

**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: Approval of LUMA's Customer
Battery Energy Sharing Program and
Amended Reporting Requirements.

RESOLUTION AND ORDER

I. Procedural Background

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") 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.

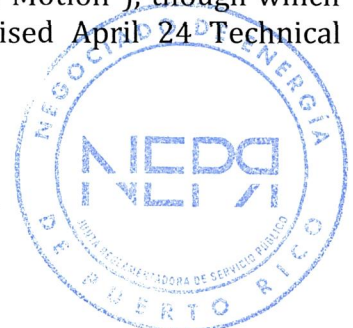
On April 3, 2025, the Energy Bureau issued a Resolution and Order ("April 3 Resolution") through which the Energy Bureau extended the TPP until June 30, 2026; modified the first three-year plan to cover two years, from July 1, 2026 through June 30, 2028 ("2026-2028 EE and DR Plan"); partially approved LUMA's permanent 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+").

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"), though 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").



On May 19, 2025, three stakeholders submitted comments regarding the CBES+ proposal: Solar United Neighbors (“SUN”), the Puerto Rico Solar Energy Industries Association DBA Solar And Energy Storage Association of Puerto Rico (“SESA”), and joint comments from Sunrun, Tesla, and Sunnova (jointly “the Aggregators”). SESA and SUN filed motions in support of LUMA’s CBES+ proposal and requested the rapid approval of the program and that the Energy Bureau consider the CBES+ program a permanent program. SESA made several recommendations regarding the CBES+ program, including that auto-enrolled customers remain enrolled until they voluntarily unenroll. SESA also states that implementation of a DERMS platform should not delay the expansion of the CBES program and recommends there be no formal minimum number of events and no cap on the number of customers who can enroll. Finally, SESA emphasizes the importance of maintaining the customer choice aspects of the CBES program, including customer flexibility in setting reserve levels, opting out of events, and unenrollment. SUN articulated its support of SESA’s requests. SESA also suggests that LUMA report results regarding the ability of the CBES program to keep reserves above 200 MW. The Aggregators support the expansion of the CBES program with auto-enrollment and provided several program recommendations. These recommendations include:

- The Energy Bureau should establish goals and corresponding metrics for the CBES program, such as program enrollment targets; the number, duration, and cause of load shed events; the program cost and avoided cost; the extent of load shed mitigation from the CBES program; and the capacity and energy provided by CBES participants.
- The Energy Bureau should clarify that customers can choose to provide a different amount of capacity than the 20% default selected by their aggregator.
- Aggregators, not LUMA, should control when customers are unenrolled due to non-participation.
- The Energy Bureau should allow all customers to remain enrolled after October 31, 2025, and past the end of FY2026.
- The Energy Bureau should clarify how the budgets for the baseline CBES program and the CBES+ expansion are related.
- If a DERMS is approved, aggregators and LUMA should have the flexibility to use non-DERMS methods in order to accomplish the goals and timeline of the program.
- LUMA should provide a weekly dispatch forecast.
- LUMA communicate weekend events on Fridays until the DERMS is functional.

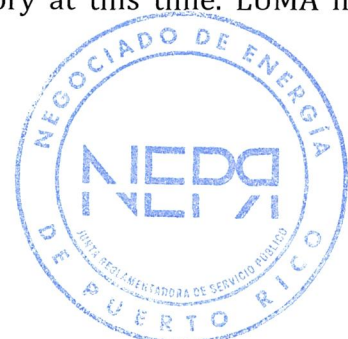
On May 20, 2025, the Energy Bureau issued a Resolution and Order (“May 20 Order”) conditionally approving LUMA’s CBES+ proposal, and the remaining unapproved portions of the permanent CBES proposal, subject to the fulfillment of responses to a set of requirements of information on or before May 27, 2025.

On May 27, 2025, LUMA submitted a Moton to Submit Responses to Requirements of Information Regarding CBES+ Proposal in Compliance with Resolution and order of May 20, 2025, and Request for Confidential Treatment.

II. Discussion

The Energy Bureau has acknowledged that the summer period of this year will be a very challenging period for resource adequacy in Puerto Rico. Load shed events may be common. The Energy Bureau is taking numerous actions, along with LUMA and Genera, to mitigate these issues to the extent possible. Expansion of the CBES program is one part of this mitigation strategy, and the Energy Bureau encourages all eligible customers to contribute energy from their batteries to keep power on for others.

LUMA’s responses to the Energy Bureau’s ROIs are satisfactory at this time. LUMA has therefore met the requirements of the May 20 Order.



Therefore, the Energy Bureau hereby **APPROVES** LUMA's CBES+ proposal for Scenario B, and the remaining unapproved portions of LUMA's permanent CBES proposal, including the implementation of a DERMS platform.

The Energy Bureau appreciates the thoughtful comments provided by stakeholders. The stakeholder comments from SESA, SUN, and the Aggregators make important points regarding some aspects of CBES program design and reporting. In this Resolution and Order, the Energy Bureau clarifies certain operational and reporting requirements for the CBES program.

The approved plan (based on "Scenario B" for CBES+) has a projected budget of approximately \$21 million, which includes the amount previously proposed for the baseline CBES program. LUMA's regular reporting, detailed below, will allow the Energy Bureau to track program costs. LUMA **SHALL NOT** cease or curtail dispatch of the CBES batteries during grid emergency situations, nor artificially limit the size of the CBES program in a fashion that would result in avoidable outages for non-participating customers, due to lack of budgeted funds. LUMA also **SHALL NOT** allow the procurement and initialization process for a DERMS system to delay or defer the expansion and use of the CBES resource.

Several of the issues raised by stakeholders that differ from LUMA's proposal need not be addressed at this time because they relate to issues, such as minimum dispatch, unenrollment and non-performance, that will not be ripe until after the summer. At a later date 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, and address the minimum number of dispatch events and the appropriate process for un-enrollment for non-performance. The Energy Bureau urges LUMA, all aggregators, and other stakeholders to work together to resolve any outstanding concerns regarding weekly dispatch plans, the process for weekend dispatch, and payment cadence, while being mindful of customer acceptance and efficient program operations.

The Energy Bureau has identified the need to revise the reporting requirements established in the May 20 Order. The Energy Bureau **ORDERS** LUMA to submit monthly status reports on the CBES+ program for the summer 2025 season (June 1, 2025 - October 31, 2025). LUMA **SHALL** file monthly reports on or before the 20th day of the following month, starting in July 2025 (covering June 2025). As stated in the May 20 Order, the reports must include:


- total program costs to date - broken out by incentive and administrative costs,
- number of participants enrolled - broken-out by auto-enrolled and opt-in,
- number of events called,
- average event duration,
- average event participation rate,
- average battery reserve level,
- total enrolled nameplate capacity,
- total enrolled nameplate energy,
- average event length,
- average total capacity per event, and
- average total energy per event.


Additionally, if LUMA expects to exceed its planned budget of \$21M, it must notify the Energy Bureau in the monthly report and include supporting assumptions.

As stated in the May 20 Order, 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. Additionally, this table shall include the reserve level at the time of dispatch, the duration and capacity of any load shed event on the same day, and whether the CBES resource avoided the need for a load shed event.

Be it notified and published.




Lillian Mateo Santos
Associate Commissioner


Sylvia B. Ugarte Araujo
Associate Commissioner


Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on May 29, 2025. Chairman Edison Avilés Deliz and Associate Commissioner Ferdinand A. Ramos Soegaard did not intervene. I also certify that on May 29, 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, hrivera@jrsp.pr.gov; javruea@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 on May 29, 2025, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

I sign this in San Juan, Puerto Rico, on May 29, 2025.


Sonia Seda Gaztambide
Clerk

