via SMS, email and/or phone call which must be acknowledged and confirmed via customer reply. The customer will shift back or increase its load on the grid within 30-minutes of the designated time indicated in the corresponding event termination notification.

Participation Verification: Generator Runtime Documentation

- For customers without interval meters, customers will need to submit to LUMA monthly documentation of event participation which may include generator log records, generator control panel data, and real-time monitoring systems, or others.

Generator Runtime Log Report

Generator ID: GEN-1500-PR-01
Location: San Juan, Puerto Rico
Date: August 1, 2025
Rated Capacity: 1500 kW
Fuel Type: Diesel
Operator: Company A

Time Interval	Runtime Status	Power Output (	Fuel Consumpti	Total Fuel Used	Load %	Notes
17:00–18:00	Running	1000	75	75	67%	Steady operation
18:00–19:00	Running	1000	75	75	67%	Load holding steady
19:00–20:00	Running	1000	75	75	67%	No significant change
20:00–21:00	Running	1000	75	75	67%	Evening demand sustained
21:00–22:00	Running	1000	75	75	67%	Operations normal
22:00–23:00	Running	1000	75	75	67%	Preparing for shutdown

Total Runtime: 6 hours
Total Energy Generated: 6,000 kWh
Total Fuel Used: 450 gallons
Average Load: 67%

1 MW Load Reduction Commitment: Verified for 8/1/2025 Emergency DR Event 5-11pm

Participation Verification: Interval Meter Data

Calendar Date	Weekday	Hour	Meter Number	kW consumption
8/1/2025	Thursday	1	EMXXXXXX	1354
8/1/2025	Thursday	2	EMXXXXXX	1347
8/1/2025	Thursday	3	EMXXXXXX	1347
8/1/2025	Thursday	4	EMXXXXXX	1345
8/1/2025	Thursday	5	EMXXXXXX	1332
8/1/2025	Thursday	6	EMXXXXXX	1351
8/1/2025	Thursday	7	EMXXXXXX	1368
8/1/2025	Thursday	8	EMXXXXXX	1399
8/1/2025	Thursday	9	EMXXXXXX	1374
8/1/2025	Thursday	10	EMXXXXXX	1403
8/1/2025	Thursday	11	EMXXXXXX	1325
8/1/2025	Thursday	12	EMXXXXXX	1219
8/1/2025	Thursday	13	EMXXXXXX	1302
8/1/2025	Thursday	14	EMXXXXXX	1393
8/1/2025	Thursday	15	EMXXXXXX	1329
8/1/2025	Thursday	16	EMXXXXXX	1488
8/1/2025	Thursday	17	EMXXXXXX	441
8/1/2025	Thursday	18	EMXXXXXX	496
8/1/2025	Thursday	19	EMXXXXXX	561
8/1/2025	Thursday	20	EMXXXXXX	509
8/1/2025	Thursday	21	EMXXXXXX	467
8/1/2025	Thursday	22	EMXXXXXX	516
8/1/2025	Thursday	23	EMXXXXXX	1501
8/1/2025	Thursday	24	EMXXXXXX	1444

- For Customers with interval meters, meter data will show decreased hourly kW energy consumption during emergency DR events.

1 MW Load Reduction Commitment: Verified for 8/1/2025 Emergency DR Event 5-11pm

Non-Participation in Events

Customer Advance Notice Required

Non-Participation may result in reduction of payment or removal from the program

Customers participating in the ELRP will be compensated for a firm load reduction commitment for all emergency DR events from May 1 (or program start if later) to October 31, 2025.

In the event the customer is unable to meet their load reduction commitment, customer must provide LUMA with immediate notification of the issue. This notification should include the following:

- An explanation for why customers will not be able to respond.
- The start date and end date of customer's inability to fully respond.
- The load impact (MW) of any reduction in the ability to interrupt.

Customers will not receive event participation incentives ($0.25 per kWh) for events in which they do not participate.

If a customer fails to respond to more than three (3) Emergency DR Event Requests without advance notice as required above, the customers monthly capacity payment will be reduced or eliminated. A customer's continued nonparticipation will result in removal from the program.

Program Cost Structure

The estimated peak demand reduction capacity for the summer peak period that runs from May 1 to October 31, 2025, is 50MW based on demand analysis and initial expressions of interest from large customers, with the estimated program start date of June. There is potential for the program to grow to larger that 50MW of load reduction capacity.

Quarterly PPCA forecasts for the ELRP would reflect committed load reduction capacity of customers with signed participation agreements, as well as expected additional capacity from customers in the advanced stages of program enrollment. Of note, the costs associated for this resource are reflective of the situational peak demand and lack of availability of traditional supply during grid emergencies; while more costly than blue sky base load generation resources – the costs reflects the nature and need for the resource as a last resort for generation availability.

The following table contains the proposed budget, broken down by inputs, assumptions, and categories, for the ELRP covering Q4 of FY2025 and all of FY2026 (during the months of duration of the program).

	Inputs and Assumptions	Value	Calculations
A	Total Firm Load Reduction Capacity per Event (kW)	50,000	
B	Average Event Duration (Hours)	5.5	
C	Estimated Events (#)	75	
D	Monthly Capacity Payment ($/kW)	$6	
E	Event Participation Incentive ($/kWh)	$0.25	
	June 1 to October 31, 2025, Budget		
F	Total Energy Capacity Payments ($/yr)		$1,500,000
G	Total Event Participation Payments ($/yr)		$5,156,250
H	LUMA Administrative Costs ($/yr)		$2,218,750
I	**Total Program Costs: May 1 to October 31, 2025**		**$8,875,000***

Payment Process

- Payments to customers for participation in the ELRP will be issued quarterly as bill credits based on event participation documentation.

- For monthly capacity payments:
  - LUMA will issue payment according to the capacity outlined in the customer Firm Load Reduction Commitment.

- For event participation incentives:
  - For customers without interval meters, customers will need to submit to LUMA monthly documentation of event participation to calculate incentive payments.

  - For Customers with interval meters, no additional reporting is required. LUMA will calculate payments using meter data as compared to baseline energy consumption.

Anticipated Timeline

Great progress has been made in developing the ELRP with only two critical milestones remaining before the customers can sign participation agreements to be enrolled in the program.

	Milestone	Target Date*	May	June
1	Air Permitting Determinations from EPA/DNRA	TBD by Agency		
2	Energy Bureau Approval of proposal and budget	May 30		
3	LUMA Begin Finalizing Program Agreements	June 1 - 15		
4	Initial customer agreements signed and program ready for events.	June 15		

*The target dates illustrated above may change as milestones are delayed because of strategic decisions or agency determination.

Requests for Approval

- LUMA is seeking the Energy Bureau's approval for the Emergency Load Reduction Program (ELRP) developed by LUMA as per the Resolution and Order of the Energy Bureau of October 23, 2024.

- LUMA is seeking approval from the Energy Bureau of the proposed budget for the ELRP and of the submittal of the costs of the ELRP for recovery as part of the Purchased Power Charge Adjustment (PPCA) process commencing with the submittal of the costs incurred and the forecasted for Q4 FY2025 and Q1 FY2026 in the PPCA filing subject to later reconciliation based on actual expenditures.

- LUMA is also seeking Energy Bureau approval to grow the program beyond 50MW if there is interest by customers.


La gente primero.
La seguridad siempre.
LUMA