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

IN RE:	**CASE NO.:** NEPR-MI-2022-0001
ENERGY EFFICIENCY AND DEMAND RESPONSE TRANSITION PERIOD PLAN	**SUBJECT:** Motion to Submit Amended Energy Efficiency Program Plan for Fiscal Year 2026 in Compliance with Resolution and Order of June 26, 2025

MOTION TO SUBMIT AMENDED ENERGY EFFICIENCY PROGRAM PLAN IN COMPLIANCE WITH RESOLUTION AND ORDER OF JUNE 26, 2025

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

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

I. Introduction

As the Puerto Rico transmission and distribution system operator, LUMA is responsible for facilitating the implementation of Puerto Rico's public energy policy, including key customer initiatives such as Energy Efficiency ("EE") and Demand Response ("DR") Programs, which are required by law and mandated by the Puerto Rico Energy Bureau ("Energy Bureau"). LUMA has been implementing a Transition Period Plan containing various quick-start or pilot EE and DR programs ("TPP"). The purpose of the TPP is to set the stage for the design and implementation of larger scale, more permanent programs that will form part of a Three-Year EE and DR Plan to be prepared and submitted by LUMA for approval by the Energy Bureau.

The Energy Bureau extended the deadlines associated with the submittal and implementation of the Three-Year EE and DR Plan, and, relatedly, also extended the term of the TPP until June 2026. In compliance with Energy Bureau directives, on January 31, 2025, LUMA filed with the Energy Bureau a revised TPP covering this extension, containing a description of EE and DR program offerings, budgets, and the estimated EE Rider amount for Fiscal Year ("FY") 2026.

In compliance with the Energy Bureau's Resolution and Order of June 26, 2025 ("June 26th Resolution and Order") LUMA is submitting herein an amended EE program plan for FY2026 that complies with budget limits and EE Rider level set in the June 26th Resolution and Order.

II. Relevant Background and Procedural History

1. On June 21, 2022, LUMA filed with the Energy Bureau, in Case No. NEPR-MI-2021-0006, *In Re: Demand Response Plan Review, Implementation and Monitoring*, LUMA's proposed Energy Efficiency and Demand Response Transition Period Plan containing the description of various quick-start EE and DR Programs to be implemented by LUMA during a two (2)-year Transition Period and associated budgets for FY2023 and FY2024 ("Proposed TPP"). *See Motion Submitting Proposed EE/DR Transition Period Plan* in Case No. NEPR-MI-2021-0006, *In Re: Demand Response Plan Review, Implementation and Monitoring* of that date and its *Exhibit 1*.

2. On February 16, 2023, the Energy Bureau issued a Resolution and Order ("February 16th Order") in the instant proceeding considering, amending, and approving the Proposed TPP (the Proposed TPP, as approved by the Energy Bureau, the "TPP"). Among others, the Energy Bureau established deadlines or milestones for various activities under the TPP, including, among others, December 2, 2023 for preparation of a draft FY2025-2027 Three-Year

EE and DR Plan ("Three-Year Plan"), December 2023 to conduct a stakeholder meeting to discuss the Three-Year Plan and the TPP annual report (for FY2023), and March 1, 2024 to file the FY2025-2027 Three-Year Plan. *See* February 16th Order, pp.18, 27 and 30.

3. On November 29, 2023, the Energy Bureau issued a Resolution and Order ("November 29th Order") extending the TPP by one year, until June 30, 2025,[1] and delaying the schedule (including all required drafts and stakeholder engagement processes) for the Three-Year Plan by one year, so that the Three-Year Plan was to be filed by March 1, 2025. *See* November 29th Order, p. 7. In addition, the Energy Bureau ordered LUMA to file by December 8, 2023, a revised TPP. *See id.*

4. On December 20, 2023, LUMA submitted to the Energy Bureau the revised version of the TPP.[2] *See Motion to Submit Revised TPP and Other Information Requested Under the Resolution and Order of November 29, 2023, filed on December 20, 2023 ("November 20th Motion")* and its Exhibit 1. The revised TPP included the deadlines of December 2, 2024, to have a draft Three-Year Plan, December 2024 to have a stakeholder meeting to discuss it and the Annual Report, and March 1, 2025, to file the final Three-Year Plan. *See id*. Exhibit 1, Section 6.1.

5. On September 16, 2024, LUMA submitted a motion requesting clarification on the timeline for completion of the Market Baseline and Potential Studies required under Section 3.02(D) and (E) of the Energy Bureau's Regulation for Energy Efficiency[3] and an extension of the deadline to submit the Draft Three-Year Plan given the delay in the completion of these studies,

[1] This determination was in response to a request from LUMA on October 30, 2023, to extend for an additional fiscal year the TPP, given the delays beyond LUMA's reasonable control in the startup of the programs, and to delay the schedule for the Three-Year Plan by one year. *See Request to Extend by One Additional Year the Deadline to File the Three-Year Plan, Concomitant Deadlines and Extend the Term of the Transition Period Plan for An Additional Fiscal Year*, pp. 15-16 and Exhibit 1.

[2] The deadline to submit the revised TPP was extended by the Energy Bureau by Resolution and Order of December 12, 2023, in attention to a request from LUMA of December 7, 2023. *See Request for Extension to Comply with the Order for LUMA to Provide Information Under the Resolution and Order of November 29, 2023*.

[3] Regulation Number 9367, March 25, 2022 ("EE Regulation").

and a concomitant extension of the TPP. *See Informative Motion, Request for Clarification Regarding Delayed Timeline for Completion of Market Baseline and Potential Studies, And Request for Extension to Submit Draft Three-Year Plan and Associated Tasks and Deadlines* ("September 16th Motion").

6. On October 23, 2024, the Energy Bureau issued a Resolution and Order ("October 23rd Order") in which, among others, the Energy Bureau determined to defer the requirement to submit the draft Three-Year Plan and begin the associated stakeholder engagement until on or before April 15, 2025, and the requirement to file the first Three-Year Plan until on or before July 15, 2025. *See* October 23rd Order, p. 5. The Energy Bureau also determined to extend the TPP by six months until December 31, 2025 and, to "provide clarity to LUMA for program planning and implementation", directed LUMA to: "(i) plan to achieve aggregate EE savings of at least 0.5 percent of annual sales in FY[20]26, split between six months of TPP and the first six months of the Three-Year Plan; and (ii) file, on or before December 2, 2024, a revised TPP, amended to cover the period through December 31, 2025, including EE and DR program offerings, budgets, and the estimated EE Rider amount for the first half of FY[20]26". *See id.* The Energy Bureau further directed that the revised TPP "include a detailed breakdown of its full expected FY2025 revenue (from the EE Rider, rollover funds, and other sources) and spending". *See id*., p. 6.

7. On November 25, 2024, LUMA requested the Energy Bureau to extend the deadline to submit the revised TPP. *See Motion for Extension of Deadlines and Modification of a Reporting Requirement in Resolution and Order of October 23, 2024*.

8. On December 5, 2024, the Energy Bureau issued a Resolution and Order ("December 5th Order") granting the extension to file the revised TPP.

9. In compliance with the October 23rd Order and December 5th Order, on January 31, 2025, LUMA filed the revised TPP ("Proposed Revised TPP"), containing, among others, a description of EE and DR program offerings, budgets, and the estimated EE Rider amount for the first half of FY 2026. *See Motion to Submit Revised Energy Efficiency and Demand Response Transition Period Plan and Request for Modification of Deadlines Relating to Three-Year Energy Efficiency and Demand Response Plan*, pp. 2, 7 and Exhibit 1. LUMA requested the Energy Bureau to approve the Proposed Revised TPP, including its proposed budget of $41 million for the EE Programs for FY2026. *See id*., p. 12 and Exhibit 1, p. 50. LUMA also requested the Energy Bureau to leave without effect the deadlines to submit and implement the Three-Year Plan, given the delays in the preparation of the Market Baseline and Potential Studies, and to provide that these deadlines be established at such a time when these studies are completed. *See id*., pp. 11-12. Consistent with this request, the Revised TPP submitted by LUMA covered the period from July 1, 2025, to June 30, 2026. *See id*., p. 7.

10. On April 3, 2025, the Energy Bureau issued a Resolution and Order ("April 3rd Resolution and Order") (i) establishing the deadlines of October 1, 2025 and February 1, 2026, to present the draft Three-Year EE and DR Plan to interested stakeholders and to file the Three-Year EE and DR Plan, respectively, and (ii) determining that the Three-Year EE and DR Plan shall cover the period from July 1, 2026 until June 30, 2028. *See* April 3rd Resolution and Order, p. 2.

11. In the April 3rd Resolution and Order, the Energy also scheduled a Technical Conference for April 24, 2025 ("April 24th Technical Conference") to discuss, among other subjects, the Proposed Revised TPP and the progress of the EE and DR Three-Year Plan. *See id*., p. 3-4.

12. On April 24, 2025, the Energy Bureau held the April 24th Technical Conference. LUMA provided a presentation and discussed the Proposed Revised TPP and the progress of the EE and DR Three-Year Plan, among other subjects.[4]

13. On June 26, 2025, the Energy Bureau issued a Resolution and Order ("June 26th Resolution and Order") addressing, among others, the Proposed Revised TPP. In it, the Energy Bureau indicated that a "less ambitious" or "slower" ramp-up of the EE programs may be required because LUMA left "an unspent budget of $5.46 million […] [falling] short of the goal of 0.25 percent savings in FY25" and LUMA had decided to "eliminate or nearly eliminate lighting from the incentive and kit-based programs". *See* June 26th Resolution and Order, p. 3. The Energy Bureau then determined that "a budget of approximately 19.1 million is appropriate for FY26 (the third year of the TPP) to achieve approximately 0.27 percent first year savings (43,000 MWh)" which they indicated "reflects roughly 35 percent increase in program savings from the expected total for FY25" and that "this budget and increased savings could be achieved without changing the current value of the EE rider". *See id*.

14. The Energy Bureau then directed LUMA to "determine its FY25 carryover amount and add to that the expected revenue from the EE Rider (using that rider's current value)", for the Energy Bureau to determine the precise value of the FY26 budget for final approval, and to include in the revised TPP (discussed below) the specific budget and revenue calculation. *See id*. The Energy Bureau also instructed LUMA to cap the FY budget for education and outreach at $500,000 and the budget for cross-cutting planning, administration, and evaluation at $1.2 million, and indicated that LUMA retained flexibility to allocate its budget among the proposed EE resource acquisition programs. *See id*.

[4] *See Motion to Submit Presentation for Technical Conference Scheduled for April 25, 2025,* filed on April 23, 2025, which includes as Exhibit 1 the presentation submitted by LUMA for the Technical Conference.

15. Finally, the Energy Bureau directed LUMA to "file an amended EE program plan for Fiscal Year 2026 that complies with the budget limits and EE Rider level set [in the June 26th Resolution and Order]" and to "strive for continuity in programs between FY25 and FY26 by continuing programs at an appropriate scale while the Energy Bureau reviews and approves LUMA's amended EE program plan" *See id*. p. 4.

III. Submittal of Amended EE Program Plan

16. In compliance with the June 26th Resolution and Order, LUMA submits herein an amended EE program plan with the associated revised budget. *See Exhibit 1*.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned, **accept** and the amended EE program plan in the revised TPP in *Exhibit 1*; and **deem** LUMA in compliance with the June 26th Resolution and Order.

RESPECTFULLY SUBMITTED.

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

We hereby certify that we filed this Motion using the electronic filing system of this Energy Bureau and that we will send an electronic copy of this Motion to the attorney for PREPA at jmarrero@diazvaz.law and lionel.santa@prepa.pr.gov; the Independent Office for Consumer Protection at hrivera@jrsp.pr.gov; and agraitfe@agraitlawpr.com, info@sesapr.org, bfrench@veic.org, shanson@veic.org, evand@sunrun.com, jordgraham@tesla.com, forest@cleanenergy.org, customerservice@sunnova.com, javrua@sesapr.org, pjcleanenergy@gmail.com, and mrios@arroyorioslaw.com.

DLA Piper (Puerto Rico) LLC
500 Calle de la Tanca, Suite 401
San Juan, PR 00901-1969
Tel. 787-945-9147 / 9109
Fax 939-697-6141 / 6190

/s/ Laura T. Rozas

Laura T. Rozas
RUA Núm. 10,398
laura.rozas@us.dlapiper.com

/s/ Emmanuel Porro González
Emmanuel Porro González
RUA NÚM. 23,704
emmanuel.porrogonzalez@us.dlapiper.com

Exhibit 1

Amended EE Program Plan

Amended Energy Efficient Program

NEPR-MI-2022-0001

July 21, 2025

Executive Summary

LUMA is committed to working with the Puerto Rico Energy Bureau (Energy Bureau) in our mission to build a more reliable and more resilient energy system for the people of Puerto Rico. As the system operator, LUMA is responsible for implementing Puerto Rico's public energy policy and is committed to advancing key customer initiatives such as energy efficiency (EE) and demand response (DR) programs. Progress to date on these initiatives includes:

- Energy Efficiency Education: Reaching out to customers through social media, bill inserts, monthly email updates and a media campaign to raise awareness about LUMA's EE programs.
- Energy Efficiency Kits: Distributing more than 51,300 free EE kits to customers, resulting in over 19,810 MWh of energy savings.
- Energy Efficiency Rebates: Issuing more than 11,600 financial rebates to residential customers for purchasing high-efficiency equipment and providing approximately $664,000 in rebates to 217 commercial customers, with additional pre-approved funds, reducing energy use and costs.
- Community Streetlight Initiative: Installing 166,300 streetlights across all 78 municipalities to improve safety and energy efficiency for customers and modernize the grid in all communities.
- Customer Battery Energy Sharing Initiative: Enrolling more than 60,000 customers in the Initiative, representing a available capacity of 40 MW, to increase the supply of energy available during peak demand, improving service reliability and minimizing load shed impacts.

LUMA is submitting an amended EE program in compliance with the Energy Bureau's Resolution and Order (R&O) dated June 26, 2025, on Case No. NEPR-MI-2022-0001. This revision includes all necessary modifications to ensure alignment with the requirements of the R&O, before the comprehensive three-year program cycle starts in July 2026. Many of the original TPP sections are not repeated in this addendum for brevity.

In preparation of the EE program, using the methods outlined by the Energy Bureau in the June 26, 2025 Resolution and Order, LUMA undertook a review of the EE portfolio along with all programs and measures within the portfolio to support efforts towards achieving the revised FY26 target of 0.2% (as calculated by LUMA) while continuing to maximize the use of program funds to deliver energy savings.

LUMA leveraged recent insights from its quality assurance and control (QA/QC) processes, based on those results the most significant change is a shift away from lighting measures as a source of significant

energy savings. For years, LED (Light Emitting Diode) lighting has been the “low-hanging fruit” driving cost-effective energy savings for utility energy efficiency programs in the United States and Canada. The phasing out of ENERGY STAR’s Certification of lamp and luminaires as of December 31, 2024, signifies the completion of market transformation for residential lighting in the United States and a need for the utility industry to shift to other, often more expensive energy efficiency opportunities to drive portfolio energy savings. LUMA will await the final results of the Energy Bureau’s Market Baseline and Potential Studies as well as receipt of data requested from the Department of Economic and Commercial Development’s Weatherization Assistance Program to complete additional analysis to determine if there are any remaining sources of worthwhile residential lighting savings in Puerto Rico and whether LUMA’s lighting offerings in the commercial and industrial sectors need to be revisited.

LUMA is proposing limited changes to the EE programs as the programs are performing well against the principles, objectives and goals outlined in the approved TPP. In alignment with the Energy Bureau’s June 26, 2025, Resolution and Order, the budgets for each have been scaled down from the budgets proposed in the January 2025 filing of the draft TPP plan. With the estimated FY26 budget, LUMA will maintain a steady-state of program operation to meet the proposed revised FY26 target.

However, the budget revisions significantly constrain the portfolio’s ability to scale to meet the goals of the Three-Year Plan. The budget cap imposed on the EE Education and Outreach programs will impact plans for crucial activities on developing a unified EE brand, expanding partnerships to extend program reach, and tailored outreach and assistance programs for hard-to reach audiences such as low-income residential customers and small business owners. These activities will not only bolster the FY26 TPP as but also help ramp-up program demand to meet the Three-Year Plan goals.The budget cap on Cross-Cutting Program Planning and Administration also limits investments in third-party EM&V and in growing program and infrastructure capacity capabilities. The original plans for these activities must be scaled down significantly or delayed to future years as budgets allow.

Furthermore, LUMA’s estimated FY26 target of 0.2% as compared to the Three-Year Plan FY27 target of 0.8% represents a 300% increase. Acheiving the tremendous growth requires investments in FY26 that will not be possible with the revised FY26 estimated budget.

Contents

Tables & Figures

Introduction

In response to the Energy Bureau's Resolution and Order (R&O) of October 23 further modified by R&O of June 26, in Docket NEPR-MI-2022-0001, LUMA is pleased to present this amended Energy Efficiency (EE) program plan for fiscal year 2026 (FY26) that complies with the budget limits and EE rider level.

Much of the original EE portfolio is still valid and relevant. For most of the programs, the Incentive Rationale, Program Theory and Objectives, Barrier Analysis and Evaluation, Monitoring and Verification sections are unchanged and have not been repeated here for the sake of brevity.

This revision reflects the implementation of the EE program for a full fiscal year from July 1, 2025, to June 30, 2026 (Year 3).

EE Program Plan Review

LUMA leveraged recent insights from its QA/QC processes and in addition, undertook a comprehensive review of the EE portfolio and all programs and measures within the portfolio to ensure that the FY26 program portfolio achieves the targets as set by the Energy Bureau in the June 26 Resolution and Order while continuing to maximize the use of program funds to deliver energy savings. The review also assessed EE programs for continued alignment to relevant principles, objectives and other considerations set out in the EE Regulation while taking into consideration any market developments.

LUMA has based its review on detailed analysis of results to date, stakeholder feedback, and the technical expertise of internal staff and that of its consultants. The review also leveraged information from published resources in Puerto Rico as well as Program Plans and Technical Reference Manuals from other jurisdictions. The Energy Bureau is currently conducting the first Market Baseline and Potential Studies for Puerto Rico, which will provide a wealth of information to guide program review. However, this data was unavailable to guide the development of FY26 EE program.

Based on the QA/QC and review results, the most significant change is a shift away from lighting measures as a source of significant energy savings. For years, LED lighting has been the "low-hanging fruit" driving cost-effective energy savings for utility energy efficiency programs in the United States and Canada. The phasing out of ENERGY STAR's Certification of lamp and luminaires as of December 31, 2024, signifies the completion of market transformation for residential lighting in the United States and a need for the utility industry to shift to other, often more expensive energy efficiency opportunities to drive portfolio energy savings. LUMA will await the results of the Market Baseline and Potential Studies to complete additional analysis to determine if there are any remaining sources of worthwhile residential lighting savings in Puerto Rico and whether LUMA's lighting offerings in the commercial and industrial sectors need to be revisited.

As discussed in more detail below, LUMA used guidance in the June 26, 2026, R&O to develop a revised budget of $16,187,656. Taking into consideration the cost-effectiveness impacts of the lighting transition on the energy efficiency portfolio, LUMA estimates that this budget will yield energy savings of 32,375 MWh in FY26, or a target of 0.2% of FY26 sales

LUMA is proposing limited changes to the EE programs as the programs are performing well against the principles, objectives and goals outlined in the approved TPP. The budgets for each have been decreased according to the new estimated budget and target. The specific limited changes proposed for each

program are detailed in the relevant program sections below. With the estimated FY26 budget, LUMA will maintain a steady-state of program operation positioned to meet the proposed revised FY26 target.

However, the budget revisions significantly constrain the portfolio's ability to scale to meet the goals of the Three-Year Plan. The budget cap imposed on the Education and Outreach programs will impact plans for crucial activities on developing a unified EE brand, expanding partnerships to extend program reach, and tailored outreach and assistance programs for hard-to reach audiences such as low-income residential customers and small business owners. These activities would not only bolster the FY26 EE program, but would have also helped ramp-up program demand to meet the Three-Year Plan goals. The budget cap on Cross-Cutting Program Planning and Administration also limits investments in in third-party EM&V, EE program data automation, and other improvements in program administration infrastructure capacity and capabilities. These planned activities will be scaled down significantly or delayed to future years as budgets allow.

LUMA's estimated FY26 target of 0.2% as compared to the Three-Year Plan FY27 target of 0.8% represents a 300% increase. Bridging this tremendous growth requires significant investments in FY26 that will not be possible with the revised FY26 estimated budget.

Summary Tables of EE Savings and Costs

The EE Regulation sets non-binding energy savings targets to reduce consumption for the first two years of the Transition Period. For the first two years of the TPP, EE budgets were determined based on those non-binding targets. In the June 26 Resolution and Order, the Energy Bureau sets forth a revised approach where the EE savings targets are determined based on a predetermined budget.

For the Energy Bureau to determine the precise value of the FY26 budget for final approval, LUMA has been ordered to determine its FY25 carryover amount and add to that the expected revenue from the EE Rider based on its current value.

Using the guidance outlined by the Energy Bureau, LUMA has calculated a FY26 budget of $16,187,656. To arrive at this budget, the current EE Rider of $0.000853 was multiplied by LUMA projections of FY26 sales of 16,022,315,675 kWh to arrive at the estimated FY26 EE Rider revenue of $13,939,415. This amount was added to the estimated FY25 carryover of $2,520,620. Final FY25 carryover numbers will be available in August 2025.

The FY25 carryover takes into account actual FY25 EE Rider revenue of $12,430,248. This amount is added to the FY24 Rollover amount of $5,812,817 to arrive at the actual FY25 budget of $18,243,065. This amount is then subtracted from the estimated FY25 spending numbers of $15,722,445 to arrive at the estimated FY25 carryover of $2,520,620 Final FY25 spending numbers will be available in August 2025.

Amended Energy Efficient Program Plan

Table 1: FY25 Actual Budget & Rollover Funds

FY25 Actual Budget	Amount
EE Rider collected in FY25	$12,430,248
FY24 Rollover	$5,812,817
Total	**$18,243,065**
FY25 Rollover Funds	**Amount**
FY25 Actual Budget based on EE Rider Collected	$18,243,065
FY25 Spending	$15,722,445
Total	**$2,520,620**

It should be noted that LUMA's ability to meet FY2025 spending and savings targets were severely impacted by financial liquidity issues. Specifically, PREPA has not yet replenished the dedicated incentive bank account necessary for issuing remaining FY25 EE Rebate program incentives to customers and to send free EE Kits to low-income customers. Additional details will be provided in the TPP FY25 Q4 Report. The objective of this section is to provide a quantitative overview of the EE energy savings and program cost estimates for Year 3 from July 1, 2025, through June 30, 2026, based on the revised approach and budget outlined in the June 26 R&O.

The shift away from lighting measures as a source of significant energy savings for the residential sector is the key driver for the FY26 EE budget. For years, LED (Light Emitting Diode) lighting has been the “low-hanging fruit” driving cost-effective energy savings for utility energy efficiency programs in the Unites States and Canada. The phasing out of ENERGY STAR’s Certification of lamp and luminaires as of December 31, 2024, signifies the completion of market transformation for residential lighting in the United States and a need for the utility industry including LUMA to shift to other, often more expensive energy efficiency opportunities to drive portfolio energy savings. Based on this, LUMA estimates that a budget of $16,187,656 will yield energy savings of 32,376 MWh in FY26, or a target of 0.2% of FY26 sales.

For EE, LUMA will make ongoing adjustments to meet mandated targets. Adjustments may be made, as needed, to the eligible measure lists, incentive levels and other program elements that will impact the budget allocations summarized below in response to market conditions, customer uptake, and stakeholder feedback, while maintaining stable program offerings to avoid market confusion.

Table 2: Summary of EE Portfolio Budget and Savings Estimates.

Description	Year 3
Total Estimated Annual Savings (MWh)	32,375
Total Estimated Annual Peak Demand Savings (MW)	70
Total Estimated Lifetime GHG Savings (MT CO2)	585,793
Total Energy Efficiency Program Cost ($M)	$16.2

Amended Energy Efficient Program Plan

Table 3: Summary of EE Budget and Savings Estimates by Sector.[1]

Market Sector	FY2026 Sales Forecast (MWh)	Year 3 Program Budget	Annual Electricity Savings (MWh)	Lifetime Electricity Savings (MWh)	Peak Demand Savings (MW)	Market Sector
Residential Sector	6,477,315	$9,750,656	19,383	328,043	4	Residential Sector
Low-Income	874,438	$2,730,206	6,904	136,614	3	Low-Income
Non-Low-Income	5,602,877	$7,020,450	12,479	191,429	2	Non-Low-Income
Commercial, Industrial and Agriculture (C&I) Sector	9,545,000	$4,737,000	12,992	199,059	2	Commercial, Industrial and Agriculture (C&I) Sector
Small Business	2,099,900	$758,095	4,619	74,826	1	Small Business
Other Commercial/ Industrial and Agricultural Sector	7,445,100	$3,978,905	8,373	124,233	1	Other Commercial/ Industrial and Agricultural Sector
Government/ Public Sector	-	-	-	-	-	Government/ Public Sector
Portfolio Total	16,022,315	$14,487,656	32,375	527,101	6	Portfolio Total

Table 4: Summary of EE Budget and Savings Estimates by Program.[2]

Program	Year 3 Program Budget	Annual Electricity Savings (MWh)	Lifetime Electricity Savings (MWh)	Peak Demand Savings (MWh)
Residential Rebates	$7,650,656	17,106	268,890	2
Residential Kits	$1,400,000	1,741	55,955	2
In-store Discounts	$700,000	536	6,059	0
Business Rebates	$4,337,000	9,239	149,651	1
Business Kits	$400,000	3,754	49,407	0
Total Energy and Peak Demand Savings		**32,376**	**529.962**	**5**

[1] Costs for Education and Outreach and Cross-Cutting PP&A are not included in this summary as they serve all EE programs.

[2] Costs for EE Education and Outreach and Cross-Cutting PP&A are not included in this summary.

Table 5: Summary of EE Portfolio Budget and Cost Breakdown.

Energy Efficiency Portfolio	Program Planning and Administration (PP&A)	Participant Incentives	Budget By Program
Incentives and Incentive Program Administration			
Residential Rebates	$1,750,656	$5,900,000	$7,650,656
Residential Kits	$400,000	$1,000,000	$1,400,000
In-store Discounts	$200,000	$500,000	$700,000
Business Rebates	$1,037,000	$3,300,000	$4,337,000
Business Kits	$100,000	$300,000	$400,000
Program Planning, Promotion and Cross-Cutting Administration			
Education & Outreach Program	$500,000	n/a	$500,000
Cross-Cutting Admin & Evaluation Costs	$1,200,000	n/a	$1,200,000
Total EE Portfolio	**$5,187,656**	**$11,000,000**	**$16,187,656**

1) Program Planning and Administration (PP&A) includes all the program delivery costs (e.g., internal labor, employee expenses and overhead; vendor-related labor and expenses; software, materials; legal etc.) except for the incentive budget used to defray the measure costs. The PP&A budget therefore includes program administration, marketing, research and analysis, program planning, technical assistance training, and program Evaluation, Measurement and Validation (EM&V) among others. For the purposes of budgeting for the TPP, LUMA has allocated the EE program budget based on a 65% allocation of the total budget to incentives and 35% to PP&A.

2) Participant Incentives are defined as including rebates for equipment and product discounts. For the TPP, the participant incentives are exclusively to defray eligible measure costs. The type and level of incentive varies by program and is stated in the EE program descriptions in of this report.

3) EE program Cross-Cutting Administration and Evaluation includes costs that are not directly allocated to existing programs, such as preparing regulatory reporting, annual and 3-year plans, research and analysis, QA/QC, EM&V. It also includes costs related to new and improved administrative and operational systems (Information Technology, Application Systems) for continued program implementation. The budget cap on Cross-Cutting Program Planning and Administration scaled down significantly or delayed to future years as budgets allow.

Program Offerings Energy Efficiency

Program Offerings Energy Efficiency

As noted in Introduction, much of the original EE program plan is still valid and relevant. For most programs, the Incentive Rationale, Program Theory and Objectives, Barrier Analysis and Evaluation, Monitoring and Verification are unchanged and have not been repeated here for the sake of brevity.

Energy Efficiency Education and Outreach

Program Description and Services Offered

The aim of Education and Outreach Programs is to utilize marketing and communications and strategic partnerships, sector-focused engagement, and targeted technical assistance to increase customer and stakeholder awareness and understanding of energy efficiency and demand response opportunities and for achieving energy bill savings and to drive customer uptake of more efficient and flexible technologies. This program is crucial to driving participation in EE programs as well as ramping activities that will help deliver against Three-Year Plan targets in FY27 and FY28.

The budget cap of $500,000 outlined in the June 26 Resolution and Order significantly limits the ability of the program to grow. Key activities like developing a unified EE brand, partnerships to support program deployment, and technical assistance programs necessary to capture energy savings for hard-to reach audiences such as low-income residential customers and small business owners cannot be pursued fully in FY26. Thus, proposed Education and Outreach activities will be limited to steady-state marketing and communications activities and strategic partnerships that will help deliver FY26 savings.

Target Customers

The target population includes all customers.

Key Program Changes

The key changes for the EE Education and Outreach program cover four areas:

A. **Program Marketing and Communications:** The Program will continue to provide and improve information that is easy to understand on energy efficiency technologies and energy bill reduction strategies for the home and business. The program messaging will also highlight the importance of saving energy and identify opportunities during critical periods. This will continue to be delivered through various channels including through LUMA Regional Service Centers and will contain information on customer actions, benefits and other programs offerings. The program will also continue to include online informational tools and resources. **Strategic Partnerships:** The program will continue to build upon and expand relationships with strategic partners to advance awareness, understanding and deployment of EE and DR programs. This includes but is not limited to:

   - Building partnerships with federal and locally funded programs providing in-kind or financial support for advancing EE and DR programs to co-market programs and further reducing the financial barriers to customer participation.
   - Launching strategic initiatives that serve TPP goals in partnership with LUMA's Key Accounts and Community Engagement teams, leveraging their existing close working relationships with business and the community.

Incentive Strategy and Rationale

The Education and Outreach program does not offer participant incentives. For the TPP, Participant Incentives are defined as including rebates for equipment and product discounts. Participant incentives are exclusively intended to defray eligible measure costs. However, the program may use contests, prizes, grants and/or in-kind donations of technical support to encourage uptake of TPP programs and

incentives (as allowable). Depending on budget and feasibility of implementation, the program may also explore payments-for-performance to partners to help secure low-income participation in TPP incentive programs for instance. These costs will be recorded as PP&A costs.

Benefits: Estimated Energy Savings and Program Costs

The education and outreach program is comprised of educational tools, information resources and outreach initiatives to increase customer and stakeholder understanding of energy efficiency and demand response technologies for achieving energy bill savings. Energy and greenhouse gas savings will be achieved but are “hard-to-measure.” The aim of this program is to increase customer awareness of EE and DR as drive participation in TPP incentive programs. The program seeks to provide information to all LUMA customers, however, at this time it is difficult to estimate the number of customers that will be reached by this initiative.

Table 6: Estimated Number Participants, Costs for Customer Education/Awareness Program.

Description	YR. 3 Estimate
Energy Savings (MWh)	N/A
Planned Participants	TBD
Total Costs ($)	$500,000

Residential Rebate Program

Program Description and Service Offered

The Residential Rebate Program provides customers with a financial incentive ($/unit) for purchasing and installing high-efficiency measures from a list of eligible measures. Customers are required to submit a rebate application by mail, email or online to LUMA (depending on application system capabilities). LUMA’s implementation contractor reviews and approves the application and processes an incentive check. Details about each project are recorded in a detailed tracking database to ensure accurate reporting and verification.

Eligible Customers

All residential customers, including low-income customers. As ordered by the Energy Bureau in February 16, 2023, Resolution and Order LUMA will provide low-income customers with higher incentives than are available for non-low-income customers.

Key Program Changes

LUMA is implementing three key changes for the Residential Rebate Program:

A. **Tiered Incentive Structures and Unit Limits for Key Measures:** Consistent with the purpose of the TPP, LUMA uses insights from the EE Program experience and data from the Puerto Rico market as part of its QA/QC processes to ensure programs are maximizing savings. As reported in FY2025 Q1, within the Residential Rebate Program, high consumer demand for Heating, Ventilation and Air Conditioning (HVAC) rebates, specifically mini-split air conditioning units, was evaluated in early FY2025 to understand the types of systems consumers are buying most. In the TPP, the original assumption was that market demand would concentrate on larger mini-split units requiring higher incentives to encourage customer adoption. However, program data has since

shown that market demand has been concentrated on smaller, less expensive units. This shift towards smaller units impacts the average savings for this measure and points to a need to change and restructure the measure incentives to improve cost effectiveness.

The incentive change was instituted for FY2025 Q3 through adoption of a tiered incentive structure for mini-split air conditioners with different incentives "tiers" based on the unit size purchased. LUMA's quality control processes will continue to monitor market data to identify any additional measures for which a tiered-incentive structure will improve program outcomes. In addition, LUMA will consider both program & per household limits for the number of products per measure type for which rebate incentives can be provided. This will provide another tool to balance the objectives of energy savings and LUMA's commitment to bridging gaps in access to EE and fostering inclusivity across diverse income groups.

B. **Sales Channel-Focused Program Marketing:** LUMA's program review shows a marked difference in the success of measures offered through trade ally-channels and those offered through retail channels. Program marketing, communication, education and outreach efforts to HVAC and Solar Water Heater trade allies have had a clear and positive impact on uptake of those measures. As a result, the program will continue to invest in engagement and training with trade allies and explore deeper marketing and outreach approaches such as treasure hunts, energy audits/assessments, and direct installation of eligible measures to target key customer sectors such as low-income. However, there has been low participation for measures that are sold primarily through retail channels – such as ENERGY STAR certified refrigerators, freezers and window air conditioners. This suggests there is limited customer awareness and low retail sale staff promotion of the program. To address this, As budgets allow, LUMA will explore investing additional resources to engage retailers and their sales staff to increase their awareness of the program and encourage them to make customers aware of the program and benefits for participating. LUMA will investigate the costs and benefits of in-store displays and signage to increase retail customer awareness of the program and then implement on a limited scale in select retail outlets as available funding allows. **Increasing Low-Income Participation:** Ensuring access and availability of incentives for low-income households in EE programs is an important program priority. As budget allows, LUMA will develop partnerships and initiatives to increase access and participation of low-income customers. For example, deepening coordination and collaboration with local government programs through agencies such as the Department of Economic Development and Commerce (DDEC in Spanish), Department of Housing (DOH), Department of Education (DE) and others. In addition, the program reviewed rebate program design and identified several other additional opportunities to improve low-income customer participation.

    - **Enhanced Application Process:** LUMA is exploring modifications to the application process for rebates and other program incentives that will help improve data requisition and enable LUMA to confirm low-income status and track low-income customers more effectively.

C. **Adjustment of Incentive Levels:** LUMA will continue to adjust incentives to equal 25%-50% of incremental measure costs as additional program and market data become available. Using that data, LUMA can also identify key measures that may be cost prohibitive to low-income customers and for which higher incentive levels may be warranted to ensure program accessibility for low-

income customers. Feasibility assessment for increasing low-income incentives for one or more measures will follow any needed adjustments to low-income qualifications as discussed above.

Eligible Measures

Table 7: EE Residential Rebate Program Measure List presents current eligible measures, indicative estimates of savings per measure and the current proposed incentive per measure. The measure savings estimates largely rely on inputs and assumptions from other jurisdictions and represent indicative estimates for planning purposes. LUMA will make ongoing adjustments, as needed, to the eligible measure lists, incentive levels and other program elements that will impact budget allocations summarized below in response to market conditions, customer uptake, and stakeholder feedback, while maintaining stable program offerings to avoid market confusion.

Table 7: EE Residential Rebate Program Measure List.

End-Use	Eligible Measures	Savings Per Measure (kWh)	Incentive Per Measure ($) Residential	Incentive Per Measure ($) Low-Income
HVAC – Ductless Split	Tier 1: ≤12,000 British Thermal Units (BTU), 21 Seasonal Energy Efficiency Ratio (SEER) minimum	889	250	350
	Tier 2: 12,001 – 24,000 Btu, 20 SEER minimum	1,429	375	500
	Tier 3: 24,001 – 36,000 Btu, 19 SEER minimum	1,842	575	750
	Tier 4: 36,001 – 60,000 Btu, 16 SEER minimum	1750	750	1,000
HVAC – Window Units	Window Air Conditioner	234	130	175
Water Heating	Solar Water Heater	1940	550	775
Water Heating	Tankless Water Heater	119	60	85
Food Services	ENERGY STAR Refrigerator	51	210	280
	ENERGY STAR Freezer	43	210	280

Estimated Energy Savings and Program Costs

Table 8: Estimated Savings, # Participants, and Costs for the Residential Rebate Program below provides an initial estimate of energy savings and costs for the Residential Rebate Program during the Transition Period.

Table 8: Estimated Savings, # Participants, and Costs for the Residential Rebate Program.

Description	YR. 3 Estimate
Annual Electricity Savings (MWh)	17,106
Lifetime Electricity Savings (MWh)	266,028
Peak Demand Savings (MW)	2.08
Gross Lifetime GHG Savings (MT of CO2)	241,499
Planned Participants	19,891
Total Costs ($)	$7,650,656

EE Residential Kits Program

Program Description and Service offered

The EE Kits Program provides a free mail-order "kit" containing simple EE measures such as LED lightbulbs, advanced power strips and LED nightlights along with educational material about all LUMA EE incentive programs. Customers complete a simple web-based form to request a kit, which is then mailed at no cost to them. In addition, EE kits can be distributed to customers directly at community events, regional service centers, and through other local/regional marketing initiatives. The EE Kit Program reaches a broader audience than the Residential Rebates program and helps to raise interest and awareness of the Rebates and other residential energy efficiency programs.

Eligible Customers

In FY2026, only low-income customers will be eligible to receive EE kits.

Key Program Changes

LUMA is implementing three key changes for the EE Residential Kits program:

- **Low-Income Target Audience:** As highlighted in the FY25 quarterly reporting, LUMA will focus its Residential EE Kits Program efforts on engaging and supporting low-income communities which are most in need of energy-efficient solutions. LUMA will market kits to this customer segment through strategic partnership and through marketing and outreach approaches such as treasure hunts, energy audits/assessments, and direct installation of eligible measures for low-income customers as budget allows.
- **Enhanced Application Process:** As discussed in the EE Residential Rebate Program updates, LUMA is exploring modifications to the application process for EE kits that will help improve data requisition and enable LUMA to confirm low-income status and track low-income customers more effectively.
- **Lighting:** The ENERGY STAR Certification for lamps and luminaires was sunset on December 31, 2024, due to widespread market penetration of energy efficient lighting. As of FY2025 Q3, LED lamps and luminaires will no longer be counted towards program energy savings. LUMA will await results of the Energy Bureau's Market Baseline and Potential Studies to determine whether

the market transformation for lighting for Puerto Rico's low-income communities is complete; or whether data suggests that LED lighting programs for this customer segment can continue to help reduce customer energy use and costs.

Eligible Measures

Table 9: EE Kits Program Measure List presents the eligible measures and estimates of energy and demand savings per measure that could be included in FY2026 kit releases. Not all measures will be included in all kits. The measure savings estimates largely rely on inputs and assumptions from other jurisdictions and represent indicative estimates for planning purposes. LUMA will make ongoing adjustments, as needed, to the eligible measure lists, incentive levels and other program elements that will impact budget allocations summarized below in response to market conditions, customer uptake, and stakeholder feedback, while maintaining stable program offerings to avoid market confusion.

Table 9: EE Kits Program Measure List.

Measure	Annual Energy Savings Per Unit (Mwh)	Annual Demand Savings Per Unit (Mw)
1.5 Gallons Per Minute (GPM) Multifunction Fixed Showerhead	0.095	0.024
1.0 GPM Bubble Spray Bathroom Aerator	0.0018	0.001
1.5 GPM Dual Spray Kitchen Aerator	0.027	0.007
Pipe Insulation Wrap	0.111	0.016
Advanced Power Strip (Tier 1)	0.038	0.004

Estimated Energy Savings and Program Costs

Table 10: Estimated Savings, # Participants, and Costs for the Residential EE Kits Program below provides an initial estimate of energy savings and costs for the Residential EE Kits Program for Year 3 of the Transition Period.

Table 10: Estimated Savings, # Participants, and Costs for the Residential EE Kits Program.

Description	YR. 3 Estimate
Annual Electricity Savings (MWh)	1,741
Lifetime Electricity Savings (MWh)	55,955
Peak Demand Savings (MW)	2
Gross Lifetime GHG Savings (MT of CO2)	50,796
Planned Participants	25,000
Total Costs ($)	$1,400,000

In-Store Discount Program

Program Description and Services Offered

The In-store Discount (ISD) Program offers in-store discount for eligible measures at participating retail stores. Customers receive discounts paid for by the program via point-of-sale price markdowns or ticket price buydowns through upstream and midstream strategies. Critical to the success of the ISD program are the relationships with retail, wholesale, and manufacturer partners, formalized through memorandums of understanding (MOUs). These partners, motivated by upstream and midstream strategies and the potential for increased sales, collaborate with LUMA to offer customers energy-efficient products at market discounts. They also ensure rigorous data management of purchased measures to monitor program impact and costs effectively.

The program employs various participation strategies based on factors such as product availability and the maturity of retailer systems. A common approach is the buydown strategy, which shifts the responsibility for marketing and discount tracking upstream to product wholesalers or manufacturers. This approach is especially effective for manufacturers with multiple program-qualified products and for smaller or independent retailers whose point-of-sale systems may lack the sophistication required for detailed program data.

Another strategy utilized in the program is the markdown model. In this approach, retailers partner directly with LUMA to offer discounts on program-qualified products, regardless of manufacturer. Under this model, the retailer assumes responsibility for both marketing and tracking discounts.

In both strategies, the MOUs with partner retailers and manufacturers clearly outline the agreed-upon scope and participation details, ensuring transparency and mutual understanding.

Eligible Customers

All customers shopping in participating retail stores.

Key Program Changes

LUMA is implementing three key changes for the ISD program:

- **Low-Income Target Audience:** As highlighted in LUMA's response to the October 23 Resolution and Order, LUMA is currently reaching out to independent retailers located in disadvantaged communities to encourage their participation. This approach will increase the ISD program accessibility to low-income customers. It is worth noting though, while this strategy is demographically and geographically aimed at serving low-income customers, it does not have the distinct ability to validate income level at the point of purchase. Therefore, the efforts undertaken will assume a proportional amount of measure attribution to this population, until other methods for validation can be conceived.
- **Lighting:** The ENERGY STAR Certification for lamps and luminaires was phased out on December 31, 2024, due to widespread market penetration of EE lighting. As of FY2025 Q3, general service LED lamps and luminaires will no longer be included in the ISD program.

- **Expanding list of Measures:** LUMA will work to expand the list of eligible measures in the ISD program to products such as window air conditioners, refrigerators, indoor and outdoor lighting fixtures. A key input to the analysis for expanding the list of measures will be the Energy Bureau's Market Baseline and Potential Studies which is due to be published sometime in FY2025. LUMA will also test and analyze the risks and benefits of offering "incentives" for the same products through two programs – Residential Rebate and ISD.

Eligible Measures

Table 11: In-Store Discount Program Measure List presents the current list of eligible measures and estimates of energy and demand savings per measure. The measure savings estimates largely rely on inputs and assumptions from other jurisdictions and represent indicative estimates for planning purposes. LUMA will make ongoing adjustments, as needed, to the eligible measure lists, incentive levels and other program elements that will impact budget allocations summarized below in response to market conditions, customer uptake, and stakeholder feedback, while maintaining stable program offerings to avoid market confusion.

Table 11: In-Store Discount Program Measure List.

Measures	Savings Per Measure (Kwh)	Incentive Per Measure
Clothes Washers	136	$210
Clothes Dryers	166	$210
Room Air Conditioners	234	$65
Ceiling Fans	63	$35
LED Lighting	18-170	$0.98-$8/unit

Estimated Energy Savings and Program Costs

Table 12: Estimated Savings, # Participants, and Costs for the In-Store Discount Program below provides an initial estimate of energy savings and costs for the ISD Program for Year 3 of the Transition Period.

Table 12: Estimated Savings, # Participants, and Costs for the In-Store Discount Program.

Description	YR. 3 Estimate
Annual Electricity Savings (MWh)	536
Lifetime Electricity Savings (MWh)	6,059
Peak Demand Savings (MW)	0
Gross Lifetime GHG Savings (MT of CO2)	5,500
Planned Participants	3,000
Total Costs ($)	$700,000

Business Rebate Program

Program Description and Services Offered

The Business Rebate Program offers business customers a financial incentive for purchasing and installing eligible measures. To participate, customers are required to submit a rebate application by mail, email or online to LUMA (depending on application system capabilities). LUMA reviews and approves the application and processes an incentive check. Details about each project are recorded in a detailed tracking database to ensure accurate reporting and verification.

A prescriptive financial incentive ($/unit) is offered for the installation of eligible measures. The program currently provides rebates for a variety of frequently purchased equipment covering the key business end-uses.

Eligible Customers

All commercial and industrial customers.

Key Program Changes

- LUMA is implementing two key changes for the Business Rebate program:
- **Sales Channel-Focused Program Marketing:** Consistent with the approaches for the Residential Rebate program LUMA will engage trade allies and explore deeper marketing and outreach approaches such as treasure hunts, energy audits/assessments, custom rebates and direct installation of eligible measures for trade-ally channel measures. For the retail sales channel, LUMA will explore retailer marketing strategies to increase retailer customers' awareness of rebate-eligible measures while shopping in stores as budget allows.
- **Encouraging "Early Replacement" as appropriate:** Incentives are particularly attractive for customers when existing equipment fails ("Replace on Burnout"). However, many of the eligible measures in the Business Rebate program could be economically deployed on an "Early Replacement" basis. LUMA will develop marketing to encourage more "Early Replacement" where it makes sense for customers. As budgets allow, LUMA will engage LUMA Key Accounts teams, trade allies and other organizations to market programs and explore in-kind technical assistance and customized rebates to assess cost-effective early replacement opportunities.
- **Lighting:** LUMA will continue to offer business lighting rebates as it awaits the results of the Market Baseline and Potential Studies and the completion of additional analysis to determine whether its lighting offerings business needs to be revisited.

Eligible Measures

Table 13: Business Rebate Program Measure List presents the current list of eligible measures and estimates of energy and demand savings per measure. The measure savings estimates largely rely on inputs and assumptions from other jurisdictions and represent indicative estimates for planning purposes. LUMA will make ongoing adjustments, as needed, to the eligible measure lists, incentive levels and other program elements that will impact budget allocations summarized below in response to market

conditions, customer uptake, and stakeholder feedback, while maintaining stable program offerings to avoid market confusion

Table 13: Business Rebate Program Measure List.

End-Use	Measure	Savings Per Measure (Kwh Per Unit)	Incentive Per Measure ($ Per Unit)
HVAC	Rooftop AC	205-414	$100-$175 per ton
HVAC	Chillers	151-402	$50-100 per ton
Lighting	Linear Fluorescent	17-63	$5-10 per unit
Lighting	LED Troffer	99-258	$25-30 per unit
Lighting	Omni directional	56	$10 per unit
Lighting	Exit sign	283	$10 per unit
Lighting	Exterior LED, <35W	266.5	$40 per unit
Lighting	Exterior LED, 35W-149W	668.3	$100 per unit
Lighting	Exterior LED, 150W-220W	1336.6	$175 per unit
Lighting	Exterior LED, >220W	2870	$280 per unit
Sensors	Occupancy Sensor	46	$20 per sensor
Water Heating	Water Heating	2775	$550 per unit
Envelope	Window Film	8.1	$1 per sq ft
Pumps	Pool Pump Variable Frequency Drive (VFD)	2149	$200/unit
Food Services	Refrigerator	338	$100 per unit
Food Services	Combination Oven	16236	$800 per unit
Food Services	Convection Oven	2064	$350 per unit
Food Services	Fryer	2121	$350 per unit
Food Services	Ice Machine	2125	$500 per unit
Food Services	Freezer	819	$100 per unit
HVAC – Ductless Split	Tier 1: ≤12,000 Btu, 21 SEER minimum	737.3	$250.00
	Tier 2: 12,001 – 24,000 Btu, 20 SEER minimum	1152.6	$375.00
	Tier 3: 24,001 – 36,000 Btu, 19 SEER minimum	1429.2	$575.00
	Tier 4: 36,001 – 60,000 Btu, 16 SEER minimum	982.2	$750.00
HVAC – Window Units	Window Air Conditioner	419	$130.00

Estimated Energy Savings and Program Costs

Table 14: Estimated Savings, # Participants, and Costs for the Business Rebate Program below provides an initial estimate of energy savings and costs for the Business Rebates program for Year 3 of the Transition Period.

Table 14: Estimated Savings, # Participants, and Costs for the Business Rebate Program

Description	YR. 3 Estimate
Annual Electricity Savings (MWh)	9,239
Lifetime Electricity Savings (MWh)	149,651
Peak Demand Savings (MW)	1
Gross Lifetime GHG Savings (MT of CO2)	135,853
Planned Participants	670
Total Costs ($)	$4,337,000

Business Energy Efficiency Kits

The Business EE Kits program was not included in the original TPP submission, but LUMA identified a need for such a program in May 2024 and the program was launched in FY2024 Q3. A full program description is provided here to augment the program information provided in the original TPP submission.

Program Description and Service Offered

The Business EE Kits program provides a free mail-order "kit" containing simple EE measures such as LED lightbulbs and advanced power strips, along with educational material about all LUMA EE incentive programs. Customers complete a simple web-based form to request the Business EE Kit, which is then mailed at no cost to them. As budget allows, Business EE Kits may also be distributed to the customer directly at community events, regional service centers, and through other local/regional marketing initiatives or through deeper marketing and outreach efforts such as treasure hunts and direct install of kits measures. Business EE Kits will help reach a broader audience and help raise interest and awareness for the Business Rebates programs.

Eligible Customers

Only owners of LUMA accounts with commercial or industrial rate tariffs are eligible to receive Business EE Kits.

Program Theory and Objectives

Like Residential EE Kits, free Business EE Kits will be provided to customers to generate cost-effective energy savings, while raising awareness of LUMA's new EE programs and providing basic energy educational materials. By providing simple, free energy savings opportunities for low-cost business measures, the program will provide customers with opportunities to achieve energy and bill savings as well as opportunities to reduce greenhouse gases and help Puerto Rico achieve its energy efficiency target.

Barrier Analysis

Table 15: Barrier Analysis - Business EE Kits Program.

Description	Barrier	Risk	How the program will address
Lack of knowledge of EE opportunities	✓		The program will provide basic EE measures and educational materials that raise interest and awareness of EE opportunities.
Lack of customer capital to purchase EE products	✓		The program provides free kits containing simple low-cost EE measures.
Lack of availability of eligible products	✓		LUMA will provide the EE kits directly to customers upon request through LUMA's web-portal or directly through Education and Outreach initiatives such as events, Trade Ally partnerships, and direct customer outreach.
Uncertainty of energy savings estimates	✓	✓	LUMA has selected measures that are known to be cost-effective. LUMA will continue to refine energy savings estimates using data collected from participating projects.

Key Program Changes

As noted, the Business EE Kits program was launched in FY2024 Q3. Based on LUMA's review of the program performance since its launch, LUMA has identified two key program changes to improve performance and respond to changing market conditions.

- **Enhanced Application Process:** LUMA is exploring modifications to the application process for Business EE Kits that will help improve data requisition and enable LUMA to confirm industry uptake by sector.
- **Lighting:** The ENERGY STAR Certification for lamps and luminaires were phased out on December 31, 2024, due to widespread market penetration of energy efficient lighting. As of FY2025 Q3, general service LED lamps and luminaires will no longer be counted towards program energy savings. LUMA will await results of the Energy Bureau's Market Baseline and Potential Studies to determine whether the market transformation for lighting for Puerto Rico's business sector is complete, or that data suggests that LED lighting programs for specific industry sectors can continue to help reduce customer energy use and costs.

Eligible Measures

Table 16: Business EE Kits Program Measure List presents the current list of eligible measures and estimates of energy and demand savings per measure that could be included in FY2026 kit releases. LUMA anticipates developing a segment or sub-segment specific kit to better reflect the main end-uses and low-cost equipment used in each of the targeted segments and sub-segments. As such, not all measures listed will be included in all kits. The measure savings estimates largely rely on inputs and assumptions from other jurisdictions and represent indicative estimates for planning purposes.

Table 16: Business EE Kits Program Measure List.

Measure	Annual Energy Savings Per Unit (MWh)	Annual Demand Savings Per Unit (MW)
Bath Aerator (1.0 GPM)	29	0.004
Kitchen Aerator (1.5 GPM)	47	0.006
LED Exit Sign Retrofit	269	0.031
Power Rinser Pre-Rinse Spray Valve (1.1 GPM)	224	0.042
Air Purification System	80	0.000

Estimated Energy Savings and Program Costs

Table 17: Estimated Savings, # Participants, and Costs for the Business EE Kits Program below provides an initial estimate of energy savings and costs for the Business EE Kits Program for Year 3 of the Transition Period.

Table 17: Estimated Savings, # Participants, and Costs for the Business EE Kits Program.

Description	YR. 3 Estimate
Annual Electricity Savings (MWh)	3,754
Lifetime Electricity Savings (MWh)	49,407
Peak Demand Savings (MW)	0
Gross Lifetime GHG Savings (MT of CO2)	44,852
Planned Participants	3,600
Total Costs ($)	$400,000

Evaluation, Measurement and Verification

The proposed evaluation, measurement and verification objectives and procedures for the Business EE Kits program are provided in *Table 18: EM&V for Business EE Kits Program.*

Table 18: EM&V for Business EE Kits Program.

EM&V Objectives and Procedures	How the program will address EM&V objectives and procedures.
Program objectives	• Achieve savings target • Raise awareness of energy efficiency measures and programs

EM&V Objectives and Procedures	How the program will address EM&V objectives and procedures.
Evaluation objectives	• Document energy and demand savings • Provide verification and due diligence of project savings • Improve the design and implementation of existing and new/future programs through process evaluation
Key impact evaluation procedures	• Review tracking database and make recommendations for improvement
Key process evaluation procedures	• Program documentation review, including program plans or filings, marketing materials, and implementation contractor contract documents • Review redemption process and make recommendations for improvement of customer journey • Conduct interviews with utility program staff and implementation contractors • Conduct surveys with sample of customers to obtain information on the effectiveness of program design, measure installation rate, marketing, and program delivery, and to assess customer satisfaction
Key Performance Indicators	• Energy savings reported and verified • Demand savings reported and verified • Total participants reported and verified • Total measure quantities by measure type reported and verified
Suggested schedule	• Conduct impact and process evaluation bi-annually
Plan for working with the Energy Bureau's EM&V contractor	• Respond to requests and provide information requested in a timely manner as available • Require implementation contractors to respond to requests and provide information requested in a timely manner as available

EE Rider and Rollover Breakdown for FY2026

The EE Rider and Rollover provide LUMA with a secure funding source to implement the portfolio of EE programs. The EE Rider is the mechanism established by the Energy Bureau to recover the cost of energy efficiency programs from all customers on a per kilowatt-hour basis. In the following sections LUMA provides a breakdown of revenues and spending for EE Rider and Rollover and EE Rider and PPCA Estimates for FY2026.

See *Table 19: Breakdown of Revenues and Spending for EE Rider and Rollover.*

Table 19: Breakdown of Revenues and Spending for EE Rider and Rollover.

FY26 Revenues + Rollover Budget	PP&A	Incentives	Total
Residential Rebates	$2,014,617	$3,739,054	$5,753,671
In-Store Discounts	$842,211	$1,563,585	$2,405,796
EE Kits	$318,137	$1,382,335	$1,700,472
Business Rebates	$1,789,886	$3,322,887	$5,112,773
Education and Outreach	$2,069,658	-	$2,069,658
Cross Cutting	$2,069,658	-	$2,069,658
Total	-	-	$19,112,028

EE Rider and PPCA Rider Estimates for FY2026

EE Program Cost Recovery

As shown in Table 20: Funding Sources and Cost Recovery for EE Programs (FY2026). `, of the total budget of $16,187,656 budgetapproximately $$2,520,620 would be carry over for Residential programs

The residential carryover represents residential kit inventory ordered but not disbursed to customers, as well as rebate applications processed but checks not yet issued to customers. This is largely due to delays in receiving replenishment of incentive funds from PREPA.

The Energy Bureau has previously established the EE Rider to recover the cost of EE programs from all customers on a per kilowatt-hour basis. The EE Rider factor is calculated by dividing the total estimated amount to be recovered by the total estimated FY kWh sales. The estimated EE Rider factor during FY2026, subject to the availability of the appropriate recovery mechanism, is $0.000853/kWh, as shown in Table 20.

Table 20: Funding Sources and Cost Recovery for EE Programs (FY2026). `

Program	A) Total planned program budget ($M)	C) Allocation of funds from existing rates and other programmatic revenues ($M)	D) Incremental ratepayer funds required from EE rider ($M)
Residential Programs	$9,750,656	$2,520,620	$7,230,036
C&I Programs	$4,737,000	$0	$4,737,000
Education & Outreach Program	$500,000	$0	$500,000

Amended Energy Efficient Program Plan

Cross-Cutting Planning, Administration & Startup Costs	$1,200,000	$0	$1,200,000
Total Portfolio of Programs	**$16,187,656**	**$2,520,620**	**$13,667,036**