

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

**IN RE:** LUMA'S ACCELERATED STORAGE  
ADDITION PROGRAM

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

**SUBJECT:** Order to Show Cause regarding  
Phase One Interconnection Costs.

**ORDER TO SHOW CAUSE**

On April 26, 2024, LUMA<sup>1</sup> filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") a document titled *Motion to Submit ASAP Structure and Concept in Compliance with Resolution and Order issued on April 19, 2024 and Request for Determination of Consistency with Energy Public Policy and IRP* ("April 26 Motion"). Through the April 26 Motion, LUMA submitted a concept labeled as *Accelerated Storage Addition Program* ("ASAP"). According to LUMA, the ASAP concept would provide the opportunity to add BESS at existing IPP locations on an accelerated basis, the benefits of which included:<sup>2</sup>

1. The timeline to bring BESS online can be shortened significantly;
2. Development risk and regulatory uncertainty can be reduced/minimized;
3. BESS can improve system reliability and reduce load shed; and
4. ASAP can lower costs significantly.

LUMA stated that ASAP may add up to 360MW (preliminary estimate based on interested IPPs; LUMA indicated this number could change as the program develops)<sup>3</sup> of BESS capacity (4-hour storage)<sup>4</sup> at the 13<sup>5</sup> existing IPP facilities through a "Standard Offer" amendment to their existing PPOAs ("SO Agreement"), resulting in improved reliability and reduced load shed for the system at an accelerated pace and reduced costs.<sup>6</sup> According to LUMA, ASAP will be implemented in 2 phases:<sup>7</sup>

1. Phase 1 (185MW) can begin immediately, does not require network upgrades or interconnection costs, with some IPP facilities claiming they could be commercial in less than 12 months; and
2. Phase 2 (175MW) will begin after Phase 1 with minor interconnection work.

LUMA conducted field and interconnection evaluations as part of its consideration of selecting the Phase 1 participants, which would use IPP's existing Point of Interconnection ("POIs").<sup>8</sup> LUMA concluded that the Phase 1 participants would not require any network or interconnection upgrades.<sup>9</sup>

LUMA further asserted that preliminary studies conducted by LUMA have been performed at the facilities of some of the interested IPPs and indicated no operational restrictions or

<sup>1</sup> LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as, "LUMA").

<sup>2</sup> April 26 Motion, Exhibit 1 ("ASAP Report"), p. 5.

<sup>3</sup> April 26 Motion, p. 6, footnote 3.

<sup>4</sup> *Id.*, p. 6, ¶ 12.

<sup>5</sup> ASAP Report, p. 7.

<sup>6</sup> *Id.*, p. 5.

<sup>7</sup> *Id.*, p. 6.

<sup>8</sup> April 26 Motion, p. 5, ¶ 10.

<sup>9</sup> *Id.*



adverse effects from the ASAP Phase 1 on the existing transmission system – batteries can be installed with negligible interconnection costs.<sup>10</sup>

LUMA contemplated these SO Agreements could be executed sometime near the third quarter of 2024, which could enable the deployment of the new BESS by the end of 2025.<sup>11</sup>

On December 20, 2024, and January 14, 2025, respectively, the Energy Bureau approved the (4) four Phase 1 Standard Offer Agreements filed with the Energy Bureau.

On February 11, 2025, the Energy Bureau conditionally approved the Proposed Standard Offer Phase 2 Master Template Agreement. The Energy Bureau highlighted that the final approval of the Phase 2 projects was subject to the completion of the interconnection feasibility studies and the evaluation of costs associated with interconnection works. The Energy Bureau ordered LUMA to provide all cost information (incurred and projected) as soon as it became available to assess whether the agreed prices align with the public interest and are reasonable.

As of June 16, 2025, LUMA had not provided the relevant information nor any update regarding status or progress. The Energy Bureau ordered LUMA to provide, within five (5) days, interconnection studies and/or cost information pertaining to Proposed SO2 Agreements, in connection with a Resolution and Order issued on February 11, 2025. The Energy Bureau requested a detailed status report on all the Phase 1 projects.

On June 23, 2025, LUMA filed a document titled *Motion in Compliance with Resolution and Order of June 16, 2025 and Request for Confidential Treatment* (“June 23 Motion”). Through its June 23 Motion, LUMA provided a status update on Phase 1. Nonetheless, LUMA did not provide the status of the SO2 Agreements, including interconnection studies and cost information. The Energy Bureau granted LUMA five (5) additional days to provide all interconnection studies conducted to date; a detailed report on the status of any pending interconnection studies; a clear timeline for completing outstanding studies; and all available cost information, including detailed estimates, incurred costs, and supporting documentation associated with the interconnection process.

On July 2, 2025, LUMA filed a document titled *Motion in Compliance with Resolution and Order of June 25, 2025, and Request for Confidential Treatment* (“July 2 Motion”). In its July 2 Motion, LUMA indicated that no interconnection studies had been completed for either SO1 or SO2 and provided a timeline for completing the outstanding interconnection studies.<sup>12</sup> According to LUMA, the SO1 studies are expected to be completed in three (3) months following the initial site assessments, which points to a projected completion in September 2025.<sup>13</sup> For the studies SO2, the same three (3) month timeframe completion timeframe will apply following the site assessments; based on current expectations, LUMA expects SO2 studies will be completed around late October.<sup>14</sup> LUMA provided a copy of the engineering form Task Order as Exhibit 2, which outlines estimated related to the cost of the interconnection studies related to SO1, which amounts to \$1,325,500.<sup>15</sup> LUMA also requested a ten (10) day period to submit a Memorandum of Law supporting the request for confidentiality of Exhibits 1 and 2 to the July 2 Motion.

<sup>10</sup> *Id.*, pp. 6 – 7, ¶ 14.

<sup>11</sup> *Id.*, p. 11, ¶ 25.

<sup>12</sup> July 2 Motion, Exhibit 1, p. 4.

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*, pp. 4 – 5.

<sup>15</sup> *Id.*, Exhibit 2, p. 2.





On July 3, 2025, LUMA filed a document titled *Memorandum of Law in Support of Request for Confidential Treatment of Exhibits 1, 2, and 3 Submitted on June 23, 2025* ("July 3 Motion").

Upon review of the July 2 Motion, the Energy Bureau **DETERMINES IT WILL PROCEED** with the ASAP as originally outlined by LUMA and approved by the Energy Bureau, following the two-phase approach:

1. Phase 1, addressing projects that **do not require network upgrades or interconnection costs**.
2. Phase 2, for those that require interconnection works.

LUMA explicitly stated that Phase 1 consisting of 185 MW could be implemented immediately and would not require network upgrades or interconnection costs, as it would utilize the existing IPPs POIs. These representations supported the Energy Bureau approval of four (4) Phase 1 SO Agreements in December 2024 and January 2025.

*Jim* LUMA's July 2 Motion submissions (Task Order reflecting an estimated cost of \$1.3MM for SO1 interconnection studies) directly contradicts its prior representation that no upgrades or interconnection costs were required for Phase 1.

The Energy Bureau **WILL NOT APPROVE** any interconnection related costs associated with SO1 projects. These costs were neither disclosed nor justified during the approval process. Our approval of the Phase 1 SO Agreements was predicated on LUMA's express statements that no such costs or studies were required. Allowing such recovery would undermine the regulatory process and the Energy Bureau's obligation to protect public interest and ensure transparency.

*Shon* LUMA has strayed from the approved ASAP. Its clear failure to comply with and abide by the Energy Bureau's orders and/or directives constitutes non-compliance and warrants the imposition of fines, under Section 6.36 of Act 57-2014.<sup>16</sup>

*Don* Therefore, the Energy Bureau **ORDERS** LUMA to **SHOW CAUSE**, within **five (5) days** of this Order, as to why the Energy Bureau should not: 1) impose an administrative fine of one hundred thousand dollars (\$100,000) for willful non-compliance and/or misrepresentation of material facts and deviation from the Energy Bureau's directives; and 2) disallow such costs based on inaccurate or misleading information submitted to the Energy Bureau.

*A* LUMA's written response must explain **in detail** the reasons for its misrepresentation and disregard of the Energy Bureau's directives and provide justification for the Energy Bureau to consider regarding the imposition of fines.

Failure to respond to this Order to Show Cause will result in the immediate imposition of fines, and a continuing fine of up to twenty-five thousand dollars (\$25,000) per day until full compliance is achieved, under Section 6.36 of Act 57-2014.

The Energy Bureau **GRANTS** LUMA the requested **ten (10) day** term to submit a memorandum of law supporting its July 2 Motion confidentiality request.

Regarding the July 3 Motion, the Energy Bureau **GRANTS** confidential designation and treatment to Exhibits 1, 2, and 3 submitted on June 23, 2025 ("June 23 Motion"), on the grounds of containing trade secrets, as argued by LUMA. The Energy Bureau **TAKES NOTICE** that LUMA submitted the redacted versions of Exhibits 1, 2, and 3 to the June 23 Motion as the public version documents, in compliance with the Energy Bureau's Policy in Management of Confidential Information.

Be it notified and published.

<sup>16</sup> Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").





Edison Avilés Deliz  
Chairman

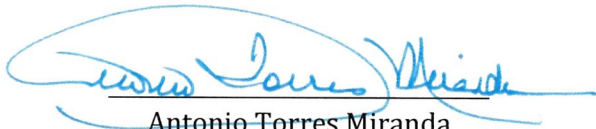


Lillian Mateo Santos  
Associate Commissioner

(did not intervene.)  
Ferdinand A. Ramos Soegaard  
Associate Commissioner



Sylvia B. Ugarte Araujo  
Associate Commissioner




Antonio Torres Miranda  
Associate Commissioner

**CERTIFICATION**

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on July 9, 2025. I also certify that on July 9, 2025 I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau and notified a copy of it by electronic mail to RegulatoryPREBorders@lumapr.com; laura.rozas@us.dlapiper.com; yahaira.delarosa@us.dlapiper.com; margarita.mercado@us.dlapiper.com; arivera@gmlex.net.

For the record, I sign this in San Juan, Puerto Rico, on July 9, 2025.



Sonia Seda Gaztambide  
Clerk

