

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

**NEPR**

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**IN RE:**

LUMA'S ACCELERATED STORAGE  
ADDITION PROGRAM

**CASE NO. NEPR-MI-2024-0002**

**SUBJECT: Memorandum of Law in Support  
of Request for Confidential Treatment of  
Exhibits 1, 2 and 3 Submitted on June 23,  
2025**

**MEMORANDUM OF LAW IN SUPPORT OF REQUEST FOR CONFIDENTIAL  
TREATMENT OF EXHIBITS 1, 2 AND 3 SUBMITTED ON JUNE 23, 2025**

**TO THE HONORABLE PUERTO RICO ENERGY BUREAU:**

COME now LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as "LUMA"), and respectfully state and request the following:

**I. Introduction**

1. On June 23, 2025, LUMA filed a *Motion in Compliance with Resolution and Order of June 16, 2025 and Request for Confidential Treatment* ("June 23<sup>rd</sup> Motion") in which LUMA submitted, in connection with LUMA's Accelerated Storage Addition Program ("ASAP"), a report on the status of SO1 and SO2 projects as an Exhibit 1 ("June 23<sup>rd</sup> Exhibit 1") and partial copy of two filings made by LUMA in case NEPR-MI-2020-0001 on March 17, 2025 and June 16, 2025, respectively, which include information about ASAP costs<sup>1</sup> ("June 23<sup>rd</sup> Exhibit 1" and "June 23<sup>rd</sup> Exhibit 2", respectively).

2. In addition, LUMA requested the Energy Bureau to maintain the June 23<sup>rd</sup> Exhibits 1, 2 and 3 confidential as validated trade secret information under applicable laws and regulations,

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<sup>1</sup> These were the following documents: *Motion Submitting FCA and PPCA Reconciliations for December 2024 through February 2025, Submission of FCA, PPCA and FOS Calculated Factors, and Request for Confidential*

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"), among other reasons, noting that LUMA would be submitting, within the next ten (10) days, a Memorandum of Law in support of such request for confidential treatment, in compliance with the Policy on Confidential Information.

3. LUMA submits herein the Memorandum of Law stating the legal basis for the request to treat the June 23<sup>rd</sup> Exhibits 1, 2 and 3 confidential.

## **II. Memorandum of Law in Support of Request for Confidential Treatment of June 23<sup>rd</sup> Exhibits 1, 2 and 3**

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

#### ***1. General Framework***

4. 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

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*Treatment* filed on March 17, 2025 in case NEPR-MI-2020-0001 and its Exhibit 1 and *Motion Submitting FCA and PPCA Reconciliations for March through May 2025 and Updated Annual Reconciliation and Submission of FCA, PPCA and FOS Annual Calculated Factors and Request for Confidential Treatment* filed by LUMA on June 16, 2025 in the same case and its Exhibit 1.

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).

5. 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.

6. 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).

7. 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.

8. 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).

9. 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.***

10. 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 the 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).

11. 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).

12. 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 PRA § 4132 (translation provided).

13. 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).

14. 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***

15. LUMA respectfully submits that the June 23<sup>rd</sup> Exhibits 1, 2 and 3 contain 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.

16. The June 23<sup>rd</sup> Exhibits 1 and 3 contain information identifying the project participants for ASAP SO1 that have had an SO1 Agreement approved or are negotiating an SO1 Agreement. This information pertains to internal deliberative processes and commercial considerations that should remain confidential as sensitive commercial information in order to protect LUMA's competitive edge in the negotiation of the SO Agreements so as to ensure the most favorable pricing and terms are maintained- which will inure to the benefit of ratepayers in lower generation, transmission and distribution costs. The SO Agreements (including the name of the counterparties) have been submitted in confidence as confidential trade secret information until such time they are approved by the Energy Bureau and executed. Disclosure prior to such time could potentially affect the approval process and any negotiations with the counterparties that may arise before execution. Therefore, it is important to maintain the contents of these documents confidential to maintain the integrity of the ASAP process.<sup>2</sup>

17. In addition, the June 23<sup>rd</sup> Exhibits 1, 2 and 3 include a breakdown of estimated costs for ASAP by category, including legal and consultant costs. Revealing this information could place LUMA in a commercial/competitive disadvantage in the event it procures any of the services described in this table.

18. In sum, disclosure of the information described above could adversely affect LUMA's competitive edge and LUMA's ability to achieve the main purpose of the ASAP which is to significantly reduce costs and shorten schedules to bring much needed BESS on-line.

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<sup>2</sup> LUMA requested the confidentiality of the ASAP SO2 Master Template Agreement submitted on February 7, 2025, as Exhibit 2, on the grounds of containing trade secrets. *See Motion to Submit ASAP SO2 Master Template Agreement in Compliance with Resolution and Order of January 14, 2025, and Update on ASAP Program Implementation and Request for Confidential Treatment and Memorandum of Law in Support of Request for Confidential Treatment of Exhibit 1 Submitted on February 7, 2025.* In a Resolution issued on February 20, 2025, (Subject: Resolution regarding Memorandum of Law in Support of Request for Confidential Treatment of Exhibit 1 Submitted on February 7, 2025, filed by LUMA Energy, LLC and LUMA Energy ServCo, LLC), the Energy Bureau granted confidential designation and treatment of the ASAP SO2 Master Template Agreement on the grounds of containing trade secrets.

19. The mentioned confidential information included in the June 23<sup>rd</sup> Exhibits 1, 2 and 3 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 confidential) and, as a policy, does not disclose this type of information.

20. Maintaining the confidentiality of the June 23<sup>rd</sup> Exhibits 1, 2 and 3 does not adversely affect the public interest. On the contrary, as mentioned, it protects the public interest in reducing electricity cost and furthers a more successful ASAP program which will lead to system reliability benefits. In addition, once the SO Agreements are executed, these will be publicly available (subject to confidentiality of those provisions protected under the law). Thus, protection of the information in the June 23<sup>rd</sup> Exhibits 1, 2 and 3 will not hinder the public from ultimately gaining access to the relevant information.

### **III. Identification of Confidential Information.**

21. 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 5, second paragraph: Parenthetical in second sentence	Name of two SO1 participants.	Trade Secrets under Act 80-2011	June 23, 2025
Exhibit 1	Page 6, Figure 1: the second to the sixth rows in the second to the fifteenth columns	ASAP implementation expenditures per category. Revealing this information could place LUMA in a commercial/competitive disadvantage in the event it	Trade Secrets under Act 80-2011	June 23, 2025



<b>Document</b>	<b>Page/Portion</b>	<b>Description</b>	<b>Summary of Legal Basis for Confidential Protection</b>	<b>Date Filed</b>
		procures any of the services described in this table.		
Exhibit 1	Page 6, Table 1: the second to the sixth rows in the second and third columns	ASAP implementation expenditures per category. Revealing this information could place LUMA in a commercial/competitive disadvantage in the event it procures any of the services described in this table.	Trade Secrets under Act 80-2011	June 23, 2025
Exhibit 1	Pages 7 to 9, Table 2: the names of participants in the header	Name of SO1 participants	Trade Secrets under Act 80-2011	June 23, 2025
Exhibit 2	Exhibit 1, second page, Table 0-1: second to fourth rows in the second and third columns	ASAP implementation expenditures per category. Revealing this information could place LUMA in a commercial/competitive disadvantage in the event it procures any of the services described in this table.	Trade Secrets under Act 80-2011	June 23, 2025
Exhibit 2	Exhibit 1, third page, Table 0-2: third to fifth rows in the second and third columns	ASAP implementation expenditures per category. Revealing this information could place LUMA in a commercial/competitive disadvantage in the event it procures any of the services described in this table.	Trade Secrets under Act 80-2011	June 23, 2025
Exhibit 3	Exhibit 1, second page, second paragraph: parenthetical in	Name of SO1 participants	Trade Secrets under Act 80-2011	June 23, 2025

Document	Page/Portion	Description	Summary of Legal Basis for Confidential Protection	Date Filed
	second sentence			
Exhibit 3	Exhibit 1, second page, Table 0-1: second to sixth rows in the second and third columns	ASAP implementation expenditures per category. Revealing this information could place LUMA in a commercial/competitive disadvantage in the event it procures any of the services described in this table.	Trade Secrets under Act 80-2011	June 23, 2025
Exhibit 3	Exhibit 1, third page, Table 0-2: third to fifth rows in the second and third columns	ASAP implementation expenditures per category. Revealing this information could place LUMA in a commercial/competitive disadvantage in the event it procures any of the services described in this table.	Trade Secrets under Act 80-2011	June 23, 2025

22. LUMA submits, as *Exhibits A, B and C* herein, a public version of the June 23<sup>rd</sup> Exhibits 1, 2 and 3, respectively, in which the above identified information is redacted. LUMA respectfully requests the Energy Bureau to accept *Exhibits A, B and C* herein as the public version of the June 23<sup>rd</sup> Exhibits 1, 2 and 3.

**WHEREFORE**, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned, **accept** this Memorandum of Law in support of the confidential treatment of the June 23<sup>rd</sup> Exhibits 1, 2 and 3; **grant** the request stated herein to keep confidential the June 23<sup>rd</sup> Exhibits 1, 2 and 3; and **accept** the redacted version of these Exhibits in *Exhibits A, B and C* as the public version of said documents.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, on this 3<sup>rd</sup> day of July 2025.

We hereby certify that this motion was filed using the electronic filing system of this Energy Bureau and we will send a courtesy copy of this motion to hriviera@jrsp.pr.gov; arivera@gmlex.com; oramos@pmalaw.com; and agraitfe@agraitlawpr.com.



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*Exhibit A*

*Redacted Version of June 23<sup>rd</sup> Exhibit 1*

# ASAP Interconnection Studies and Costs Update

June 23, 2025

Exhibit 1





## Executive Summary

LUMA is committed to improving service reliability and system resiliency for our over 1.5 million customers. As part of this work, we identified an opportunity to add Battery Energy Storage Systems (BESS) at existing Independent Power Provider (IPP) locations on an accelerated basis through a newly developed program called the Accelerated Storage Addition Program (ASAP). The key element of this program is to utilize a Standard Offer Agreement (SO) that is the same for all participants. The SO approach significantly reduces the time spent on lengthy negotiations and amendment cycles. The Program, its development process and benefits were presented and received approval by the Puerto Rico Energy Bureau (Energy Bureau).

This report contains the specific information requested by the Energy Bureau regarding the status of interconnection studies, program costs, and Standard Offer 1 (SO1) projects. LUMA will provide additional details in its quarterly report (to be issued in the month after each quarter) to the Energy Bureau, assessing progress against the elements of the ASAP Implementation Program Plan which was previously supplied to the Energy Bureau.

As of mid-June, there are four SO1 agreements that have been approved by the Energy Bureau, totaling 110 MW of BESS. Three of these have been approved by the Financial Oversight and Management Board for Puerto Rico (FOMB) and the Puerto Rico Electric Public Authority (PREPA). In addition, they were submitted to Public-Private Partnership Authority (P3A) in mid-February and are still awaiting P3A approval. Moreover, the fourth participant's SO agreement was approved with observations by FOMB on June 13, 2025, and PREPA will soon be sending that fourth agreement to P3A for their approval. SO1 agreement drafts have been developed for the remaining two additional IPPs who expressed interest, which could total 80 MW. These SO drafts are under review by the IPP's internal board and are expected to be submitted to the Energy Bureau by July 2025.

LUMA is currently focused on coordinating the engineering firm hired to perform the site visits and engineering studies. Additionally, the team is focused on finalizing the upcoming set of SO1 agreements for submission to the Energy Bureau, pending the completion of memo of findings report following the initial site visits. The team is also actively collaborating with developers to refine the Agreed Operating Procedure (AOP), and to complete the supporting position papers and the Large Generation Interconnection Agreement (LGIA). Several activities leading to performing the interconnection studies took place, although the Facility and System Impact Studies have been delayed. Specifically, the engineering firm hired to perform site visits and engineering studies was retained and activities required to start engineering studies, such as site visits and Requests for Information (RFI), have been completed.

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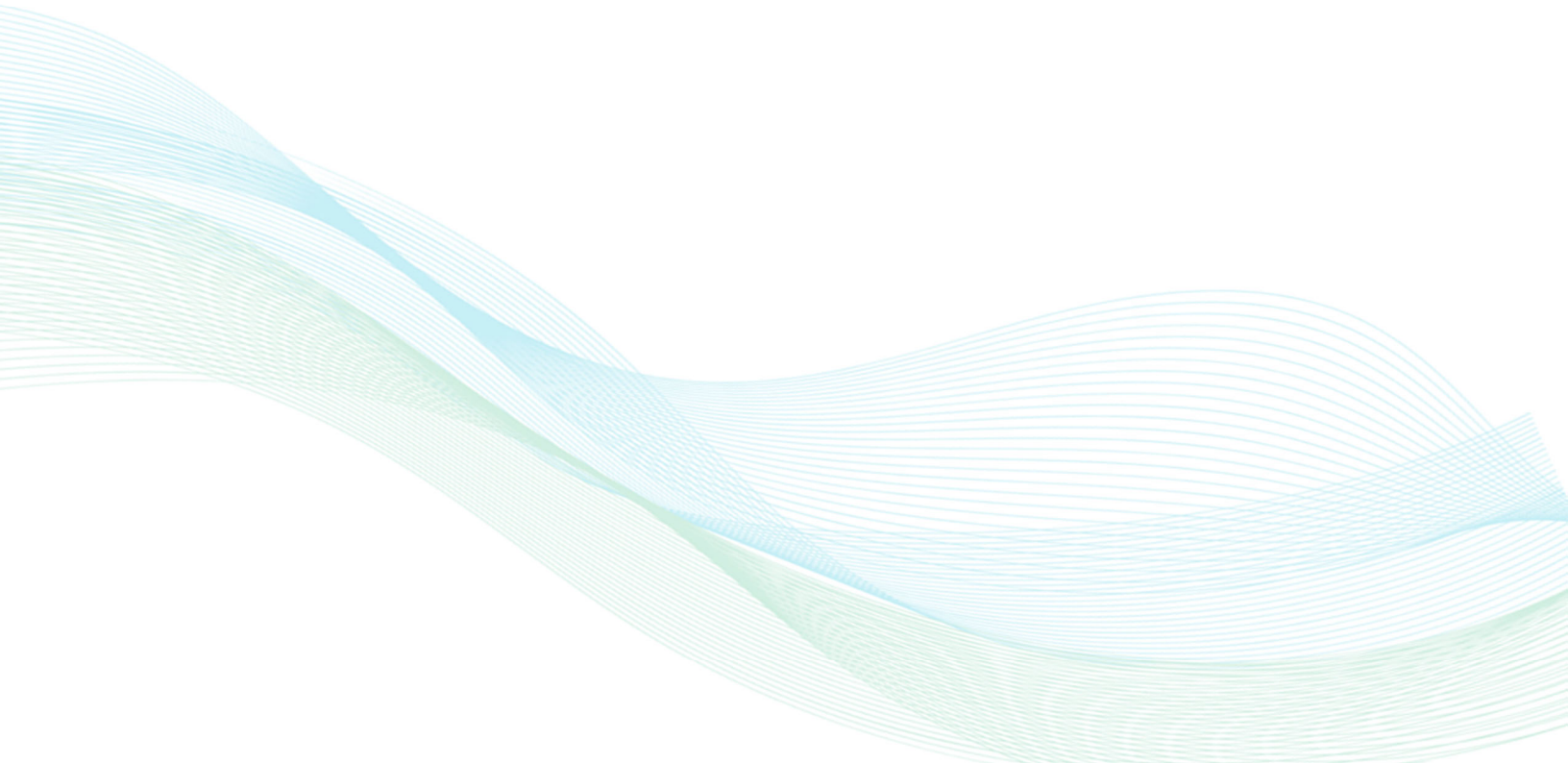
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## 1.0 Interconnection Studies

LUMA has progressed the analyses, site visits and RFIs with IPPs required prior to the initiation of the Facility and System Impact Studies.

The site visits to the SO1 facilities were divided into two parts to optimize coordination with the engineering firm. The initial site visits for the two additional SO1 participants [REDACTED] were prioritized and completed in May 28, 2025, and 29, 2025, respectively. These site visits focused on performing an initial screening in order to prepare a memo of findings, which will identify any major issues with the proposed ASAP projects. LUMA expects to submit the individual SO1 agreements to the Energy Bureau for consideration and approval in the last week of July, pending memo findings.

Requests for Information (RFIs) have been distributed to all SO1 participants to commence a review of technical materials and engineering studies. Coordination also started for the second part of the engineering firm's scope of work, which consists of the second round of more detailed site and substation visits prior to completing the Feasibility Study and System Impact Study.

Regarding the requests for the status of interconnection studies and a clear timeline of the outstanding studies, see Table 2 in Section 3. The interconnection studies will be completed as a cluster study approximately three months after the RFIs are received from SO1 developers. The Cluster study requires that all preliminary analyses (memos of findings) be completed prior to their commencement. The engineering and procurement activities are progressing in parallel as the parties continue to await P3A approval for the Agreements which were submitted in February 2025.

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## 2.0 Expenditures

On March 5, 2025, the Energy Bureau authorized LUMA to use the PPCA rider as a cost recovery mechanism for ASAP implementation until December 2025, based on the optimistic case scenario described in the ASAP Implementation program Plan, which identified a budget of \$8 million (Figure 1).

**Figure 1: ASAP Optimistic Budget Case Approved by Energy Bureau**

Optimistic Case (PREB allows LUMA to control Amendments, no cash flow restrictions)														
Assumes slower ramp to staff up LUMA resources; reliance on contractors.														
	Expended thru Dec '24	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	CY25 Total
Legal														
Consultant														
LUMA staff														
Other														
Contingency														
<b>Total</b>	<b>1171</b>	<b>190</b>	<b>200</b>	<b>700</b>	<b>700</b>	<b>664</b>	<b>575</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>600</b>	<b>600</b>	<b>8000</b>
				PPCA filing			PPCA filing			PPCA filing			PPCA filing	

Table 1 lists the actual program implementation costs to date. This table was also provided with detailed supporting documentation in LUMA's June 16, 2025, filing in docket NEPR-MI-2020-0001. The expenditure costs for March and April 2025 are below the previously forecasted amounts due to several delays in the approval of expenses due to LUMA cashflow constraints. March expenditures for legal services also reflect a credit adjustment for previously incurred legal expenses. The main activities impacted by these delays were the coordination of the site visits, engineering studies, and legal review of the various documents (e.g., Agreed Operating Procedure and additional Standard Offers).

**Table 1: ASAP Invoice Actuals Program Implementation Costs**

Actual Costs per Month	Legal	Consultant	Total
Expended through December 31, 2024			\$1,225,285
January 2025			\$143,742
February 2025			\$191,333
March 2025			\$73,471
April 2025			\$336,695
May 2025 <sup>2</sup>	Not Invoiced	Not Invoiced	\$-

<sup>1</sup> The March 2025 legal expense reflects a credit that was received in March due to an adjustment of the previous invoices.

<sup>2</sup> May 2025 invoices have not been received as of the date of this filing and thus, will be reported in the next quarterly filing.

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### 3.0 Status of Standard Offer 1 Projects

The following table illustrates the status of the Standard Offer 1 projects. Four Standard Offer 1 agreements have been approved by the Energy Bureau, totaling 110 MW of BESS. Three of these have been approved by the FOMB and are pending approval by P3A. The fourth participant's Standard Offer Agreement was approved by FOMB on June 13, 2025. Standard Offer 1 Agreements drafts have been developed for two additional IPPs who expressed interest, which could total 80 MW. These agreements are currently under review by the IPPs and expected to be submitted to the Energy Bureau in July.

**Table 2: Status of Standard Offer 1 Projects**

#	Task	Approved SO1				Additional Participants	
<b>1</b>	<b>Standard Offer (SO) Agreement Status</b>						
1.1	Receive Developer's Information for SO	10/18/2024	10/16/2024	10/16/2024	10/17/2024	2/26/2025	2/24/2025
1.2	Submit Draft SO to Energy Bureau	10/18/2024	10/18/2024	10/18/2024	10/18/2024	N/A	N/A
1.3	Submit Finalized SO to Energy Bureau	12/23/2024	11/12/2024	11/12/2024	11/12/2024	Pending Item 2.5	Pending Item 2.5
1.4	Approval of SO by Energy Bureau	1/14/2025	12/20/2024	12/20/2024	12/20/2024	Not Started	Not Started
1.5	Approval of SO by PREPA	4/30/2025	12/26/2024	12/26/2024	2/19/2025	Not Started	Not Started
1.6	Approval of SO by FOMB	6/13/2025	3/24/2025	3/24/2025	3/24/2025	Not Started	Not Started
1.7	Approval of SO by P3A	Pending confirmation that PREPA can execute with P3A Authorization Letter					
1.8	Execution of SO	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
<b>2</b>	<b>Site Visits and Engineering Studies</b>						
2.1	Site Visits – Initial 4 Participants	6/28/2023	6/27/2023	6/29/2023	6/26/2023	N/A	N/A
2.2	Memo of Findings & Prelim. Studies – Initial 4 Participants	9/26/2023	9/26/2023	9/26/2023	9/26/2023	N/A	N/A
2.3	Site Visits (Part I) – Additional Participants	N/A	N/A	N/A	N/A	5/28/2025	5/29/2025
2.4	Memo of Findings draft– Additional Participants	N/A	N/A	N/A	N/A	6/18/2025	6/18/2025
2.5	Initial Responses to RFIs prior to Site Visits Part II	6/19/2025	6/13/2025	6/13/2025	In Progress	6/13/2025	6/18/2025
2.6	Site Visits (Part II) – All SO1 Participants	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started

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#	Task	Approved SO1				Additional Participants	
2.7	Completion of RFIs	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
2.8	System Impact & Feasibility Studies – All SO1 Participants	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
<b>3</b>	<b>Agreed Operation Procedures (AOP)</b>						
3.1	AOP Workshops completed	5/16/2025	4/30/2025	4/30/2025	5/20/2025	5/20/2025	5/20/2025
3.2	AOP Prelim. Draft v1 sent to SO1 Developers for feedback	5/23/2025	5/23/2025	5/23/2025	5/23/2025	5/23/2025	5/23/2025
3.3	AOP Prelim. Draft v2 to SO1 Developers for redlines	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
3.4	AOP awaiting legal comments	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
3.5	Finalize AOP Draft v1.0	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
3.6	Execution of AOP v1.0	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
<b>4</b>	<b>Position Papers (PP)</b>						
4.1	Insurance PP Draft sent to Developers	6/4/2025	6/4/2025	6/4/2025	6/4/2025	6/4/2025	6/4/2025
4.2	Insurance PP Developer Feedback Received	6/12/2025	6/13/2025	6/13/2025	In Progress	6/13/2025	In Progress
4.3	Insurance PP Execution	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
4.4	Tariffs PP Draft sent to Developers	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
4.5	Tariffs PP Developer Feedback Received	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
4.6	Tariffs PP Execution	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
4.7	Expanded Capacity PP Draft sent to Developers	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
4.8	Expanded Capacity PP Developer Feedback Received	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
4.9	Expanded Capacity PP Execution	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
<b>5</b>	<b>Large Generation Interconnection Agreement (LGIA)</b>						
5.1	Prepare Preliminary Draft	4/15/2025					
5.2	LUMA and Legal Review	In Progress					
5.3	Collect feedback from Developers	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
5.4	Finalize LGIA Draft	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started
5.5	Execution of LGIA	Not Started	Not Started	Not Started	Not Started	Not Started	Not Started

## NEPR-MI-2024-0002

#	Task	Approved SO1				Additional Participants	
6	Initiate Developer Engineering, Procurement and Construction (EPC)						
7	Commercial Operation Date (COD)						

*Exhibit B*

*Redacted Version of June 23<sup>rd</sup> Exhibit 2*

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

**NEPR**

**Received:**

**Mar 17, 2025**

**3:22 PM**

**IN RE:**  
IN RE: PUERTO RICO ELECTRIC POWER  
AUTHORITY PERMANENT RATE

**CASE NO. NEPR-MI-2020-0001**

**SUBJECT: Submission of FCA and PPCA  
Reconciliations for December 2024 through  
February 2025, Submission of FCA, PPCA and  
FOS Calculated Factors, and Request for  
Confidential Treatment**

**MOTION SUBMITTING FCA AND PPCA RECONCILIATIONS FOR DECEMBER  
2024 THROUGH FEBRUARY 2025, SUBMISSION OF FCA, PPCA AND FOS  
CALCULATED FACTORS, 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 the “Operator” or “LUMA”), through the undersigned counsel, and respectfully state and request the following:

**I. Introduction**

As Operator of the Puerto Rico Electric Power Authority’s (“PREPA”) Transmission and Distribution System (“T&D System”), and in furtherance of its duties as agent of PREPA regarding system regulatory matters under Section 5.6 of the Puerto Rico Transmission and Distribution Operation and Maintenance Agreement (“T&D OMA”), supplemented by the Puerto Rico Transmission and Distribution System Supplemental Terms Agreement, LUMA prepares quarterly reconciliations and calculated factors for the Fuel Charge Adjustment (“FCA”), the Purchased Power Charge Adjustment (“PPCA”), and the Fuel Oil Subsidy (“FOS”) riders.

The Final Rate Order of 2017, issued on January 10, 2017, Case CEPR-AP-2015-0001, as amended (“Final Rate Order”) and PREPA’s tariff book, require the calculation of the FCA and PPCA riders reconciliation to ensure that the costs of fuel used for generation by PREPA (now the

responsibility of Genera PR, LLC) and the power purchased from private generators, are passed through to customers without any markup, profit or additional charges that would benefit PREPA.

LUMA does not own or operate generation facilities, does not purchase any fuel for generation, and does not determine the impact that fuel costs have on customer rates. LUMA's operational costs are not included in the FCA, PPCA, and FOS riders. LUMA is responsible for calculating the factors based on the information provided by Genera and other private generators on a quarterly basis. LUMA does not benefit financially from any change in generation fuel costs. Likewise, LUMA has no control over the cost of fuel used for generation.

The reconciliations for the FCA and PPCA riders that are submitted herewith for the months of December 2024 and January through February 2025, are consistent with the approved and currently existing PREPA Tariff Book and the Final Rate Order. LUMA is also proposing to recover the amount of \$617,744.32 of incremental fuel costs associated with the outages of June 2<sup>nd</sup> and 12<sup>th</sup> 2024, that this Puerto Rico Energy Bureau ("Energy Bureau") deferred in its Resolution and Order of December 20, 2024 ("December 20<sup>th</sup> Order). LUMA is also submitting reconciliation amounts for costs related to the Customer Battery Energy Sharing ("CBES") Program. Further, LUMA is including proposed costs for the Accelerated Storage Addition Program ("ASAP Program") for April through June, 2025 and a request to recover costs incurred through February 2025. Finally, the proposed PPCA factor contemplates the recovery of forecasted Tranche 1 interconnection costs.

LUMA's submission also includes Excel spreadsheets filed publicly via email in a file entitled *Values* submitted with this Motion. With this Motion, LUMA is submitting via email confidential Excel spreadsheets with formulae intact submitted in a file entitled *Confidential*. As explained in Section IX *infra*, it is hereby respectfully requested that this Energy Bureau accept



and maintain the files and spreadsheets submitted in the file, *Confidential*, under seal of confidentiality.

## **II. Procedural Background**

Pursuant to a Resolution and Order dated January 17, 2020, this honorable Puerto Rico Energy Bureau (“Energy Bureau”) has approved and revised the factors associated with several riders, including contributions in lieu of taxes cost adjustment (“CILTA”), help to human subsidies (“SUBA-HH”), non-help to human subsidies (“SUBA-NHH”), FCA, PPCA, FOS, and their reconciliations, in this proceeding, Case No. NEPR-MI-2020-0001. Reconciliations and FCA, PPCA, and FOS calculated factors are filed quarterly with this Honorable Energy Bureau pursuant to the Final Rate Order

On September 16, 2024, LUMA filed before the Energy Bureau a *Motion Submitting Quarterly Reconciliations and FCA, PPCA, and FOS Calculated Factors and Request for Confidential Treatment* (“September 16<sup>th</sup> Submission”). LUMA submitted the quarterly reconciliations for the FCA and PPCA riders for June through August 2024, and the calculated proposed factors for the FCA, PPCA, and FOS riders for the period from October 1 until December 31, 2024. As part of the filing, LUMA included Excel spreadsheets filed publicly and confidential Excel spreadsheets with formulae intact.

On September 30, 2024, this Energy Bureau entered a Resolution and Order maintaining the previous quarter’s FCA, PPCA, and FOS factors to the period from October 1, 2024, until December 31, 2024, or until this Energy Bureau modifies them (“September 30<sup>th</sup> Order”). The factors that remained unaltered at that time were:

<b>Adjustment Clause</b>	<b>Factor \$ kWh</b>	<b>Effective Dates</b>
FCA	\$0.128051	October 1, 2024 – December 31, 2024
PPCA	\$0.036023	October 1, 2024 – December 31, 2024

FOS	\$0.013544	October 1, 2024 – December 31, 2024
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On October 15, 2024, LUMA filed an *Informative Motion on Preliminary Monthly Reconciliation of FCA, PPCA, and FOS Riders Factors* (“October 15<sup>th</sup> Motion”). Therein, LUMA informed the results of the calculations on the reconciliation of fuel and purchased power costs for September 2024.

To keep this Energy Bureau informed of the results of the calculations on the reconciliation of fuel and purchased power costs for October 2024, LUMA submitted an *Informative Motion on FCA and PPCA Reconciliations for June through October 2024*, dated November 18, 2024, whereby it informed the Energy Bureau of the reconciliations of the FCA and PPCA riders for October 2024, and submitted updated information on reconciliations amounts for June through October 2024.

Between September 26, 2024, and December 11, 2024, LUMA submitted 173 responses to requests for information by the Energy Bureau regarding fuel costs for the period of June through August, 2024 and dispatch processes and decisions.

LUMA’s first filing is dated September 26, 2024, titled, *Motion in Partial Compliance with Resolution and Order of September 24, 2024*. Therewith, LUMA submitted its responses to the requests for information posed by the Energy Bureau in Attachment A of a Resolution and Order dated September 24<sup>th</sup> Order<sup>1</sup>, together with supporting materials. In a second filing dated September 27, 2024, LUMA filed a *Second Motion in Further Compliance with Resolution and*

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<sup>1</sup> On September 26, 2024, Genera provided the information pertaining to the requests for information concerning the Puerto Rico Electric Power Authority (“PREPA”)’s Thermal Generation Facilities. On September 26, 2024, LUMA filed a *Motion in Further Compliance with Resolution and Order of September 24, 2024*. Therein, LUMA submitted the outstanding responses provided by Genera to the requests for information posed by the Energy Bureau in Attachment A of the September 24<sup>th</sup> Order.

*Order of September 24, 2024*, whereby LUMA submitted its responses to the requests for information in Attachment B of the September 24<sup>th</sup> Order and supporting materials.<sup>2</sup>

In a third filing dated October 8, 2024, LUMA filed a *Motion in Compliance with Resolution and Order of October 1, 2024* (“October 8<sup>th</sup> LUMA Response”). Therein, LUMA submitted its responses to the requests for information posed by the Energy Bureau Attachments A and B of a Resolution and Order of October 1, 2024, and included supporting materials in form of two (2) pdf files titled “*Annex A\_System Status Daily Update (June 2024-August 2024).pdf*” and “*Annex C\_Jun-Aug 2024 Fuel Purchased Power Drivers.pdf*” and an Excel spreadsheet titled “*Annex D\_Estimated Incremental Fuel Costs Analysis for June-August 2024.xlsx*”.<sup>3</sup>

On October 21, 2024, LUMA submitted a motion titled *Motion in Compliance with the Resolution and Order of October 16, 2024*, whereby LUMA submitted its estimate of when certain supplemental information requested in Attachment B of the October 1<sup>st</sup> Order regarding dispatch, would be available as requested in a Resolution and Order of October 16, 2024 (“October 16<sup>th</sup> Order”).

On November 18, 2024, LUMA filed a fourth response to requests for information titled *Motion Submitting LUMA’s Supplemental Responses to Attachment B of the October 1<sup>st</sup> Order* (“November 18<sup>th</sup> Motion”), through which it submitted its supplemental responses to the requests for information of Attachment B of the October 1<sup>st</sup> Order regarding dispatch in July and August 2024. On that same date, LUMA completed a fifth submission titled *Motion in Compliance with the November 8th Order*, whereby LUMA responded to several requests for information issued by the Energy Bureau in the October 16<sup>th</sup> Order.

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<sup>2</sup> On that same day, September 27, 2024, Genera filed a *Motion to Submit Amended Responses to Request for Information Issued on September 24 2024*.

<sup>3</sup> In addition, LUMA included Genera’s responses to certain requests for information, as reflected in Annex B, which was included with the submission.

On December 4, 2024, LUMA filed a sixth response to requests for information by this Energy Bureau, titled *Motion in Compliance with the November 22<sup>nd</sup> Order* (“December 4<sup>th</sup> Filing”), whereby it submitted information requested in a Resolution and Order dated November 22, 2024 (“November 22<sup>nd</sup> Order”). In the November 22<sup>nd</sup> Order, this Energy Bureau ordered LUMA to:

- (i) Provide a detailed description of the generation dispatch sequence that was implemented during the June 2, 2024 and June 12, 2024 blackouts, specifying the activated generating units and the operating time of each unit.
- (ii) Submit a breakdown of the fuel costs incurred due to the use of the generating units during the massive of June 2, 2024 and June 12, 2024 blackouts, versus the costs of the dispatch sequence if such events had not occurred.

*See* November 22<sup>nd</sup> Order, p. 2 (translation ours).

Finally, on December 11, 2024, LUMA completed a seventh submission in response to follow-up questions by this Energy Bureau, titled *Motion in Compliance with the December 6<sup>th</sup> Order* (“December 11<sup>th</sup> Filing”). Therewith, LUMA addressed requests by this Energy Bureau issued in a Resolution and Order dated December 6, 2024 (“December 6<sup>th</sup> Order”).

On December 17, 2024, LUMA submitted a motion entitled *Motion Submitting FCA and PPCA Reconciliations for June through November 2024, Submission of FCA, PPCA, and FOS Calculated Factors, and Request for Confidential Treatment*. Therewith, LUMA submitted the prior periods reconciliations mounts for FCA and PPCA costs and proposed calculated factors.

On December 20, 2024, this Energy Bureau approved the reconciliations of FCA and PPCA costs for the period of June through November 2024 and set factors to be implemented starting on January 1, 2025. This Energy Bureau, however, determined to defer the recovery of \$617,744.32 of incremental fuel costs associated with the outages that occurred on June 2 and 12, 2024. *See* December 20<sup>th</sup> Order at 3-4.

### **III. Energy Bureau Authority**

This submission of the quarterly reconciliations and proposed FCA, PPCA, and FOS factors involve the Energy Bureau’s authority under Act 57-2104, as amended by Act 17-2019, to “review and approve and, if applicable, modify the rates or fees charged by electric power service companies in Puerto Rico or the contractor of the transmission and distribution system of Puerto Rico in connection with any matter directly or indirectly related to the provision of electric power services.” *See* Act 17-2014, Section 6.3 (n), 22 LPRA §1054(n) (Spanish language) (2024). Also relevant is the Energy Bureau’s authority to “formulate and implement strategies to achieve the objectives of this Act including, but not limited to, attaining the goal of reducing and stabilizing energy costs....” *See Id.*, Section 6.3 (f).

### **IV. Regulatory Formulas for Calculated FCA, PPCA, and FOS Factors**

#### **1. FCA**

The FCA is a reconciling tariff mechanism that recovers the costs of fuel consumed in PREPA’s generating units on a quarterly basis. *See* PREPA Tariff Book page 49. The FCA applies to all the PREPA tariffs, except to the RHR tariff (RFR by its Spanish acronym, applicable to residents of public complexes owned by the Public Housing Administration). The formula to calculate the FCA factor is:

$$\frac{\text{FCA} = \text{Total Cost of Fuel} + \text{Prior Period Reconciliation}}{\text{Total Applicable Net Retail kWh Sales}}$$

*Id.*

The total cost of fuel is the cost of fuel purchased for all of PREPA’s generation facilities for the three forecasted months in the quarterly time period. *Id.* The prior period reconciliations are the under or over-recovered funds for the first two months of the current quarter and the last

month of the prior quarter. *Id.* LUMA, on behalf of PREPA, shall provide the estimates of the reconciling balance with each proposed quarterly filing of the FCA. *Id.* Finally, the applicable net retail kWh sales include the sale of energy to all customer classes, including the net metering clients. *Id.*

The quarterly filing of reconciliations and calculated factors is due the second week of the third month of each quarter, and the calculated factors, approved by this Energy Bureau, go into effect the first month of the following quarter.

The quarterly reconciliations also include, when applicable and as ordered by the Energy Bureau, any unreconciled amounts from the previous quarter if the factors were not adjusted during that period.

## **2. PPCA**

The PPCA is a reconciling tariff mechanism that recovers the costs of purchased power from private generators. *See* PREPA Tariff Book page 51. The PPCA applies to all the PREPA tariffs, except to the RHR tariff (RFR by its Spanish language acronym) (applicable to residents of public complexes owned by the Public Housing Administration). The formula to calculate the PPCA factor is:

$$\text{PPCA} = \text{Total Costs Purchased Power} + \text{Prior Period Reconciliation}$$

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$$\text{Total Applicable Net Retail kWh Sales}$$

*Id.*

The total cost of purchased power is the cost of resources of energy and capacity purchased from private generators for the three forecasted months in the quarterly time period. *Id.* The prior period reconciliations are the under or over-recovered funds for the first two months of the current quarter and the last month of the prior quarter. *Id.* LUMA shall provide the estimated reconciling

balance with each proposed quarterly filing of the PPCA. *Id.* Finally, the applicable net retail kWh sales include the sale of energy to all customer classes, including the net metering clients. *Id.*

### **3. FOS**

The FOS applies to certain general residential services tariffs (GRS by its English-language acronym), including disabled persons, elderly persons, and university students, tariffs for special residential services (LRS by its English-language acronym), and residential services for public projects (RH3 by its English-Language acronym). *Id.*, at page 53. This fuel subsidy applies to monthly consumption that does not exceed 500 kWh. It is calculated quarterly.

For the first \$30 per barrel of fuel, excluding natural gas, clients will receive a credit equivalent to the subsidy factor multiplied by the customer's monthly consumption of up to 400 kWh. *Id.* Customers who consume between 401 kWh and 425 kWh will receive a credit equivalent to a consumption of 400 kWh. *Id.* Finally, for customers that consume between 426 kWh and 500 kWh, the credit will be progressively reduced to 425 kWh to reach 0 kWh or 500 kWh. *Id.*

The quarterly filing of reconciliations and calculated factors is due the second week of the third month of each quarter, and the calculated factors will go into effect the first month of the following quarter. The quarterly reconciliations also include, when applicable and as ordered by the Energy Bureau, any unreconciled amounts from the previous quarter if the factors were not adjusted during that period.

### **V. Factors Fixed by the Energy Bureau for January through March, 2025.**

In the December 20<sup>th</sup> Order, this Honorable Energy Bureau set the following factors to apply from January 1, 2025, through March 31, 2025:

<b>Adjustment Clause</b>	<b>Factor \$ kWh</b>	<b>Effective Dates</b>
FCA	\$0.139482	January 1, 2025 –March 31, 2025
PPCA	\$0.047173	January 1, 2025 –March 31, 2025

FOS	\$0.017151	January 1, 2025 –March 31, 2025
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## **VI. Reconciliations**

### **1. FCA and PPCA Riders**

The reconciliations submitted with this Motion in the file entitled “FAC-PPAC Reconciliation Dec24-Jan25-Feb25\_Values.xlsx,” include the reconciliations of the FCA and PPCA riders (costs versus revenues) and the amounts to be recovered or returned for each of these riders. There was a total FCA revenue insufficiency of \$9,231,260.02 and \$11,177,796.43 for the PPCA.

#### **a. FCA**

For the month of December 2024, the fuel costs and prior period adjustments were \$169,974,287.91 and revenues totaled \$169,391,559.36. There was a revenue insufficiency of \$582,728.55.

For the month of January 2025, the fuel costs and prior period adjustments were \$180,562,374.89 and revenues totaled \$166,054,422.24. There was a credit pertaining to seller shortfalls from Naturgy of \$2,178,002.09 resulting in a revenue insufficiency of \$12,329,950.56.

For the month of February 2025, the fuel costs and prior period adjustments were \$162,703,055.89 and revenues totaled \$166,384,474.98. There was an excess revenue of \$3,681,419.09.

#### **b. PPCA**

For the month of December 2024, the Purchased Power Costs and prior period adjustments (“PPCA”) were \$57,263,939.78 and revenues totaled \$47,636,675.11. There was a revenue insufficiency of \$9,627,264.67.



For the month of January 2025, the PPCA were \$56,824,375.20 and revenues totaled \$56,463,104.91. There was a revenue insufficiency of \$361,270.29.

For the month of February 2025, the PPCA were \$57,489,751.51 and revenues totaled \$56,300,490.04. There was a revenue insufficiency of \$1,189,261.47.

## **2. CBES Program**

In a Resolution and Order issued on July 31, 2023 (“July 31<sup>st</sup> Order”), the Energy Bureau directed LUMA to contemplate recovery through the PPCA, as part of the proposed calculated PPCA factor, of the costs associated to the CBES Program.<sup>4</sup> *See* July 31<sup>st</sup> Resolution and Order at 8.

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<sup>4</sup> The CBES is a part of LUMA’s Energy Efficiency and DR Transition Period Plan approved (with amendments) by this Energy Bureau in Case No. NEPR-MI-2022-0001, *In re Energy Efficiency and DR Transition Period Plan* (“TPP Case”). *See Resolution and Order* issued by the Energy Bureau on February 16, 2023 in the TPP Case. The approved TPP contained a proposed budget for both Energy Efficiency and DR programs for Fiscal Year 2024, which was contemplated to be recovered at the time through the EE rider. *See id.* at 27. Through a Resolution and Order of June 30, 2023 (“June 30<sup>th</sup> Order”), the Energy Bureau determined to suspend the EE rider for July 2023. *See* June 30<sup>th</sup> Order at 11. Thereafter, by means of the July 31<sup>st</sup> Order, the Energy Bureau determined to continue to suspend the EE factor until the next quarterly determination, determined that the DR program costs will not be part of the EE rider, and ordered LUMA to contemplate the DR programs as part of the proposal of factors corresponding to the PPCA mechanism. *See* July 31<sup>st</sup> Order at 8.

On August 11, 2023, the Energy Bureau issued a Resolution and Order (“August 11th Order”) in the TPP Case, referring to its determination in the July 31<sup>st</sup> Order that DR program costs will be recovered through the PPCA. It then ordered LUMA to submit the costs related to the compensation to be offered to the DR Aggregators or ratepayers that participate in the DR program to be recovered through the PPCA. In the August 11th Order, the Energy Bureau indicates that “[t]he July 31 Order represents a key milestone by establishing secure funding for demand response programs.”

In compliance with the August 11th Order, on August 23, 2023, LUMA submitted to the Energy Bureau in the TPP Case the compensation to be offered to the DR aggregators participating in the DR Program and the proposed estimated costs associated with the emergency DR Program, to be recovered through the PPCA. *See Motion to Submit Costs Associated with Emergency DR Program in Compliance with Resolution and Order of August 11, 2023, and Request for Confidential Treatment*. On August 29, 2023, the Energy Bureau issued a Resolution and Order (“August 29th Order”) in the TPP Case approving the compensation level proposed by LUMA in the August 23rd Motion and determining that the DR programs budget proposed by LUMA “is aligned with the budget for the equivalent program as approved in the [TPP].” It determined that such an estimated budget was reasonable for launching the program. The Energy Bureau also determined that administrative costs for DR Programs will be recovered through the PPCA. The TPP was revised to extend it to Fiscal Year 2025. *See Motion to Submit Revised TPP and Other Information Requested under the Resolution and Order of November 29, 2023* filed on December 20, 2023 in the TPP Case.

The CBES costs pertaining to the prior period reconciliation are included within the *CBES Program Costs & Forecast* of the spreadsheet entitled *April\_June2025 Proposed Factors.xlsx*. The costs associated with CBES are reported with a one-month lag. Thus, the PPCA reconciliation for December 2024 includes CBES costs for November 2024; the PPCA reconciliation for January 2025, includes CBES costs for December 2024, and the PPCA reconciliation for February 2025, includes CBES costs for January, 2025.

### **3. Tranche 1 Interconnection Costs**

By Resolution and Order of February 5, 2024, in Case No. NEPR-MI-2020-0012, *In re: Implementation of Integrated Resource Plan and Modified Action Plan*, the Energy Bureau directed LUMA to recover excess Tranche 1 interconnection costs through the PPCA. The proposed PPCA factor contemplates the recovery of forecasted interconnection costs of \$24,716,398.00. For a breakdown of projected costs, *see April\_June 2025 Proposed Factors.xlsx*, tab titled “Interconnection Costs”.

### **4. ASAP Program Costs**

On February 28, 2025, LUMA submitted for consideration by this Energy Bureau in Case *In re LUMA’s Accelerated Storage Addition Program*, No. NEPR-MI-2024-0002, a proposed Implementation Program Plan for the ASAP Program (“February 28<sup>th</sup> ASAP Implementation Filing”). Exhibit 3 to the February 28<sup>th</sup> ASAP Implementation Filing included expected expenditures of \$15 million. LUMA proposed to recover ASAP implementation costs through the PPCA and submitted two recovery scenarios: a “Not-to-Exceed” scenario of \$15 million and an “optimistic” scenario of \$8 million, which sums included costs incurred through February 2025.

Through a Resolution and Order dated March 5, 2025, issued in Case No. NEPR-MI-2024-0002, the Energy Bureau approved the ASAP Program Implementation Plan and the ASAP

Program Expenditure Collection, Reporting & Recovery Procedure (“March 5<sup>th</sup> ASAP Order”). Regarding costs to be recovered through the PPCA, the Energy Bureau approved the “optimistic” scenario of \$8 million. March 5<sup>th</sup> ASAP Order at 2-3. The Energy Bureau further stated that, “[c]onsidering current cash constraints, the Energy Bureau **AUTHORIZE[D]** LUMA to use the PPCA rider as cost recovery mechanism for the ASAP implementation through **December 2025**.” *Id.*, at 3.

*Exhibit 1* of this Motion includes LUMA’s justifications for the costs that it proposes to recover for the period of April through June 2025.

Given that the Energy Bureau approved recovery through the PPCA of the ASAP implementation costs that LUMA included in the optimistic scenario of the February 28<sup>th</sup> ASAP Implementation Filing, LUMA is hereby proposing to recover the costs incurred through February 2025 for the ASAP Implementation Program of \$1,560,361.25. *See* April\_June 2025 Proposed Factors.xlsx, tab titled “ASAP Implementation Program.”

## **VII. FCA and PPCA Calculated Factors.**

The Excel spreadsheet titled “April\_June 2025 Proposed Factors.xlsx,” includes the proposed FCA, PPCA, and FOS factors. FCA and FOS are presented in “Attachment 1,” and the PPCA factor is presented in “Attachment 2.” LUMA respectfully requests that the Energy Bureau review the calculated factors referenced in the table below to apply for the next quarter:

<b>Adjustment Clause</b>	<b>Factor (\$/kWh)</b>
FCA	\$0.119854
PPCA	\$0.051873
FOS	\$0.018232

**VIII. List of Documents Filed in Support of Reconciliations and Calculated FCA, PPCA, FOS, and EE Rider Factors.**

**A. Confidential Folder**

1. Precio Ponderado Análisis \_ 2025.02.28 REG.xlsx
2. April\_June 2025 Proposed Factors.xlsx
3. FAC-PPAC Reconciliation Dec24-Jan25-Feb25.xlsx
4. Q-4 FY 2025 Load Forecast March 2025.xlsx

**B. Public Files in the Values Folder**

1. GENERA\_PREPA\_Tank Inventory\_2025.02.28:
  - a. GPR\_Fuel Inventory\_Weighted Average Price Report\_PREPA  
SYSTEM\_2025.02.28.pdf
  - b. Precio Ponderado Análisis \_ 2025.02.28 REG\_Values.xlsx
  - c. AGUIRRE\_TK Inventory\_Full Report  
1310100018144\_2025.02.28.pdf
  - d. CAMBALACHE\_TK Inventory\_GA025081 PREPA\_2025.02.28.pdf
  - e. COSTA SUR\_TK Inventory\_25-00074 REPORT\_2025.02.28\_rev.pdf
  - f. DAGUAO\_GA025082 PREPA DG TANK INVENTORY  
(2.28.25).pdf
  - g. JOBOS\_TK Inventory\_Full Report 1310100018145\_2025.02.28.pdf
  - h. MAYAGÜEZ\_GA025080 PREPA MAY TANK INVENTORY  
(2.28.25).pdf
  - i. PALO SECO\_TK Inventory\_Full Report

1310100018143\_2025.02.28.pdf

- j. SAN JUAN\_TK Inventory\_25-00073 REPORT\_2025.02.28.pdf
- k. VEGA BAJA\_TK Inventory\_25-00075 REPORT\_2025.02.28.pdf
- l. YABUCOA\_GA025083 PREPA YB TANK INVENTORY  
(2.28.25).pdf
- 2. April\_June 2025 Proposed Factors\_Values.xlsx
- 3. FAC-PPAC Reconciliation Dec24-Jan25-Feb25\_Values.xlsx
- 4. Q-4 FY 2025 Load Forecast March 2025\_Values.xlsx

**IX. Request for Confidential Treatment of Excel Files and Supporting Memorandum of Law.**

The confidential Excel files mentioned in Section VIIIA of this Motion *supra*, submitted with this Motion, include Excel spreadsheets submitted in native format (.xls) and with formulae intact. They include formulae and original calculations by LUMA personnel that reveal confidential procedures. They also include sensitive commercial information belonging to LUMA and/or PREPA that are thus protected by law from disclosure, and that should not be disclosed in native form.

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

The bedrock provision on the management of confidential information filed before this Bureau, is Section 6.15 of Act 57-2014, known as the “Puerto Rico Energy Transformation and Relief Act.” It provides, in pertinent part, that: “if 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).

Relatedly, in connection with the duties of electric power service companies, Section 1.10 (i) of Act 17-2019 provides that electric power service company shall provide information requested by customers, except for confidential information in accordance with the Rules of Evidence of Puerto Rico.”

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). 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 [Bureau] who needs to know such information under nondisclosure agreements. However, the [Bureau] shall direct that a non-confidential copy be furnished for public review”. *Id.*, Section 6.15 (c).

The Energy Bureau’s Policy on Confidential Information details the procedures a party should follow to request that a document or portion thereof be afforded confidential treatment. In essence, the referenced Policy requires the 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 the reasons why each claim or designation conforms to the applicable legal basis of confidentiality. *Id.* paragraphs 3. The party who seeks confidential treatment of information filed with the 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.

The aforementioned Energy Bureau policy on the management of confidential information in procedures states the following with regard to access to validated Trade Secret Information:

1. 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).

Relatedly, Energy Bureau Regulation No. 8543, *Regulation on Adjudicative, Notice of Noncompliance, Rate Review, and Investigation Proceedings*, includes a provision for filing confidential information in adjudicatory proceedings before this honorable Bureau. To wit, Section 1.15 provides that “a person has the duty to disclose information to the [Bureau] considered to be privileged information, request the [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. 57-2015, as amended.” *See also* Bureau Regulation No. 9137 on *Performance Incentive Mechanism*, Section 1.13 (addressing disclosure before the Bureau of Confidential Information and directing compliance with Resolution CEPR-MI-2016-0009).

## **B. Grounds for Confidentiality**

Under the Industrial and Trade Secret Protection Act of Puerto Rico, Act 80-2011, 10 LPRA §§4131-4144, industrial or trade secrets are deemed to be any information:

- (a) That has a present or a potential independent financial value or that provides a business advantage, insofar as such information is not common knowledge or readily accessible through proper means by persons who could make a monetary profit from the use or disclosure of such information, and
- (b) for which reasonable security measures have been taken, as circumstances dictate, to maintain its confidentiality.

*Id.* §4131, Section 3 Act. 80-2011.<sup>5</sup> Trade secrets include, but are not limited to, processes, methods, mechanisms, manufacturing processes, formulas, projects, or patterns to develop machinery and lists of specialized clients that may afford an advantage to a competitor. *See* Statement of Motives, Act 80-2011. As explained in the Statement of Motives of Act 80-2011, protected trade secrets include any information bearing commercial or industrial value that the owner reasonably protects from disclosure. *Id.* *See also* Article 4 of Puerto Rico's Open Data Law, Act 122-2019 (exempting the following from public disclosure: (1) commercial or financial information whose disclosure will cause competitive harm; (2) trade secrets protected by a contract, statute or judicial decision (3) private information of third parties). *See* Act 122-2019, Articles 4 (ix) and (x) and (xi)).

The Puerto Rico Supreme Court has explained that the trade secrets privilege protects free enterprise and extends to commercial information that is confidential in nature. *Ponce Adv. Med. v. Santiago Gonzalez*, 197 DPR 891, 901-02 (2017) (citation omitted).

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<sup>5</sup> Relatedly, Rule 513 of the Rules of Evidence of Puerto Rico provides that the owner of a trade secret may invoke the privilege to refuse to disclose, and to prevent another person, from disclosing trade secrets, provide that these actions do not tend to conceal fraudulent actions or lead to an injustice. 32 P.R. Laws Annot. Ap. VI, R 513. If a court of law mandates disclosure of a trade secret, precautionary measures should be adopted to protect the interests of the owner of the trade secret. *Id.*



The Excel spreadsheets submitted today in native form and with formulae intact in the file entitled *Confidential* are protected as trade secrets. They have commercial value to LUMA and PREPA as they reveal confidential processes and analysis to produce calculations in support of the public filings of the proposed FCA, PPCA, and FOS, rider factors. LUMA and PREPA keep and maintain these native files confidentially and do not disclose them to the public or unauthorized third parties.

LUMA appreciates the importance of placing the Energy Bureau in the position of reviewing the reconciliations and fixing the annual factors. However, to avoid future competitive harms that could ensue if original format spreadsheets with formulae and calculations are publicly disclosed, LUMA respectfully requests that the Excel files submitted today in the file entitled *Confidential*, be received, kept, and maintained confidentially by this Energy Bureau.

The confidential spreadsheets included in the file entitled *Confidential* are: (1) documents with commercial and financial value, and (2) involve data that **is not common knowledge or readily accessible** by third parties who may seek to profit from the data or gain commercial advantages. The spreadsheets are business documents showing processes, methods, and mechanisms that garner protection under Act 80-2011. They are original documents that have not been disclosed to third parties and whose disclosure would reveal sensitive and private commercial processes employed by LUMA and PREPA. The disclosure of this sensitive commercial information would place LUMA and PREPA in vulnerable and disadvantageous commercial positions that could affect LUMA customers and impact rates. Reasonable measures have been taken to protect the files from disclosure and avoid unauthorized access by third parties that could seek to gain commercial advantages. It is respectfully submitted that the spreadsheets included in the file entitled *Confidential* are trade secrets protected from public disclosure by Act 80-2011.

**WHEREFORE**, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned, **accept** the filing of the FCA and PPCA reconciliations for December 2024 through February 2025, and the calculated FCA, PPCA and FOS rider factors to apply to start on April 1, 2025; and **grant** the request to keep confidentially the spreadsheets that have been filed in excel format and with formulae in the file entitled *Confidential* that is submitted with this Motion.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 17<sup>th</sup> day of March 2025.

I hereby certify that this Motion was filed using the electronic filing system of this Energy Bureau and that I will send an electronic copy of this Motion to the Puerto Rico Electric Power Authority, through: Lionel Santa [lionel.santa@prepa.com](mailto:lionel.santa@prepa.com); Alexis Rivera, [arivera@gmlex.net](mailto:arivera@gmlex.net); Juan M. Martínez Nevárez, [jmartinez@gmlex.net](mailto:jmartinez@gmlex.net); and Juan R. González Galarza, [jgonzalez@gmlex.net](mailto:jgonzalez@gmlex.net); to Genera PR, LLC through: Luis Roman Negrón, [lrn@roman-negron.com](mailto:lrn@roman-negron.com); [legal@genera-pr.com](mailto:legal@genera-pr.com); and [regulatory@genera-pr.com](mailto:regulatory@genera-pr.com); and to the Independent Consumer Protection Office, through Director Hannia Rivera, [hrivera@jrsp.pr.gov](mailto:hrivera@jrsp.pr.gov).



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*Exhibit 1*  
*ASAP Costs Breakdown*

## Exhibit 1

### Accelerated Storage Addition Program

On March 5, 2025, the Puerto Rico Energy Bureau (PREB or Energy Bureau) issued a Resolution and Order in Docket No. NEPR-MI-2024-0002<sup>1</sup>, granting approval for LUMA to utilize the Purchased Power Charge Adjustment (PPCA) rider as a cost recovery mechanism for costs associated with the implementation of the Accelerated Storage Addition Program (ASAP) through December 2025 (March 5<sup>th</sup> Order).<sup>2</sup> Furthermore, the Energy Bureau mandated that LUMA provide justification<sup>3</sup> for the expenses it proposes to recover through the proposed PPCA factor in its quarterly filing on March 17, 2025, as well as in future quarterly factors submissions, based on the Optimistic Case<sup>4</sup> expenses related to the ASAP Implementation.

The ASAP Implementation costs represented in this quarterly filing include \$1,560,361.25 in actual invoices up to February 28, 2025, and projected expenses for the period of April to June 2025 amounting to \$1,889,000.00. The total costs reported in this quarterly factor filing pertain solely to legal and consulting fees directly associated with the ASAP implementation during the specified periods.

ASAP is a novel initiative, supported by the Energy Bureau, which was not originally included or considered in LUMA's Operation and Maintenance (O&M) Budget. This initiative draws on industry practices from other regions in the mainland United States, particularly California and Texas.<sup>5</sup> Due to absence of experienced personnel in Puerto Rico to develop the ASAP framework and limit resources within LUMA, the initial design, contract formulation, financial modeling, and analytical strategies were executed by legal and external consultants with relevant expertise.

The ASAP costs do not include costs associated with LUMA salaried employees, despite significant involvement from various individuals in the analysis and strategy development for the initiative.

#### ASAP INVOICE ACTUALS IMPLEMENTATION PROGRAM COSTS

From July 1, 2024, to February 28, 2025, LUMA spent \$1,560,360 on consultant and legal services for the development of the ASAP concept. While LUMA also incurred expenses in FY2024, these are considered part of regular budgeted activities, and thus, LUMA is not seeking to include those funds due to their occurrence in a prior fiscal year. The activities during this timeframe focused on the initial development of the ASAP Standard Offer concept and involved reviewing other utility jurisdictions that have implemented similar strategies. Furthermore, legal counsel assessed the Tranche 1 Energy Storage Service

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<sup>1</sup> IN RE: LUMA's Accelerated Storage Addition Program.

<sup>2</sup> Page 2 -3 of Resolution and Order of March 5, 2025, Docket No. NEPR-MI-2024-0002.

<sup>3</sup> In footnote No. 13, PREB emphasizes that the related expenditures must be accompanied by detailed narrative explanations, work papers, and documentation (e.g., invoices and related supporting documentation).

<sup>4</sup> Table 3 Expected Monthly Expenditure by Category of Exhibit 3 "ASAP Program Update" of February 28, 2025 LUMA's Motion, Docket No. NEPR-MI-2024-0002.

<sup>5</sup> [Energy Storage](#)

## Exhibit 1

Agreement (ESSA) to ensure alignment with ancillary services and Minimum Technical Requirements (MTRs).<sup>6</sup>

Lawyers and consultants engaged in numerous discussions with developers to understand their key project risks and explore potential mitigation strategies. LUMA created a new financial model for batteries, detailing capital costs into 10-15 specific line items and asking each developer to provide their cost estimates. Through collaborative discussions addressing the discrepancies in pricing among developers, LUMA uncovered opportunities to reduce costs, primarily by implementing risk mitigation strategies that effectively lowered overall expenses. This phase also involved several workshops with the Energy Bureau, which included submitting draft contracts for approval to the Puerto Rico Electric Power Authority (PREPA) and the Financial Oversight and Management Board of Puerto Rico (FOMB). Additionally, the team worked on developing the ASAP Program Plan, establishing Cost Collection and Recovery procedures, creating a queue prioritization process, and outlining the requirements for the draft of the Agreed Operating Procedures (AOP).

**Table 0-1. ASAP Invoice Actuals Program Implementation Costs<sup>7</sup>**

Actual Costs per Month	Legal	Consultant	Total
Expended through December 31, 2024	██████	██████	\$1,225,285
January 2025	██████	██████	\$143,742
February 2025	██████	██████	\$191,333

## ASAP FORECAST IMPLEMENTATION PROGRAM COSTS

### March

In March, LUMA focused on securing financial approvals to engage an engineering firm for site visits, adjusting the scope of the System Impact Study, and coordinating logistics for these visits. Additionally, LUMA will start drafting the Annual Operating Plan (AOP) and collaborate with Systems Operations (SO) to establish dispatch strategies for battery deployment within the Puerto Rico grid.

### April

In April, LUMA will focus on conducting site assessments, performing system impact studies, and preparing the upcoming set of SO Agreements for submission to the Energy Bureau.

<sup>6</sup> *In Re: Implementation of the Puerto Rico Electric Power Authority Integrated Resource Plan and Modifies Action Plan*, Docket No. NEPR-MI-2020-0012.

<sup>7</sup> See *Motion to Submit Proposed Standard Offer Phase 2 Agreement in Compliance with Resolution and Order of December 4, 2024, and Request for Confidentiality* filed on December 19, 2024, pp. 10-11.; *Informative Motion and to Submit Estimate of Costs for ASAP in Compliance with Resolution and Order of January 14, 2025, and Request for Confidential Treatment* filed on January 31, 2025, p. 11 and Exhibit 1; and *Motion to Submit ASAP Program Implementation Plan and Associated Documents, Request for Approval of ASAP Cost Recovery Mechanism, and Request for Confidential Treatment* filed on February 28, 2025, pp. 14-15 and Exhibit 3.

## Exhibit 1

**May and June**

In May and June, LUMA will collaborate with the developers to facilitate the timely advancement of the Engineering Procurement Construction (EPC) activities towards completion.

**Table 0-2. ASAP Forecast Program Implementation Costs**

Forecast Cost per Month	Legal	Consultant <sup>8</sup>	Total
March	To be reconciled in the June quarterly filing		
April	██████	██████	\$700,000
May	██████	██████	\$639,000
June	██████	██████	\$550,000

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<sup>8</sup> This column includes the line items "Consultant", "Other" and "Contingency" in Table 3 of the Exhibit 3 submitted on February 28, 2025.

*Exhibit 2*  
*Supporting files to be submitted via email*

*Exhibit C*

*Redacted Version of June 23<sup>rd</sup> Exhibit 3*



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

**NEPR**

**Received:**

**Jun 16, 2025**

**11:38 AM**

**IN RE:**  
IN RE: PUERTO RICO ELECTRIC POWER  
AUTHORITY PERMANENT RATE

**CASE NO. NEPR-MI-2020-0001**

**SUBJECT: Submission of FCA and PPCA  
Reconciliations for March to May 2025 and  
Updated Annual Reconciliations and  
Submission of FCA, PPCA and FOS and  
Annual Calculated Factors, and Request for  
Confidential Treatment**

**MOTION SUBMITTING FCA AND PPCA RECONCILIATIONS FOR MARCH  
THROUGH MAY 2025 AND UPDATED ANNUAL RECONCILIATION AND  
SUBMISSION OF FCA, PPCA AND FOS AND ANNUAL CALCULATED FACTORS  
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 the “Operator” or “LUMA”), through the undersigned counsel, and respectfully state and request the following:

**I. Introduction**

As Operator of the Puerto Rico Electric Power Authority’s (“PREPA”) Transmission and Distribution System (“T&D System”), and in furtherance of its duties as agent of PREPA regarding system regulatory matters under Section 5.6 of the *Puerto Rico Transmission and Distribution Operation and Maintenance Agreement* (“T&D OMA”),<sup>1</sup> supplemented by the Puerto Rico Transmission and Distribution System Supplemental Terms Agreement, LUMA prepares quarterly reconciliations and proposed calculated factors for the Fuel Charge Adjustment (“FCA”), the Purchased Power Charge Adjustment (“PPCA”), and the Fuel Oil Subsidy (“FOS”) riders. LUMA

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<sup>1</sup> PREPA, Puerto Rico Public-Private Partnerships Authority (“P3 Authority”) and LUMA, the *Puerto Rico Transmission and Distribution Operation and Maintenance Agreement* (June 22, 2020).

also prepares the (“CILTA”), help to human subsidies (“SUBA-HH”), non-help to human subsidies (“SUBA-NHH”) and energy efficiency rider (“EE Rider”) annual reconciliation and proposed calculated factors.

The Final Rate Order of 2017, issued on January 10, 2017, Case CEPR-AP-2015-0001, as amended (“Final Rate Order”) and PREPA’s tariff book, require the calculation of the FCA and PPCA riders reconciliation to ensure that the costs the power purchased from private generators and of fuel used for generation by PREPA (now the responsibility of Genera PR, LLC (“Genera”)) are passed through to customers without any markup, profit or additional charges that would benefit PREPA.

LUMA does not own or operate generation facilities, does not purchase any fuel for generation, and does not determine the impact that fuel costs have on customer rates. LUMA’s operational costs are not included in the FCA, PPCA, and FOS riders. LUMA is responsible for calculating the factors based on the information provided by Genera and other private generators on a quarterly basis. LUMA does not benefit financially from any change in generation fuel costs. Likewise, LUMA has no control over the cost of fuel used for generation.

The reconciliations for the FCA and PPCA riders that are submitted herewith for the months of March, April and May 2025 are consistent with the approved and currently existing PREPA Tariff Book and the Final Rate Order. LUMA is also submitting reconciliation amounts and costs related to the Customer Battery Energy Sharing (“CBES”) Program and the Accelerated Storage Addition Program (“ASAP Program”), as well as proposed costs for the ASAP Program for July through September 2025. Further, the factors proposed by LUMA include the recovery of projected costs of \$24,716,398.00 for the Tranche 1 interconnection reserve. Also, in compliance with the Resolution and Order entered by the honorable Puerto Rico Energy Bureau of the Public

Service Regulatory Board (“Energy Bureau”) on March 28, 2025, LUMA is submitting the recovery of \$30 million associated with the reserve that the Energy Bureau has order to cover the potential payment that Genera would receive if certain the amendment to *Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement* (“LGA OMA”)<sup>2</sup> is allowed.

Furthermore, LUMA is submitting with this motion an update to the (“CILTA”), help to human subsidies (“SUBA-HH”), non-help to human subsidies (“SUBA-NHH”) and energy efficiency (“EE”) rider projected costs (“EE Rider”) annual reconciliation and proposed calculated factors presented to the Energy Bureau on May 31, 2025.

LUMA’s submission also includes Excel spreadsheets filed publicly via email in a file entitled *Values* submitted with this Motion. With this motion, LUMA is submitting via email confidential Excel spreadsheets with formulae intact, submitted in a file entitled *Confidential*. As explained in Section VIII *infra*, it is hereby respectfully requested that this Energy Bureau accept and maintain the files and spreadsheets submitted in the file, *Confidential*, under seal of confidentiality.

## **II. Procedural Background**

Pursuant to orders entered in cases nos. CEPR-AP-2015-0001, NEPR-AP-2018-0003 and NEPR-MI-2020-001, the honorable Energy Bureau approves and revises the factors associated with several riders, including CILTA, SUBA-HH, SUBA-NHH and EE Rider. These riders are reconciled and set on an annual basis. Collectively, these riders are hereinafter referred to as the "Annual Riders," and the reconciliation of these riders is hereinafter referred to as the "Annual Reconciliation."

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<sup>2</sup> PREPA, P3A and Genera, the *Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement* (Jan. 24, 2023).

Further, pursuant to orders in the same dockets, the Energy Bureau has approved and revised the factors associated with several riders, including the FCA, PPCA, and the FOS. These riders are reconciled and set on a quarterly basis. Collectively, these riders are hereinafter referred to as the "Quarterly Riders," and the reconciliation of these riders is hereinafter referred to as the "Quarterly Reconciliation."

On June 11, 2024, the Energy Bureau issued a *Resolution and Order* titled *Determinación sobre los Factores de las Cláusulas de Ajuste Anual para el periodo de julio 2024 a junio 2025* (the "June 11, 2024 Order") In this order, the Energy Bureau determined, among other things, that the proposed factors for the Annual Riders, which will be effective as of July 1, 2024, including the proposed Annual Reconciliation for the period from May 1, 2024 to April 30, 2025, must be submitted to the Energy Bureau on or before May 31, 2025, at noon.

On March 28<sup>th</sup>, 2025, the Energy Bureau entered a *Resolution and Order* with the subject *Determinación sobre los Factores de las Cláusulas de Ajuste Trimestral para el periodo del 1 de abril de 2025 al 30 de junio de 2025* (the "March 28, 2025 Order"). In this order, LUMA was directed to submit, on or before 12:00 p.m. on Monday, June 16, 2025, the proposed factors for the Quarterly Riders that will become effective July 1, 2025, including the Quarterly Reconciliations for the months of March, April and May 2025.

Exercising its role and duties over system regulatory matters pursuant to Section 5.6 of the T&D OMA, LUMA's role is to perform the reconciliations and calculate the proposed factors for the CILTA, SUBA-HH, SUBA-NHH, FCA, PPCA, FOS and calculate the EE Rider proposed factor, to be reviewed, modified, and approved by this Energy Bureau.

The foregoing motion is being submitted in compliance with the March 28, 2024 Order. Further, it is also being submitted to supplement a motion previously submitted in compliance with the June 11, 2024 Order.

On March 17, 2025, LUMA filed a brief titled *Motion Submitting FCA and PPCA Reconciliations for December 2024 Through February 2025, Submission of FCA, PPCA, and FOS Calculated Factors, and Request for Confidential Treatment* ("March 17 Motion"). By means of the March 17 Motion, LUMA presented the reconciliation of the FCA and PPCA Clauses, corresponding to the months of December 2024 and January and February 2025, and the proposal of quarterly factors for the FCA, PPCA and FOS clauses to be in force during the period from April 1, 2025 to June 30, 2025. As detailed below, this reconciliation included costs associated with the ASAP Program, LUMA's initiative aimed at accelerating the integration of battery energy storage systems into existing independent power producer facilities in Puerto Rico to be recovered through the PPCA Clause.

On March 24, 2025, LUMA submitted a motion in the matter of *In Re: Plan Prioritario para la Estabilización de la Red Eléctrica*, Case No. NEPR-MI-2024-0005 reporting that the potential deployment of generation barges necessitates both a feasibility study and a system impact study as integral components of the interconnection process. LUMA estimated the expenses associated with these studies to be \$400,000.00.

Shortly thereafter, the Energy Bureau entered the March 28, 2025 Order by which it established the factors for the Quarterly Riders that would be in place, starting on April 1, 2025, to wit:

Adjustment Clause	Factor (\$/kWh)	Effective Dates
FCA	0.129224	April 1, 2025 – June 30, 2025
PPCA	0.051967	April 1, 2025 – June 30, 2025
FOS	0.018232	April 1, 2025 – June 30, 2025

The Energy Bureau further determined that it was necessary to recover from consumers the costs incurred under the ASAP Program through February 2025, in the amount of \$1,560,361.25, via the PPCA as part of the reconciliation period herein in question. *See* March 28, 2025 Order at 3. In addition, the Energy Bureau ordered the recovery of projected ASAP costs for the period from April 1, 2025, through June 30, 2025, totaling \$1,889,000.00, also through the PPCA Clause. *Id.*

The Energy Bureau decided that it was necessary to create a reserve of \$110 million through the FCA to withhold the portion of the payment associated with the proposed amendment to the LGA OMA for the relevant period. *Id.* at 4. The reserve was established in the amount of \$40 million, corresponding to the period from March through June 2025, at a rate of \$10 million per month. *Id.* The Energy Bureau expressly warned that these funds may not be disbursed until the Bureau has completed its evaluation of the proposed amendment, issued an amended certificate of compliance with Puerto Rico’s public energy policy, among other conditions. *Id.*

The total amount to be collected in connection with the proposed amendment is \$110 million, leaving a balance of \$70 million to be recovered through the FCA Clause in subsequent quarterly reconciliations. *Id.* Accordingly, the Energy Bureau ordered LUMA to include in its forthcoming proposals for adjustment factors the corresponding reserve item associated with the amendment, at a rate of \$10 million per month, until the remaining \$70 million is fully recovered. *Id.*

Furthermore, regarding the studies in connection with the power barges, the Energy Bureau determined that these costs are to be recovered through the PPCA. *Id.* at p.4. Accordingly, LUMA was ordered to include the \$400,000.00 expense for the feasibility and impact studies related to the interconnection of generation barges as a recoverable cost under the PPCA Clause for the relevant quarterly period. *Id.*

On May 31, 2025, LUMA submitted the *Motion Submitting CILTA, SUBA-HH, and SUBA-NHH Reconciliations and Calculated Factors, EE Program Costs and Proposed Factors, and Request for Confidential Treatment of Excel Spreadsheets* (the “May 31<sup>st</sup> Motion”). Through this motion, LUMA submitted the Annual Reconciliation and proposed factors for the Annual Riders to the Energy Bureau for evaluation and approval.

### **III. Energy Bureau Authority**

This submission of the Quarterly Reconciliation and the Annual Reconciliation reconciliations and proposed factors for the Quarterly and Annual Riders involve the Energy Bureau’s authority under Act 57-2104, as amended by Act 17-2019, to “review and approve and, if applicable, modify the rates or fees charged by electric power service companies in Puerto Rico or the contractor of the transmission and distribution system of Puerto Rico in connection with any matter directly or indirectly related to the provision of electric power services.” *See* Act 17-2014, Section 6.3 (n), 22 LPRA §1054(n) (Spanish language) (2024). Also relevant is the Energy Bureau’s authority to “formulate and implement strategies to achieve the objectives of this Act including, but not limited to, attaining the goal of reducing and stabilizing energy costs....” *See Id.* at Section 6.3 (f).

### **IV. Regulatory Formulas for Calculated FCA, PPCA, and FOS Factors**

#### **1. FCA**

The FCA is a reconciling tariff mechanism that recovers the costs of fuel consumed in PREPA's generating units on a quarterly basis. *See* PREPA Tariff Book page 49. The FCA applies to all the PREPA tariffs, except for the RHR tariff (RFR by its Spanish acronym) applicable to residents of public complexes owned by the Public Housing Administration. The formula to calculate the FCA factor is:

$$\text{FCA} = \frac{\text{Total Cost of Fuel} + \text{Prior Period Reconciliation}}{\text{Total Applicable Net Retail kWh Sales}}$$

*Id.*

The total cost of fuel is the cost of fuel purchased for all PREPA's generation facilities for the three forecasted months in the quarterly period. *Id.* The prior period reconciliations are the under- or over-recovered funds for the first two months of the current quarter and the last month of the prior quarter. *Id.* LUMA, on behalf of PREPA, shall provide the estimates of the reconciling balance with each proposed quarterly filing of the FCA. *Id.* Finally, the applicable net retail kWh sales include the sale of energy to all customer classes, including the net metering clients. *Id.*

The quarterly filing of reconciliations and calculated factors is due the second week of the third month of each quarter, and the calculated factors, approved by this Energy Bureau, go into effect the first month of the following quarter.

The quarterly reconciliations also include, when applicable and as ordered by the Energy Bureau, any unreconciled amounts from the previous quarter if the factors were not adjusted during that period.

## **2. PPCA**

The PPCA is a reconciling tariff mechanism that recovers the costs of purchased power from private generators. *Id.* at page 51. The PPCA applies to all the PREPA tariffs, except for the



RHR tariff (RFR by its Spanish language acronym) (applicable to residents of public complexes owned by the Public Housing Administration). The formula to calculate the PPCA factor is:

$$\text{PPCA} = \frac{\text{Total Costs Purchased Power} + \text{Prior Period Reconciliation}}{\text{Total Applicable Net Retail kWh Sales}}$$

*Id.*

The total cost of purchased power is the cost of the energy and capacity resources purchased from private generators for the three forecasted months in the quarterly period. *Id.* The prior period reconciliations are the under- or over-recovered funds for the first two months of the current quarter and the last month of the prior quarter. *Id.* LUMA shall provide the estimated reconciling balance with each proposed quarterly filing of the PPCA. *Id.* Finally, the applicable net retail kWh sales include the sale of energy to all customer classes, including the net metering clients. *Id.*

### **3. FOS**

The FOS applies to certain general residential services tariffs (GRS, by its English-language acronym), including disabled persons, elderly persons, and university students, tariffs for special residential services (LRS, by its English-language acronym), and residential services for public projects (RH3, by its English-language acronym). *Id.* at page 53. This fuel subsidy applies to monthly consumption that does not exceed 500 kWh. It is calculated quarterly.

For the first \$30 per barrel of fuel, excluding natural gas, clients will receive a credit equivalent to the subsidy factor multiplied by the customer's monthly consumption of up to 400 kWh. *Id.* Customers who consume between 401 kWh and 425 kWh will receive a credit equivalent to a consumption of 400 kWh. *Id.* Finally, for customers that consume between 426 kWh and 500 kWh, the credit will be progressively reduced to 425 kWh to reach 0 kWh or 500 kWh. *Id.*

The quarterly filing of reconciliations and calculated factors is due the second week of the third month of each quarter, and the calculated factors will go into effect the first month of the following quarter. The quarterly reconciliations also include, when applicable and as ordered by the Energy Bureau, any unreconciled amounts from the previous quarter if the factors were not adjusted during that period.

**V. Reconciliations**

**1. FCA and PPCA Riders**

The reconciliations submitted with this Motion in the file entitled “FAC-PPAC Reconciliation Mar-Apr-May25\_Values.xlsx” include the reconciliations of the FCA and PPCA riders (costs versus revenues) and the amounts to be recovered or returned for each of these riders. For the quarter period, there was a total FCA excess revenue of \$3,454,006.29 and revenue insufficiency of \$18,988,568.05 under the PPCA.

**a. FCA**

For the month of March 2025, the fuel costs and prior period adjustments were \$178,213,509.00 and revenues totaled \$167,967,567.69. There was a revenue insufficiency of \$10,245,941.31.

For the month of April 2025, the fuel costs and prior period adjustments were \$153,105,315.83 and revenues totaled \$161,542,418.66. There was a credit pertaining to seller shortfalls from Naturgy Aprovevisionamientos S.A. of \$5,019,764.25, resulting in an excess revenue of \$13,456,867.08.

For the month of May 2025, the FCA was \$151,803,393.61, and revenues totaled \$152,046,474.13. There was an excess revenue of \$243,080.52.

**b. PPCA**

For the month of March 2025, the PPCA and prior period adjustments were \$65,865,669.05 and revenues totaled \$56,828,620.51. There was a revenue insufficiency of \$9,037,048.54.

For the month of April 2025, the PPCA was \$64,422,040.78, and revenues totaled \$65,038,719.24. There was a revenue insufficiency of \$616,678.46.

For the month of May 2025, the PPCA was \$67,888,767.64, and revenues totaled \$61,164,155.78. There was a revenue insufficiency of \$10,168,197.97.

## **2. CBES Program**

In a *Resolution and Order* issued on July 31, 2023, the Energy Bureau directed LUMA to contemplate recovery through the PPCA, as part of the proposed calculated PPCA factor, of the costs associated with the CBES Program (the “July 1, 2023 Order”).

On May 29, 2025, the Energy Bureau entered a *Resolution and Order* with the subject *Approval of LUMA’s Customer Battery Energy Sharing Program and Amended Reporting Requirements* in the matter of *In Re: Energy Efficiency and Demand Response Transition Period Plan*, Case No. NEPR-MI-2022-0001. In said order, the Energy Bureau

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.

In the same order, the Energy Bureau approved LUMA's plan based on Scenario B for CBES+ and the remaining unapproved portions of LUMA's permanent CBES proposal, including the implementation of a DERMS platform.

Wherefore, in compliance with the July 1, 2023 Order, LUMA herein submits costs pertaining to the CBES program.

The CBES costs pertaining to the prior period are included within the reconciliation summary in Attachment 4 of the proposed factors workbook. Please refer to each line item under the Purchased Power adjustment clauses. As previously noted, due to the timing of LUMA's monthly financial closings, CBES costs are reported to have a one-month delay. For example:

March 2025's PPCA reconciliation includes CBES costs for February 2025.

April 2025's PPCA reconciliation includes CBES costs for March 2025.

May 2025's PPCA reconciliation includes CBES costs for April 2025.

For this period, LUMA has included the total recovery of 10,119,701.23. Detailed cost breakdowns and forecasts are available in the "CBES Program Costs & Forecasts" tab within the *Factors workbook*.

### **3. Tranche 1 Interconnection Costs**

By *Resolution and Order* of February 5, 2024 in Case No. NEPR-MI-2020-0012, *In re: Implementation of Integrated Resource Plan and Modified Action Plan*, the Energy Bureau directed LUMA to recover excess Tranche 1 interconnection costs through the PPCA. The proposed PPCA factor contemplates the recovery of forecasted interconnection costs of \$24,716,398.00. For a breakdown of projected costs, refer to "Interconnection Costs" within the *Factors workbook*.

### **4. ASAP Program Costs**

On February 28, 2025, LUMA submitted for consideration by this Energy Bureau in the matter of *In re LUMA's Accelerated Storage Addition Program*, Case No. NEPR-MI-2024-0002, a proposed Implementation Program Plan for the ASAP Program ("February 28<sup>th</sup> ASAP Implementation Filing"). Exhibit 3 to the February 28<sup>th</sup> ASAP Implementation Filing included expected expenditures of \$15 million. LUMA proposed to recover ASAP implementation costs

through the PPCA and submitted two recovery scenarios: a “Not-to-Exceed” scenario of \$15 million and an “optimistic” scenario of \$8 million, which included costs incurred through February 2025.

Through a *Resolution and Order* dated March 5, 2025 issued in the matter mentioned above, the Energy Bureau approved the ASAP Program Implementation Plan and the ASAP Program Expenditure Collection, Reporting & Recovery Procedure (“March 5, 2025 ASAP Order”). Regarding costs to be recovered through the PPCA, the Energy Bureau approved the “optimistic” scenario of \$8 million. March 5<sup>th</sup> ASAP Order at 2-3. The Energy Bureau further stated that, “[c]onsidering current cash constraints, the Energy Bureau AUTHORIZE[D] LUMA to use the PPCA rider as a cost recovery mechanism for the ASAP implementation through December 2025.” *Id.* at 3.

*Exhibit 1* of this Motion includes LUMA’s justifications for the costs that it proposes to recover for the period of July through September 2025.

The total cost incurred from March to May 2025 for the ASAP Implementation Program was \$410,162.38. In accordance with the forecasts approved through the March 5, 2025 Order, the total forecasted costs for ASAP during Q1 FY 2026 are \$1,800,000.00.

## **VI. Updated Annual Reconciliation and Annual Riders Factors**

As mentioned above, LUMA presented the May 31<sup>st</sup>, 2025 Motion, submitting the Annual Reconciliation and Annual Riders factors for the consideration and approval of the honorable Energy Bureau. Two procedures are used to determine the riders. The revenue simulation (Excel file: 2026 Revenues Forecast) includes the current rate structure, the dispatch of the generation fleet and forecasted billing determinants. A second simulation (Excel file: FY 2026 Subsidies Forecast) is used to determine all credits for each subsidy. The data submitted with the May 31<sup>st</sup>

Motion is being revised, specifically the revenue simulation relating to rates 513 GST and TOU-T, due to an inadvertent reference error. To address this issue, which requires a revision of the proposal presented to the Energy Bureau, LUMA is submitting an amended Annual Reconciliation and Annual Rider factors for the Energy Bureau's evaluation and approval. LUMA also confirms that the updated information does not change the proposed Annual Rider factors.

LUMA respectfully submits that the need to update the data presented initially with the May 31<sup>st</sup> Motion arose only after the initial filing. The updated information is being provided to the Energy Bureau as soon as possible following the identification of the necessary revisions. LUMA emphasizes that the requirement to submit updated data is not the result of neglect, nor is it intended to cause undue delay or prejudice to any party. Rather, this update is submitted in good faith and in the interest of ensuring that the Energy Bureau has the most accurate and current information available for its consideration. LUMA further notes that the original deadline, which was set in the July 11, 2024 Order was met in full compliance, and the present submission is solely intended to amend the record with the most up-to-date data.

## **VII. FCA and PPCA Calculated Factors**

The Excel spreadsheet titled "*July\_September 2025 Proposed Factors.xlsx*" includes the proposed FCA, PPCA, and FOS factors. FCA and FOS are presented in "Attachment 1," and the PPCA factor is presented in "Attachment 2."

LUMA respectfully submits for the Energy Bureau's review and consideration the following factors applicable from July 1<sup>st</sup>, 2025, to September 30<sup>th</sup>, 2025:

Adjustment Clause	Factor (\$/kWh)
FCA	\$0.119003
PPCA	\$0.052044
FOS	\$0.025351

## **VIII. List of Documents Filed in Support of the Quarterly Reconciliation and Calculated FCA, PPCA and FOS.**

### **A. Confidential Folder**

1. Precio Ponderado Analisis \_ 2025.05.31 (Final).xlsx
2. July-September 2025 Proposed Factors.xlsx
3. FAC-PPAC Reconciliation Mar-Apr-May25.xlsx
4. Load Forecast - FY2025 Update.xlsx

### **B. Public Files in the Values Folder**

1. Inventory (Fuel) – May 31, 2025:
  - a. GPR\_Fuel Inventory\_Weighted Average Price Report\_PREPA SYSTEM\_2025.05.31.pdf
  - b. Precio Ponderado Analisis \_ 2025.05.31 (Final)\_Values.xlsx
    - i. AGUIRRE\_TANK INVENTORY\_2025.05.31.pdf
    - ii. CAMBALACHE\_Tank Inventory\_2025.05.31.pdf
    - iii. COSTA SUR\_TANK INVENTORY\_2025.05.31.pdf
    - iv. DAGUAO\_TANK INVENTORY\_2025.05.31.pdf
    - v. JOBOS\_TANK INVENTORY\_2025.05.31.pdf
    - vi. MAYAGÜEZ\_TANK INVENTORY\_2025.05.31.pdf
    - vii. PALO SECO\_TANK INVENTORY\_2025.05.31.pdf
    - viii. SAN JUAN\_TANK INVENTORY\_2025.05.31.pdf
    - ix. VEGA BAJA\_TANK INVENTORY\_2025.05.31.pdf
    - x. YABUCOA\_TANK INVENTORY\_2025.05.31.pdf
2. July-September 2025 Proposed Factors\_Values.xlsx

3. FAC-PPAC Reconciliation Mar-Apr-May25\_Values.xlsx

4. Load Forecast – FY2025 Update\_Values.xlsx

The files are attached to this motion as Exhibit 2.

**VIII. List of Documents Filed in Support of Reconciliations and Calculated, CILTA, SUBA-HH, SUBA-NHH and EE Rider Factors**

To facilitate the Energy Bureau’s review of the updated submittal associated with the May 31<sup>st</sup> Motion, LUMA is submitting all supporting files relevant to the Annual Reconciliation and Annual Riders factors. For clarity and ease of reference, any files that have been updated, either directly or as a result of revised revenue figures, are clearly marked with an asterisk (\*). This approach is intended to assist the Energy Bureau in efficiently identifying and reviewing the specific documents where changes have occurred, while also providing a complete set of materials for comprehensive evaluation.

The files are attached to this motion as Exhibit 3.

**A. Confidential Folder**

1. ANNUAL RECONCILIATION-CILT AND SUB RIDERS-MAY TO APRIL 2025 revised 5.22.25.xlsx
2. Attachment 5 – CILT and SUBSIDIES RIDERS 2026.xlsx\*
3. Customers Forecasts – FY2025 Update.xlsx
4. FY2026 – Revenues Forecast.xlsx\*
5. FY2026 – Subsidies Forecast.xlsx\*
6. Load Forecast – FY2025 Update.xlsx
7. Load Forecast modifiers – FY2025.xlsx
8. CITL FY 2024 (May 2025 Updated) .xlsx



9. CILT FY 2025 (Revised).xlsx
10. CILT & SUB Costs MAY24-APR25.xlsx
11. Subsidies (CC&B Reports Supporting) May 2024 to April 2025.xlsx
12. Public Lighting- May 2024 to April 2025.xlsx

**B. Public Values Folder**

1. ANNUAL RECONCILIATION-CILT AND SUB RIDERS-MAY TO APRIL 2025 revised 5.22.25\_Values.xlsx
2. Attachment 5 – CILT and SUBSIDIES RIDERS 2026\_Values.xlsx\*
3. Customers Forecasts – FY2025 Update\_Values.xlsx
4. FY2026 – Revenues Forecast\_Values.xlsx\*
5. FY2026 – Subsidies Forecast\_Values.xlsx\*
6. Load Forecast – FY2025 Update\_Values.xlsx
7. Load Forecast modifiers – FY2025\_Values.xlsx
8. CITL FY 2024 (May 2025 Updated)\_Values.xlsx
9. CILT FY 2025 (Revised)\_Values.xlsx
10. CILT & SUB Costs MAY24-APR25\_Values.xlsx
11. Subsidies (CC&B Reports Supporting) May 2024 to April 2025\_Values.xlsx
12. Public Lighting- May 2024 to April 2025\_Values.xlsx

**IX. Request for Confidential Treatment of Excel Files and Supporting Memorandum of Law**

The confidential Excel files mentioned in the preceding section of this Motion *supra*, submitted with this Motion, include Excel spreadsheets submitted in native format (.xls) and with formulae intact. They include formulae and original calculations by LUMA personnel that reveal confidential procedures. They also include sensitive commercial information belonging to LUMA

and/or PREPA that are thus protected by law from disclosure, and that should not be disclosed in native form.

**A. Applicable Laws and Regulations to submit information confidentially to the Bureau**

The bedrock provision on the management of confidential information filed before the Energy Bureau is Section 6.15 of Act 57-2014, known as the “Puerto Rico Energy Transformation and Relief Act.” It provides, in pertinent part, that: “if 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.* at Section 6.15 (a).

Relatedly, in connection with the duties of electric power service companies, Section 1.10 (i) of Act 17-2019 provides that electric power service company shall provide information requested by customers, except for confidential information in accordance with the Rules of Evidence of Puerto Rico.”

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). 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 [Bureau] who needs to know such information under nondisclosure agreements. However,

the [Bureau] shall direct that a non-confidential copy be furnished for public review”. *Id.*, Section 6.15 (c).

The Energy Bureau’s Policy on Confidential Information details the procedures a party should follow to request that a document or portion thereof be afforded confidential treatment. In essence, the referenced Policy requires the 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 the reasons why each claim or designation conforms to the applicable legal basis of confidentiality. *Id.* at paragraph 3. The party that seeks confidential treatment of information filed with the Bureau must also file both a “redacted” or “public version” and an “unredacted” or “confidential” version of the document that contains confidential information. *Id.* at paragraph 6.

The aforementioned Energy Bureau policy on the management of confidential information in procedures states the following with regard to access to validated Trade Secret Information:

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

Relatedly, Energy Bureau Regulation No. 8543, *Regulation on Adjudicative, Notice of Noncompliance, Rate Review, and Investigation Proceedings*, includes a provision for filing confidential information in adjudicatory proceedings before this honorable Bureau. To wit, Section 1.15 provides that “a person has the duty to disclose information to the [Bureau] considered to be

privileged information, request the [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. 57-2015, as amended. *See also* Bureau Regulation No. 9137 on *Performance Incentive Mechanism*, Section 1.13 (addressing disclosure before the Bureau of Confidential Information and directing compliance with Resolution CEPR-MI-2016-0009).

## **B. Grounds for Confidentiality**

Under the Industrial and Trade Secret Protection Act of Puerto Rico, Act 80-2011, 10 LPRA §§4131-4144, industrial or trade secrets are deemed to be any information:

- (a) That has a present or a potential independent financial value or that provides a business advantage, insofar as such information is not common knowledge or readily accessible through proper means by persons who could make a monetary profit from the use or disclosure of such information, and
- (b) for which reasonable security measures have been taken, as circumstances dictate, to maintain its confidentiality.

*Id.* at §4131, Section 3 Act. 80-2011.<sup>3</sup> Trade secrets include, but are not limited to, processes, methods, mechanisms, manufacturing processes, formulas, projects, or patterns to develop machinery and lists of specialized clients that may afford an advantage to a competitor. *See* Statement of Motives, Act 80-2011. As explained in the Statement of Motives of Act 80-2011, protected trade secrets include any information bearing commercial or industrial value that the owner reasonably protects from disclosure. *Id.*; *see also* Article 4 of Puerto Rico's Open Data Law,

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<sup>3</sup> Relatedly, Rule 513 of the Rules of Evidence of Puerto Rico provides that the owner of a trade secret may invoke the privilege to refuse to disclose, and to prevent another person, from disclosing trade secrets, provide that these actions do not tend to conceal fraudulent actions or lead to an injustice. 32 P.R. Laws Annot. Ap. VI, R 513. If a court of law mandates disclosure of a trade secret, precautionary measures should be adopted to protect the interests of the owner of the trade secret. *Id.*

Act 122-2019 (exempting the following from public disclosure: (1) commercial or financial information whose disclosure will cause competitive harm; (2) trade secrets protected by a contract, statute or judicial decision (3) private information of third parties). *See* Act 122-2019, Articles 4 (ix) and (x) and (xi).

The Puerto Rico Supreme Court has explained that the trade secrets privilege protects free enterprise and extends to commercial information that is confidential in nature. *Ponce Adv. Med. v. Santiago Gonzalez*, 197 DPR 891, 901-02 (2017) (citation omitted).

The Excel spreadsheets submitted today in native form and with formulae intact in the file entitled *Confidential* are protected as trade secrets. They have commercial value to LUMA and PREPA as they reveal confidential processes and analysis to produce calculations in support of the public filings of the proposed rider factors. LUMA and PREPA keep and maintain these native files confidentially and do not disclose them to the public or unauthorized third parties.

LUMA appreciates the importance of placing the Energy Bureau in the position of reviewing the reconciliations and fixing the annual factors. However, to avoid future competitive harms that could ensue if original format spreadsheets with formulae and calculations are publicly disclosed, LUMA respectfully requests that the Excel files submitted today in the file entitled *Confidential* be received, kept, and maintained confidentially by this Energy Bureau.

The confidential spreadsheets included in the file entitled *Confidential* are: (1) documents with commercial and financial value, and (2) involve data that **is not common knowledge or readily accessible** by third parties who may seek to profit from the data or gain commercial advantages. The spreadsheets are business documents showing processes, methods, and mechanisms that garner protection under Act 80-2011. They are original documents that have not been disclosed to third parties and whose disclosure would reveal sensitive and private commercial

processes employed by LUMA and PREPA. The disclosure of this sensitive commercial information would place LUMA and PREPA in vulnerable and disadvantageous commercial positions that could affect LUMA customers and impact rates. Reasonable measures have been taken to protect the files from disclosure and avoid unauthorized access by third parties that could seek to gain commercial advantages. It is respectfully submitted that the spreadsheets included in the file entitled *Confidential* are trade secrets protected from public disclosure by Act 80-2011.

**WHEREFORE**, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned, **accept** the filing of the updated Annual Reconciliation for the Annual Factors riders and the filing of the Quarterly Reconciliation for March through May 2025, and the calculated Quarterly Rider factors and updated Annual Rider factors to apply to start on July 1, 2025; and **grant** the request to keep confidentially the spreadsheets that have been filed in excel format and with formulae in the file entitled *Confidential* that is submitted with this Motion.

**RESPECTFULLY SUBMITTED.**

In San Juan, Puerto Rico, this 16<sup>th</sup> day of May 2025.

I hereby certify that this Motion was filed using the electronic filing system of this Energy Bureau and that I will send an electronic copy of this Motion to the Puerto Rico Electric Power Authority, through: Lionel Santa [lionel.santa@prepa.com](mailto:lionel.santa@prepa.com); Alexis Rivera, [arivera@gmlex.net](mailto:arivera@gmlex.net); Juan M. Martínez Nevárez, [jmartinez@gmlex.net](mailto:jmartinez@gmlex.net); and Juan R. González Galarza, [jgonzalez@gmlex.net](mailto:jgonzalez@gmlex.net); to Genera PR, LLC through: Luis Roman Negrón, [lrn@roman-negron.com](mailto:lrn@roman-negron.com); [legal@genera-pr.com](mailto:legal@genera-pr.com); and [regulatory@genera-pr.com](mailto:regulatory@genera-pr.com); and to the Independent Consumer Protection Office, through Director Hannia Rivera, [hrivera@jrsp.pr.gov](mailto:hrivera@jrsp.pr.gov).



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*Exhibit 1*

*ASAP Costs Breakdown*



## Exhibit 1

### Accelerated Storage Addition Program

On March 5, 2025, the Puerto Rico Energy Bureau (PREB or Energy Bureau) issued a Resolution and Order in Docket No. NEPR-MI-2024-0002<sup>1</sup>, approving for LUMA to utilize the Purchased Power Charge Adjustment (PPCA) rider as a cost recovery mechanism for costs associated with the implementation of the Accelerated Storage Addition Program (ASAP) through December 2025 (March 5<sup>th</sup> Order).<sup>2</sup> Furthermore, the Energy Bureau mandated that LUMA provide justification<sup>3</sup> for the expenses it proposes to recover through the proposed PPCA factor in its quarterly filing on March 17, 2025, as well as in future quarterly factors submissions, based on the Optimistic Case<sup>4</sup> expenses related to the ASAP Implementation.

ASAP is a novel initiative, supported by the Energy Bureau, which was not originally included or considered in LUMA's Operation and Maintenance (O&M) Budget. This initiative draws on industry practices from other regions in the mainland United States, particularly California and Texas.<sup>5</sup> Due to the absence of experienced personnel in Puerto Rico to develop the ASAP framework and limit resources within LUMA, the initial design, contract formulation, financial modeling, and analytical strategies were executed by legal and external consultants with relevant expertise.

On March 28, 2025, the Energy Bureau approved previously incurred ASAP Implementation costs of \$1,560,361.25 for expenditures before February 28, 2025, and projected expenses from April to June 2025 amounting to \$1,889,000.00 that pertain to legal and consulting fees directly associated with the ASAP implementation during the specified periods.

#### ASAP INVOICE ACTUALS IMPLEMENTATION PROGRAM COSTS

Since the last update, from March 1, 2025, to April 30, 2025, LUMA spent \$410,166 on consultant and legal services for the ongoing development of the ASAP Program. The activities during this timeframe focused on advancing the initial four Standard Offers (SO) through the regulatory approval process, while also beginning to draft agreements for two additional participants to bring the total potential capacity for Standard Offer 1 participants to 190 MW. Consultants facilitated follow-up questions received from agencies on the agreements under review. The two new SO1 participants were engaged to provide the information necessary to prepare their preliminary SO agreements, which are now under review by the participants.

During this quarter, consultants also focused on developing preliminary drafts of the Agreed Operating Procedures (AOP) and supporting informational documents on key topics (e.g., a position paper on 'insurance'). The AOP is still under development and complements the Standard Offer and outlines the procedures to ensure safe, reliable, and efficient integration of the Battery Energy Storage System

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<sup>1</sup> IN RE: LUMA's Accelerated Storage Addition Program.

<sup>2</sup> Page 2 -3 of Resolution and Order of March 5, 2025, Docket No. NEPR-MI-2024-0002.

<sup>3</sup> In footnote No. 13, PREB emphasizes that the related expenditures must be accompanied by detailed narrative explanations, work papers, and documentation (e.g., invoices and related supporting documentation).

<sup>4</sup> Table 3 Expected Monthly Expenditure by Category of Exhibit 3 "ASAP Program Update" of February 28, 2025 LUMA's Motion, Docket No. NEPR-MI-2024-0002.

<sup>5</sup> [Energy Storage](#)

## Exhibit 1

(BESS) into the Grid System. Consultants conducted collaborative workshops with all SO1 developers to facilitate an initial review and discussion of the AOP's contents. The insights gained from these workshops were instrumental in refining the preliminary draft. To provide additional clarity on other topics, consultants also began drafting Position Papers on various topics, such as pass-through cost adjustments and expanded capacity. Legal reviewed drafts of the AOP, Large Generator Interconnection Agreement (LGIA), and advised on Position Paper topics, ensuring compliance with the Standard Offer.

Site visits to the SO1 facilities are being scheduled in two parts with the engineering firm. The initial site visits for the two most recently added SO1 participants ( ) were prioritized and completed in May. These site visits focused on performing an initial screening in order to prepare a memo of findings, which will identify any major issues with the proposed ASAP projects. If no major issues are identified in the memo (expected memo completion by mid-June), LUMA expects to submit the individual SO1 agreements to the Energy Bureau for consideration and approval. Coordination also started for the second part of the engineering firm's scope of work, which consists of more detailed site and substation visits to complete a Feasibility Study and System Impact Study.

The team also expanded its status reporting to meet the growing need for additional communications, both internally and externally (e.g., with interested and committed developers and regulatory agencies).

Table 0-1 lists the actual program implementation costs so far. The expenditure costs for March and April 2025 are below the previously forecasted amounts since there were several delays in the approval of expenses due to LUMA cashflow constraints. The main activities delayed were the coordination of the site visits, engineering studies, and legal review of the various materials (eg. AOP and additional SOs).

**Table 0-1. ASAP Invoice Actuals Program Implementation Costs<sup>6</sup>**

Actual Costs per Month	Legal	Consultant	Total
Expended through December 31, 2024			\$1,225,285
January 2025			\$143,742
February 2025			\$191,333
March 2025			\$73,471
April 2025			\$336,695
May 2025 <sup>8</sup>	Not Invoiced	Not Invoiced	\$-

<sup>6</sup> See Motion to Submit Proposed Standard Offer Phase 2 Agreement in Compliance with Resolution and Order of December 4, 2024, and Request for Confidentiality filed on December 19, 2024, pp. 10-11. ; Informative Motion and to Submit Estimate of Costs for ASAP in Compliance with Resolution and Order of January 14, 2025, and Request for Confidential Treatment filed on January 31, 2025, p. 11 and Exhibit 1; and Motion to Submit ASAP Program Implementation Plan and Associated Documents, Request for Approval of ASAP Cost Recovery Mechanism, and Request for Confidential Treatment filed on February 28, 2025, pp. 14-15 and Exhibit 3.

<sup>7</sup> The March 2025 legal expense reflects a credit that was received in March due to an adjustment of the previous invoices.

<sup>8</sup> May invoices have not been received as of the date of this filing, and thus, will be included in the next quarterly filing

## Exhibit 1

## ASAP FORECAST IMPLEMENTATION PROGRAM COSTS

**June**

In June, LUMA will continue to focus on coordinating with the engineering firm on the site visits and engineering studies. Additionally, the team will focus on preparing the upcoming set of SO agreements for submission to the Energy Bureau, pending the completion of the initial screening and memo of findings. Additionally, the team will continue to collaborate with developers to refine the AOP, and an updated draft that will include their input is expected by the end of the month.

**July**

In July, LUMA expects to submit the next set of SO agreements to the Energy Bureau, pending the completion of the initial screening and memo of findings. The engineering firm is also expected to continue its work on the engineering studies. The focus will also be on facilitating the final approval of the initial four SO agreements and establishing dispatch strategies for battery deployment within the Puerto Rico grid.

**August**

In August, LUMA will finalize the drafts of the LGIA and AOP with legal counsel, and consultants will begin to assess the implications on other BESS initiatives. Engineering studies will be completed, and LUMA will collaborate with developers on the findings.

**September**

In September, LUMA will collaborate with the developers to facilitate the timely advancement of their Engineering Procurement Construction (EPC) activities toward completion.

Table 0-2. ASAP Forecast Program Implementation Costs

Forecast Cost per Month	Legal	Consultant <sup>9</sup>	Total
June	To be reconciled in the September quarterly filing		
July	██████	██████	\$600,000
August	██████	██████	\$600,000
September	██████	██████	\$600,000

<sup>9</sup> This column includes the line items "Consultant", "Other" and "Contingency" in Table 3 of the Exhibit 3 submitted on February 28, 2025.

*Exhibit 2*

Quarterly Reconciliation and Quarterly Riders  
*Supporting files to be submitted via email*

Exhibit 3

Annual Reconciliation and Annual Riders  
*Supporting files to be submitted via email*