

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

**NEPR**

**Received:**

**May 27, 2025**

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**IN RE:**

ENERGY EFFICIENCY AND DEMAND  
RESPONSE TRANSITION PERIOD PLAN

**CASE NO.: NEPR-MI-2022-0001**

**SUBJECT:** Responses to Requirement of  
Information Regarding CBES+ Proposal  
in Compliance with Resolution and Order of  
May 20, 2025, and Request for Confidential  
Treatment

**MOTION TO SUBMIT RESPONSES TO REQUIREMENT OF INFORMATION  
REGARDING CBES+ PROPOSAL IN COMPLIANCE WITH RESOLUTION AND  
ORDER OF MAY 20, 2025, AND REQUEST FOR CONFIDENTIAL TREATMENT**

**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 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 of the Public Service Regulatory Board (“Energy Bureau”). LUMA has been implementing a Transition Period Plan, containing various quick-start or pilot EE and DR programs (“TPP”), which sets the stage for the design and implementation of larger scale, more permanent programs. The TPP includes a pilot battery DR program (called “Customer Battery Energy Sharing” (“CBES”) designed to leverage customer battery storage systems to increase the supply of energy available to the electric grid during peak demand periods, to improve day-to-day service reliability and minimize the impact of load shedding.

In compliance with Energy Bureau directives, on January 31, 2025, LUMA filed with the Energy Bureau a proposed permanent version of the CBES program. By Resolution and Order of April 3, 2025, the Energy Bureau extended the TPP (which implementation was set to end on June 30, 2025) until June 30, 2026 and partially approved the permanent CBES proposal, while leaving certain aspects of this program pending further evaluation. During a Technical Conference held on April 24, 2025, LUMA discussed the proposed permanent CBES program and a CBES Emergency Expansion Program (referred to as “CBES+”) to increase available capacity under the CBES program during the period from May 31, 2025, through October 31, 2025, to address the projected generation shortfall during that period.

As directed by the Energy Bureau in a Resolution and Order of April 30, 2025, on May 8, 2025, LUMA filed with the Energy Bureau the formal proposal for the CBES+ and requested the Energy Bureau to approve this proposal and reiterated its request for approval of the totality of the permanent CBES.

By Resolution and Order of May 20, 2025, the Energy Bureau approved the remaining unapproved portions of the permanent CBES proposal and conditionally approved the CBES+ proposal as requested by LUMA, subject to the fulfillment of responses to a requirement for information included therein, on or before May 27, 2025. In compliance with that order, LUMA is submitting with this Motion its responses to the Energy Bureau’s requirement for information.

## **II. Relevant Background and Procedural History**

1. On October 23, 2024, the Energy Bureau issued a Resolution and Order (“October 23<sup>rd</sup> Resolution and Order”) in which it determined, among others, to extend the current TPP<sup>1</sup>

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<sup>1</sup> 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

(scheduled to expire on June 30, 2025) by an additional six months and ordered LUMA to file a revised TPP (“Revised TPP”) and a proposed form of a permanent CBES program to be implemented in June 2025. *See* October 23<sup>rd</sup> Resolution and Order, pp. 3-5. *See id.*

2. On January 31, 2025, LUMA filed with the Energy Bureau the proposed permanent CBES (“Permanent CBES Program”) and a Revised TPP.<sup>2</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 and 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.*

3. On April 3, 2025, the Energy Bureau issued a Resolution and Order (“April 3<sup>rd</sup> Resolution and Order”) partially approving, among others, the Permanent CBES Program proposal for three years with respect to “all 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)” and indicating that it would address the “necessary changes” to the CBES based on stakeholder comments and the discussion at a Technical Conference scheduled for April 24, 2025. *See* April 3<sup>rd</sup> Resolution and Order, p. 2.

4. On April 24, 2025, the Energy Bureau held a Technical Conference (“April 24<sup>th</sup> Technical Conference”), in which LUMA presented, among others, the permanent CBES proposal

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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.

<sup>2</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.

and a proposal to expand the CBES program for summer 2025, referred to as the “CBES Emergency Expansion” or “CBES +”.

5. On April 30, 2025, the Energy Bureau issued a Resolution and Order (“April 30<sup>th</sup> Order”) ordering LUMA to submit, among others, its detailed proposal for the CBES+ and address certain topics or questions set forth therein. *See* April 30<sup>th</sup> Resolution and Order, p. 2.

6. In compliance with the April 30<sup>th</sup> Order, on May 8, 2025, LUMA submitted to the Energy Bureau its detailed proposal for the CBES+, containing the information required by the Energy Bureau (“CBES+ Proposal”). *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* (“May 8<sup>th</sup> Motion”) and its Exhibit 1. LUMA explained that the CBES+ proposed 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. *See id.*, p. 8. LUMA emphasized that the CBES+ necessitated the use of the Grid-Edge Distributed Energy Resource Management System (“DERMS”) platform for safe, reliable, and optimized dispatch of the CBES resources, minimizing manual errors and system risks. *See id.*

7. In the CBES+ Proposal, LUMA described three potential implementation scenarios for the CBES+, referred to as Scenarios A, B and C, and proposed the implementation of Scenario B which provides for the continuation of the CBES+ beyond October 31, 2025, maintaining the full fleet of customers enrolled for CBES+ for the rest of Fiscal Year (“FY”) 2026 with limited discharge of all batteries to meet resource needs. *See id.*, p. 9. LUMA proposed a total budget for Scenario B of \$21.18 million, including the FY2026 budget for the Permanent CBES Program. *See id.* Accordingly, LUMA requested the Energy Bureau approve the CBES+ Proposal, and its

Scenario B, and its associated budget, which LUMA explained includes the costs of the permanent CBES program. *See id.*, p. 9. In addition, LUMA requested that the Energy Bureau approve the submittal of the costs of the CBES+ 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”) subject to later reconciliation based on actual expenditures. *See id.*, pp. 9-10. Furthermore, LUMA explained that the CBES+ builds upon the permanent CBES and requested the approval of the permanent CBES program in its totality and its associated budget, as well as the submittal of its costs for recovery as part of the quarterly PPCA process in the Permanent Rate Docket subject to later reconciliation based on actual expenditures. *See id.*, p. 10.

8. On May 20, 2025, the Energy Bureau issued a Resolution and Order (“May 20<sup>th</sup> Order”) conditionally approving the CBES+ proposal for Scenario B and the remaining unapproved portions of the permanent CBES proposal, “subject to the fulfillment” of responses to a Requirement of Information (“ROI”) included in Attachment A” of the May 20<sup>th</sup> Resolution and Order on or before May 27, 2025. *See* May 20<sup>th</sup> Order, p. 2. The ROI requires LUMA to provide the following information (where “Exhibit 1” refers to the Exhibit 1 to the May 8<sup>th</sup> Motion):

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?

*See id.*, Attachment A.

9. The Energy Bureau also directed LUMA to submit monthly status reports on the CBES+ during the period from June to October 2025 containing the information specified in the May 20<sup>th</sup> Order. *See id.*, p. 2.

### **III. Submittal of Responses to ROI in Compliance with May 20<sup>th</sup> Order**

10. In compliance with the May 20<sup>th</sup> Order, LUMA submits herein its responses to the ROI. *See Exhibit 1*.

11. *Exhibit 1* herein contains validated trade secret information under applicable laws and regulations, including the Energy Bureau's Policy on Management of Confidential Information, CEPR-MI-2016-0009, issued on August 31, 2016, as amended on September 21, 2016 ("Policy on Confidential Information"). Therefore, LUMA is submitting *Exhibit 1* under seal of confidentiality and respectfully requests the Energy Bureau to keep *Exhibit 1* confidential. As per the Policy on Confidential Information, LUMA is including below a Memorandum of Law in support of this request for confidential treatment.

### **IV. Memorandum of Law In Support of Confidential Treatment of Exhibit 1.**

***A. Applicable Laws and Regulation to submit information confidentially before the Energy Bureau.***

***1. General Framework***

12. Section 6.15 of Act 57-2014 regulates the management of confidential information filed before this Energy Bureau. It provides, in pertinent part, that: “[i]f any person who is required to submit information to the Energy [Bureau] believes that the information to be submitted has any confidentiality privilege, such person may request the Commission to treat such information as such [...]” 22 LPRA §1054n. If the Energy Bureau determines, after appropriate evaluation, that the information should be protected, “it shall grant such protection in a manner that least affects the public interest, transparency, and the rights of the parties involved in the administrative procedure in which the allegedly confidential document is submitted.” *Id.* Section 6.15 (a).

13. In connection with the duties of electric power service companies, Section 1.10 (i) of Act 17-2019 provides that electric power service companies shall submit information requested by customers, except for: (i) confidential information in accordance with the Rules of Evidence of Puerto Rico. 22 LPRA §1141i.

14. Access to the confidential information shall be provided “only to the lawyers and external consultants involved in the administrative process after the execution of a confidentiality agreement.” *Id.* Section 6.15(b), 22 LPRA §1054n. Finally, Act 57-2014 provides that this Energy Bureau “shall keep the documents submitted for its consideration out of public reach only in exceptional cases. In these cases, the information shall be duly safeguarded and delivered exclusively to the personnel of the [Energy Bureau] who need to know such information under nondisclosure agreements. However, the [Energy Bureau] shall direct that a non-confidential copy be furnished for public review.” *Id.* Section 6.15(c).

15. The Energy Bureau's Policy on Confidential Information details the procedures that a party should follow to request that a document or portion thereof be afforded confidential treatment. In essence, the Policy on Confidential Information requires identification of the confidential information and the filing of a memorandum of law explaining the legal basis and support for a request to file information confidentially. *See* CEPR-MI-2016-0009, Section A, as amended by the Resolution of September 16, 2016, CEPR-MI-2016-0009. The memorandum should also include a table that identifies the confidential information, a summary of the legal basis for the confidential designation and a summary of the reasons why each claim or designation conforms to the applicable legal basis of confidentiality. *Id.* paragraph 3. The party who seeks confidential treatment of information filed with the Energy Bureau must also file both a "redacted" or "public version" and an "unredacted" or "confidential" version of the document that contains confidential information. *Id.* paragraph 6.

16. The Energy Bureau's Policy on Confidential Information also states the following with regards to access to Validated Confidential Information on the ground of being trade secret information:

Any document designated by the [Energy Bureau] as Validated Confidential Information because it is a trade secret under Act 80-2011 may only be accessed by the Producing Party and the [Bureau], unless otherwise set forth by the [Bureau] or any competent court.

*Id.* Section D (on Access to Validated Confidential Information).

17. Relatedly, Regulation 8543 includes a provision for filing confidential information in adjudicatory proceedings before this Honorable Energy Bureau. To wit, Section 1.15 provides that, "a person has the duty to disclose information to the [Energy Bureau] considered to be privileged pursuant to the Rules of Evidence, said person shall identify the allegedly privileged information, request the [Energy Bureau] the protection of said information, and provide

supportive arguments, in writing, for a claim of information of privileged nature. The [Energy Bureau] shall evaluate the petition and, if it understands [that] the material merits protection, proceed accordingly to [. . .] Article 6.15 of Act No. 57-2014, as amended.”

## ***2. Commercially Sensitive Confidential Information.***

18. The Puerto Rico legal system recognizes and protects the confidentiality of certain information considered to be privileged. In part, privileged materials are exclusively referred to as the privileges codified in the Rules of Evidence. *E.L.A v. Casta*, 162 DPR 1, 10 (2004). One of these recognized privileges is a company’s Trade Secrets:

The owner of a trade secret has a privilege, which may be claimed by such person or by his or her agent or employee, to refuse to disclose and to prevent another from disclosing it, if the allowance of the privilege will not tend to conceal fraud or otherwise work injustice. If disclosure is directed, the court shall take such protective measures as the interest of the owner of a trade secret and of the parties and the interests of justice require.

*See* R. Evid. 513, 32 LPRA Ap. IV, R. 513 (2024).

19. In essence, this privilege “protects confidential commercial information” and is “based on public policy considerations aimed at promoting innovation, commercial production and business operation improvement, which in turn contributes to economic and technological development”. (translation provided). *Colón Rivera v. Triple-S Salud, Inc.*, 2020 WL 8458051, page. \*7 (Puerto Rico Court of Appeals, December 22, 2020).

20. The Puerto Rico Trade and Industrial Secrets Protection Act - Act. No. 80 of June 3, 2011, as amended, 10 LPRA § 4131 (2024) (“Act 80-2011”) considers a trade secret any information that:

- (a) From which an independent economic value, whether current value or potential value, or a commercial advantage is derived because such information is not commonly known or accessible by

appropriate means to those persons who may derive pecuniary benefit from the use or disclosure of such information, and

- (b) which has been subject to reasonable security measures, under the circumstances, to maintain its confidentiality.

10 LPRA § 4132 (translation provided).

21. Act 80-2011 considers reasonable security measures as those taken by the owner to limit access to information under particular circumstances. 10 LPRA § 4133. The following are considered reasonable measures, among others:

- (a) Not disclose the information to individuals or entities not authorized to have access to it;
- (b) limit the number of people authorized to access the information;
- (c) require employees of the company authorized to access the information to sign confidentiality agreements;
- (d) store the information in a separate place from any other information;
- (e) label the information as confidential;
- (f) take measures to prevent indiscriminate reproduction of the information;
- (g) establish control measures for the use or access of the information by employees, or
- (h) implement available technological measures when publishing or transmitting the information through the Internet, including the use of email, webpages, discussion forums and any other equivalent means.

*Id.* (translation provided).

22. Article 11(c) of Act 80-2011 establishes that, before ordering any production of a commercial trade secret, it should be determined whether there is a substantial need for the information. (Our translation). 10 LPRA § 4139(c). Puerto Rico Courts in adversarial cases have interpreted a “substantial need” when the following four (4) conditions are present:

- (1) The allegations raised for the purpose of establishing the existence or absence of liability have been specifically raised;
- (2) the information sought to be discovered is directly relevant to the allegations specifically raised;

- (3) the information sought to be discovered is such that the party seeking discovery would be substantially prejudiced if not permitted access to it; and
- (4) there is a good faith belief that testimony or evidence derived from the information that is part of the trade secret will be admissible at trial.

*Ponce Adv. Med. v. Santiago González*, 197 DPR 891, 905 (2017) (translation provided).

***B. Request for Confidentiality***

23. LUMA respectfully submits that *Exhibit 1* contains information that should be classified as commercially sensitive information protected under Puerto Rico's trade secret law and the Energy Bureau's Policy on Confidential Information.

24. *Exhibit 1* contains in its Attachment 1 a Microsoft Excel worksheet with cost calculations related to the budget for the CBES+ for Scenarios A, B and C. The cost structure presented includes detailed financial data and assumptions that were developed specifically to address LUMA's operational needs and planning strategies. Disclosing this information publicly could expose sensitive cost modeling approaches and proprietary assumptions, which may give third parties or competitors an unfair advantage in future commercial, regulatory, or procurement activities. Therefore, this information should remain confidential as sensitive commercial information in order to protect LUMA's competitive edge in the implementation of the CBES+ and other programs, so as to ensure the most favorable pricing and terms are maintained- which is to the benefit of ratepayers.

25. In addition, response to ROI Number 3 provides LUMA's expected DERMS costs by type of cost (one- time set up fee, annual platform fee, and per device fee) and expected costs for FY26, FY27, and FY28, with stated assumptions regarding the number of devices each year. The information relating to the estimated DERMS cost structure and fees is commercially sensitive. This pricing is developed and negotiated by LUMA with third parties based on LUMA's

grid needs and constraints during the summer. Publishing and revealing this pricing could allow competitors to gain unfair insights into the existing DERMS pricing strategy. Protection of this information from disclosure safeguards LUMA's competitive edge in the implementation of the CBES+ and other programs so as to ensure the most favorable pricing and terms are maintained- which is to the benefit of ratepayers.

26. The mentioned confidential information included in *Exhibit 1* is categorized and managed by LUMA as confidential. LUMA has not disclosed this information to third parties outside the organization (other than consultants and counsel bound to maintain it confidentially) and, as a policy, does not disclose this type of information.

27. Maintaining the confidentiality of *Exhibit 1* does not adversely affect the public interest. On the contrary, as mentioned, it protects the public interest in reducing electricity costs, as well as achieving a more successful CBES+ program which will lead to system reliability benefits.

#### **IV. Identification of Confidential Information.**

28. In compliance with the Bureau's Policy on Confidential Information, following is a table summarizing the hallmarks of this request for confidential treatment:

<b>Document</b>	<b>Page/Portion</b>	<b>Description</b>	<b>Summary of Legal Basis for Confidential Protection</b>	<b>Date Filed</b>
Exhibit 1	Page 4: Response to ROI # 3, all numerical figures	Information on expected DERMS costs by type of cost (one- time set up fee, annual platform fee, and per device fee) and expected costs for FY26, FY27, and FY28, with stated assumptions regarding the number of devices each year.	Trade Secrets under Act 80-2011	May 27, 2025

Document	Page/Portion	Description	Summary of Legal Basis for Confidential Protection	Date Filed
Exhibit 1	Attachment 1 Entire document	Microsoft Excel worksheets with formulas intact, showing calculations to support the proposed budgets for Scenarios A, B and C	Trade Secrets under Act 80-2011	May 27, 2025

29. LUMA is submitting with this Motion a public version of Exhibit 1, in which the above identified information is redacted and respectfully requests the Energy Bureau to accept this redacted version as the public version *Exhibit 1*.

**WHEREFORE**, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned; **accept** *Exhibit 1* herein in compliance with the ROI in the Energy Bureau's Resolution and Order of May 20, 2025; and **grant** LUMA's request for confidential treatment of *Exhibit 1*.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 27<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 Consumer Protection at [hrivera@jrsp.pr.gov](mailto:hrivera@jrsp.pr.gov); PREPA at [arivera@gmlex.net](mailto:arivera@gmlex.net); and [mvalle@gmlex.net](mailto:mvalle@gmlex.net); and [agraitfe@agraitlawpr.com](mailto:agraitfe@agraitlawpr.com); [info@sesapr.org](mailto:info@sesapr.org); [bfrench@veic.org](mailto:bfrench@veic.org); [evand@sunrun.com](mailto:evand@sunrun.com), [jordgraham@tesla.com](mailto:jordgraham@tesla.com), [forest@cleanenergy.org](mailto:forest@cleanenergy.org), [customerservice@sunnova.com](mailto:customerservice@sunnova.com), [javrua@sesapr.org](mailto:javrua@sesapr.org), [pjcleanenergy@gmail.com](mailto:pjcleanenergy@gmail.com), [cfl@mcpr.com](mailto:cfl@mcpr.com); [mqs@mcvpr.com](mailto:mqs@mcvpr.com); and [mrrios@arroyorioslaw.com](mailto:mrrios@arroyorioslaw.com).



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## **Exhibit 1**

Responses to ROI in May 20<sup>th</sup> Resolution and Order with its Attachment 1

[Redacted version attached; confidential version filed under seal]

# LUMA's CBES+ and Permanent CBES Proposal

NEPR-MI-2022-0001

May 27, 2025



# List of Responses and Attachments

Response ID	Document Type	Response Subject
ROI-LUMA-MI-2022-0001-20250520-PREB-#001	Response in PDF	LUMA's CBES+ and Permanent CBES Proposal
	Attachment_1*	

Note: \*Denotes attachments that have been provided in Microsoft Excel format.

# LUMA's CBES+ and Permanent CBES Proposal

## NEPR-MI-2022-0001

### Response: ROI-LUMA-MI-2022-0001-20250520-PREB-#001

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#### REQUEST

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.

#### RESPONSE

Please refer to ROI-LUMA-MI-2022-0001-20250520-PREB-#001\_Attachment\_1, Microsoft Excel worksheet. The requested information can be found in the cell references as follows:

- Scenario A: CBES+ Full Discharge Summer Only
  - Proposed Budget: \$16.83M ("Summary", G8)
  - Anticipated Approximate MW per event: 50 MW ("Full Discharge All Year Average", AG20:AK20)
  - Anticipated Approximate MWh per event: 200 MWh ("Full Discharge All Year Average", AG22:AK22)
- Scenario B: Modified Discharge All Year
  - Proposed Budget: \$18.68M ("Summary", D8)
  - Anticipated Approximate MW per event: 33 MW ("Modified Discharge All Year Average", AH20:AK20)
  - Anticipated Approximate MWh per event: 131 MWh ("Modified Discharge All Year Average", AH22:AK22)

- Scenario C: Full Discharge All Year
  - Proposed Budget: \$22.27M (“Summary”, C8)
  - Anticipated Approximate MW per event: 50 MW (“Full Discharge All Year Average”, AH20:AS20)
  - Anticipated Approximate MWh per event: 200 MWh (“Full Discharge All Year Average”, AH22:AS22)

The incentive budgets are calculated from four inputs:

- The incentive per kWh provided to each participant (\$1.25)
- The average kWh provided by each participant per event
- The number of events
- The number of participants

Attachment 1 calculates the incentive budget for each month. The total yearly incentive budget is the sum of all the months in FY26 for Scenarios B and C.

At the program level, the amount of MW and MWh discharged for each event differs from the nameplate MW and MWh values. The amount of discharge for an event is less than the nameplate capacity because a customer’s battery reserve level setting prevents the battery from being fully discharged for a CBES event. Additionally, the number of customers who opt out or unenroll varies across events.

# LUMA's CBES+ and Permanent CBES Proposal

## NEPR-MI-2022-0001

### Response: ROI-LUMA-MI-2022-0001-20250520-PREB-#002

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#### REQUEST

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?

#### RESPONSE

The budget for FY2026 as outlined on Exhibit 1, page 18 does not include funding for June 2025. Following the Energy Bureau's conditional approval on May 20, 2025, LUMA will work with aggregators and the Distributed Energy Resource Management System (DERMS) platform provider to set up the technical capabilities for CBES+. These efforts are anticipated to take approximately four weeks before Customer Battery Energy Sharing (CBES+) dispatch will occur. LUMA expects to start dispatching events as soon as it is able in order to meet the unprecedented demand. The intervening period will be used to develop the technical aspects of the program and ensure strong customer communication and a positive customer experience. The existing CBES group will remain as dispatchable capacity in the meantime.

# LUMA's CBES+ and Permanent CBES Proposal

## NEPR-MI-2022-0001

### Response: ROI-LUMA-MI-2022-0001-20250520-PREB-#003

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#### REQUEST

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.

#### RESPONSE

CONFIDENTIAL: The DERMS costs by component type are as follows:

- One Time Set Up Fee: [REDACTED]
- Annual Platform Fee: [REDACTED]
- Per Device Fee for Scenarios B and C in Exhibit 1: [REDACTED] annual per device ([REDACTED] quarterly per device)
  - This cost ([REDACTED]) represents the annual per device cost which will be assessed quarterly at a rate of [REDACTED] per device. [REDACTED] is the maximum cost a device would incur per year if it remains actively participating in events and enrolled in the program for the whole year. Active participation will be assessed on a quarterly basis, and non-participating devices will be removed from the program as a cost-saving measure. For more information on the un-enrollment process, see response below.
  - In case of Scenario A in Exhibit 1, where the auto-enroll devices are unenrolled post October 2025, the DERMS per device fee would be [REDACTED] annually or [REDACTED] per device per quarter.

CONFIDENTIAL: Assumptions used to determine these numbers are as follows:

- Total FY26: [REDACTED]
  - Annual Platform Fee: [REDACTED]
  - Per Device Fees: [REDACTED]
    - [REDACTED] \* [REDACTED] participants (based on auto enrolled CBES+ customers and rolling enrollment in the CBES)

- Total FY27: [REDACTED]
  - Annual Platform Fee: [REDACTED]
  - Per Device Fees: [REDACTED]
    - [REDACTED] \* [REDACTED] participants (assuming a net gain of [REDACTED] customer in FY27)
- Total FY28: [REDACTED]
  - Annual Platform Fee: [REDACTED]
  - Per Device Fees: [REDACTED]
    - [REDACTED] \* [REDACTED] participants (assuming a net gain of [REDACTED] customer in FY28)

# LUMA's CBES+ and Permanent CBES Proposal

## NEPR-MI-2022-0001

### Response: ROI-LUMA-MI-2022-0001-20250520-PREB-#004

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#### REQUEST

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.

#### RESPONSE

The estimate of 46,500 participants is based on preliminary assessments showing that several aggregators already have Terms and Conditions allowing the auto-enrollment of existing customers. This figure reflects a coordinated effort with aggregators leveraging existing customer relationships.

The anticipated number of customers enrolled through the manual opt-in process is 13,500 for Summer 2025. The summation of 46,500 auto-enrolled customers and 13,500 manual opt-in customers results in the 60,000 total anticipated customers for CBES+.

If the actual number of auto-enrolled customers exceeds expectations, LUMA may implement an enrollment cap. If participation is lower, LUMA will increase outreach efforts and work with aggregators to boost enrollment.

# LUMA's CBES+ and Permanent CBES Proposal

## NEPR-MI-2022-0001

### Response: ROI-LUMA-MI-2022-0001-20250520-PREB-#005

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#### REQUEST

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

#### RESPONSE

- a. Net Metering (NEM) Customers as of April 2025: 162,096
- b. NEM customers with batteries as of April 2025: 138,537

Responses to c, d and e:

LUMA currently does not maintain the specific dataset requested. This is primarily due to historical limitations in the data infrastructure under the PREPLUMA (Portal de Radicación Electrónica de Proyectos LUMA) where such data parameters were not within the original scope of collection. These limitations persisted until the full integration of the Conexión LUMA Portal, which expanded data capabilities.

While we are unable to provide the requested information at this time, we fully recognize its potential relevance and are actively evaluating viable pathways for enhanced data development moving forward. LUMA remains committed to continuous improvement and transparency in its reporting practices.

# LUMA's CBES+ and Permanent CBES Proposal

## NEPR-MI-2022-0001

### Response: ROI-LUMA-MI-2022-0001-20250520-PREB-#006

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#### REQUEST

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.

#### RESPONSE

LUMA will call events based on demand vs generation forecasts and determination by the System Operations team. LUMA estimates that fifteen events will be called per month during the summer season. The estimated number of events in the non-summer seasons is based on historical CBES monthly counts and anticipated system needs.

These projections are further supported by the findings of the Resource Adequacy Study, which provides system-level forecasts of capacity shortfalls and informs expected dispatch frequencies. Based on this study, the various scenarios, including the number of events and depth of discharge, were developed to align with anticipated grid conditions.

Scenario B uses a modified discharge approach – during Summer 2025, all CBES and CBES+ batteries will be discharged to the fullest extent to alleviate the anticipated generation shortfall. Following the summer season, all CBES and CBES+ batteries will be discharged at a lower level, as system needs are expected to be lower at this time. In contrast, Scenario C assumes full discharge of all batteries for all seasons.

The number of MW dispatched per event will be determined by the forecasted shortfall. While LUMA may not exactly match the need, dispatching additional energy provides valuable system reserves.

# LUMA's CBES+ and Permanent CBES Proposal

## NEPR-MI-2022-0001

### Response: ROI-LUMA-MI-2022-0001-20250520-PREB-#007

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#### REQUEST

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?

#### RESPONSE

LUMA will not operationally distinguish between opt-in and auto-enrolled customers, as both are treated equally in the program. Both opt-in and auto-enrolled customers maintain customer choice to opt-out of individual events, opt-out of the program, and adjust their reserve settings as they see fit. In the case of both the opt-in and auto-enroll customers the compensation made to the aggregators will be the same (\$1.25/kWh). There are no incentives for customers to change their categorization from one method to another.

- a) No. This distinction will not be meaningful in the context of Scenario B. Any distinction between the two groups will be purely administrative and will not result in any administrative or technical distinction by any definition.
- b) All customers maintain the ability to adjust their reserve settings at any time; there is no distinction between auto-enroll and opt-in customers as it relates to reserve settings.

# LUMA's CBES+ and Permanent CBES Proposal

## NEPR-MI-2022-0001

### Response: ROI-LUMA-MI-2022-0001-20250520-PREB-#008

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#### REQUEST

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?

#### RESPONSE

LUMA does not anticipate significant negative impacts. The CBES+ program is designed with customer choice in mind. After the initial auto-enrollment push, all customers will continue to maintain the ability and choice to adjust their reserve level, opt out of events or completely unenroll from the program at any time.

- a) The Aggregators' platform currently doesn't automatically allow for different behaviors or settings between weekdays and weekends. The customers are still able to choose to not participate in a scheduled or active event, set a percentage of their energy capacity to reserve for backup for an event, or overall opt out from events.

# LUMA's CBES+ and Permanent CBES Proposal

## NEPR-MI-2022-0001

### Response: ROI-LUMA-MI-2022-0001-20250520-PREB-#009

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#### REQUEST

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?

#### RESPONSE

LUMA recognizes that compensation models may vary by aggregator, who manages payments according to their own agreements with customers. While LUMA does not set payment terms, both LUMA and the aggregators are committed to ensuring a positive customer experience.

To support this effort, LUMA holds quarterly meetings with aggregators to share insights and obtain feedback from all aggregators. Based on the discussions completed, any lag between the energy dispatch and getting paid does not appear to be a significant barrier for enrollment or a reason for unenrollment. As of the current calendar year, the unenrollment rate remains low, at approximately 0.22%, indicating overall program retention.

# LUMA's CBES+ and Permanent CBES Proposal

## NEPR-MI-2022-0001

### Response: ROI-LUMA-MI-2022-0001-20250520-PREB-#010

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#### REQUEST

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.

#### RESPONSE

The parallel email notifications were requested by Aggregators. The emails in addition to DERMS dispatch will serve as an additional notification to aggregators both as a redundancy and awareness values that enable them to orient their support processes (unique to each) in preparation for any and all dispatch activities that take place.

The DERMS platform enhances communication between LUMA and aggregators by:

- Strategic Necessity:
  - The deployment of a DERMS platform is essential to address the growing scale and complexity of distributed energy resources (DERs) on the electric grid.
- Current Limitations:
  - Presently, DER coordination is conducted through manual processes. While effective thus far, this approach is not sustainable given the accelerating growth in both the number and capacity of DERs.
- Operational Efficiency:
  - A DERMS provides the infrastructure to transition from manual operations to an automated, dynamic control environment, significantly enhancing operational efficiency.
- Real-Time Capabilities:
  - The platform enables real-time visibility, monitoring, and dispatch of DERs, supporting more efficient and reliable integration into grid operations.
- Grid Stability and Risk Mitigation:

- Without DERMS, increasing DER penetration may lead to grid challenges such as voltage instability, system congestion, and overgeneration—conditions that could undermine grid reliability and resilience.
- Future-Proofing the Grid:

Implementing DERMS ensures that the electric system remains adaptive and resilient in the face of continued DER adoption and aligns with broader grid modernization objectives.

# LUMA's CBES+ and Permanent CBES Proposal

## NEPR-MI-2022-0001

### Response: ROI-LUMA-MI-2022-0001-20250520-PREB-#011

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#### REQUEST

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?

#### RESPONSE

- a. Yes, customers who are unenrolled will be able to re-enroll in the program at a later point in time.
- b. LUMA will not directly unenroll customers; LUMA will coordinate with aggregators to develop an unenrollment process for inactive customers.
- c. Aggregators are responsible for all direct communications with customers, including providing notice of unenrollment. All such communications must comply strictly with the parameters and standards set forth in the guidelines provided to aggregators. These guidelines are designed to ensure consistency in customer engagement practices.  
  
LUMA will continue to support aggregators in this process by ensuring that the necessary information and tools are available to facilitate proper and timely customer notification, while maintaining oversight to ensure compliance with established protocols.
- d. The unenrollment process will be coordinated in partnership with program aggregators, as LUMA does not have direct responsibility for unenrolling customers from the program. Aggregators retain full responsibility for managing customer unenrollment, including the associated communications and procedural steps.

LUMA's role is to ensure the efficient administration of the program and to collaborate closely with aggregators to support a seamless and positive customer experience throughout the enrollment lifecycle, including any transitions out of the program.

Attachment 1

ROI-LUMA-MI-2022-0001-20250520-PREB-#001\_Attachment\_1, Microsoft Excel worksheet

Confidential in its entirety