

**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:** Resolution and Order pertaining to *Memorandum of Law in Support of Request for Confidential Treatment of Exhibit 2 Submitted on July 2, 2025* and *Motion in Compliance with Order to Show Cause of July 9, 202[5]*, filed by LUMA Energy, LLC and LUMA Energy ServCo, LLC.

**RESOLUTION AND ORDER**

On June 16, 2025, the Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) ordered LUMA<sup>1</sup> to submit interconnection studies and/or cost information pertaining to Phase 2 Proposed Standard Offer Agreements, in connection with a Resolution and Order issued on February 11, 2025. The Energy Bureau also requested a detailed status report on all the Phase 1 projects.

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. 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. 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. 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. LUMA also requested a ten (10) day period to submit a Memorandum of Law supporting the request for confidentiality of Exhibit 2 to the July 2 Motion.

On July 9, 2025, the Energy Bureau ordered LUMA to show cause within five (5) days as to why it should not: 1) be fined \$100,000 for willful non-compliance and misrepresentation of material facts regarding Phase 1 of the Accelerated Storage Addition Program (“ASAP”); and 2) have its interconnection-related costs disallowed for Phase One Standard Offer Projects, as those costs were not disclosed or justified during the approval process (“July 9 Order”). Particularly, because LUMA had explicitly stated that Phase 1 would require no network upgrades or interconnection costs, which was a key basis for the Energy Bureau’s approval. However, LUMA later submitted documentation showing \$1.3 million in interconnection study costs, directly contradicting its prior representations. The Energy Bureau also granted the requested ten (10) day term to submit a memorandum of law supporting its July 2 Motion confidentiality request.

On July 16, 2025, LUMA filed a document titled *Memorandum of Law in Support of Request for Confidential Treatment of Exhibit 2 Submitted on July 2, 2025*. LUMA argued Exhibit 2 to the July 2 Motion contains information that should be classified as commercially sensitive protected under Puerto Rico’s trade secret law and the Energy Bureau’s Policy on Confidential Information.

On July 22, 2025, LUMA filed a document titled *Motion in Compliance with Order to Show Cause of July 9, 202[5]* (“July 22 Motion”). In its July 22 Motion, LUMA categorically denied any willful noncompliance or misrepresentation of material facts. It asserted that it has consistently acted in good faith, transparently, and in full alignment with regulatory

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



directives and industry standards throughout the development and implementation of the ASAP program. LUMA requested that the July 9 Order be vacated or, alternatively, that the Energy Bureau hold a hearing to allow a full and fair discussion of the issues.

LUMA explained that any lack of precision or clarity in previous filings was due to the technical complexity of the program and the need to simplify communications, not to any intent to mislead the Energy Bureau. LUMA acknowledges that certain terms, particularly “interconnection costs” and “interconnection studies”, may have been used inconsistently, but reiterated that it never claimed that no interconnection costs would be incurred. Instead, it consistently stated that such costs would be minimal, reduced, or negligible in comparison to traditional battery projects, particularly because ASAP leverages existing infrastructure at IPP sites.

LUMA further distinguished between “interconnection costs,” which generally refer to physical infrastructure work needed to connect a battery system to the grid, and “interconnection studies,” which include feasibility, system impact, and facilities studies. LUMA emphasized that the costs for these studies were included in the ASAP Program Implementation Plan, were disclosed to the Energy Bureau, and were not misrepresented in any way.

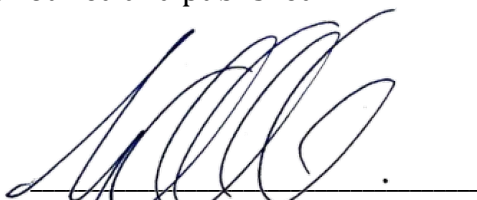
Finally, LUMA defended its proposed cost recovery mechanism, which seeks to recover costs, including interconnection study costs, through the Power Purchase Cost Adjustment (“PPCA”). LUMA stressed that all expenditures will be subject to review and reconciliation by the Energy Bureau. For all these reasons, LUMA believes that the imposition of fines or disallowance of costs would be unjustified and contrary to the public interest.

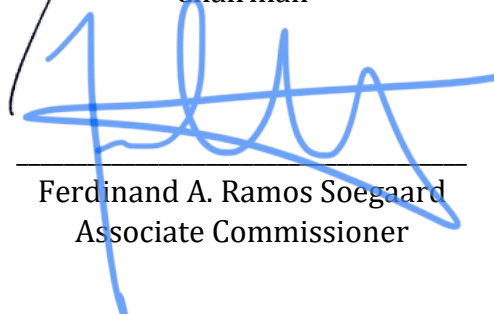
Regarding the July 2 Motion, the Energy Bureau **GRANTS** confidential designation and treatment to Exhibit 2.


LUMA established in its July 22 Motion that the expenses related to the Phase 1 studies are included within the \$8 million budget approved under the optimistic scenario. As such, the Energy Bureau **DETERMINES** not to impose LUMA a fine in connection with the July 9 Order. Accordingly, the Energy Bureau **REAFFIRMS** its determination set forth in its ruling issued on March 5, 2025. Particularly, that the Energy Bureau authorizes LUMA to use the PPCA rider as a cost recovery mechanism for the ASAP implementation **until December 2025** and that additional operation costs associated with ASAP program shall be recovered solely through the tariff. The Energy Bureau further **REITERATES** it will only approve forward looking expenses for the ASAP Program Implementation based on the ““Optimistic Case””; these expenses will later be reconciled with supporting documentation. LUMA must justify all ASAP expenses to be recovered through PPCA factor in its quarterly PPCA petition submittals. Otherwise, the Energy Bureau will not approve them.

**LUMA SHALL NOT recover, through the PPCA, any amounts beyond the \$8 million authorized by the Energy Bureau.**

Be it notified and published.

  
Edison Avilés Deliz  
Chairman

  
Ferdinand A. Ramos Soegaard  
Associate Commissioner

  
Lillian Mateo Santos  
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 23, 2025. Associate Commissioner Sylvia B. Ugarte Araujo did not intervene. I also certify that on July 23, 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 23, 2025.



*[Signature]*

Sonia Seda Gaztambide  
Clerk