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

IN RE: LUMA'S ACCELERATED STORAGE ADDITION PROGRAM ("ASAP")

CASE NO.: NEPR-MI-2024-0002

SUBJECT: Resolution and Order pertaining to *Motion in Compliance with Resolution and Order of July 23, 2025*, filed by the Puerto Rico Electric Power Authority.

RESOLUTION AND ORDER

On December 20, 2024, and January 14, 2025, respectively, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") approved the (4) four ASAP Program Phase 1 Standard Offer Agreements ("SO1 Agreements") filed with the Energy Bureau, totaling 110MW of Battery Energy Storage Systems ("BESS").

On June 16, 2025, the Energy Bureau requested LUMA¹ to provide a detailed status report on all 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 the four (4) SO1 Agreements approved by the Energy Bureau. The Energy Bureau became aware that the projects were approved by the Puerto Rico Electric Power Authority ("PREPA") and the Financial Oversight and Management Board for Puerto Rico ("FOMB"); however, execution has not yet started, as it is pending confirmation that PREPA can proceed with execution with the Puerto Rico Public-Private Partnerships Authority ("P3") Authorization Letter.

In its ASAP proposal filed with the Energy Bureau on April 26, 2024, LUMA highlighted that Phase 1 projects could begin immediately, as they did not require network upgrades and minimal interconnection costs, with some IPP claiming they could be operational in **less than twelve (12) months**. As such, the execution of the referenced agreements should have already taken place, **as implementation was contemplated for April 2025**.

This is extremely concerning. If those projects had been executed, as LUMA originally represented, the current generation challenges could have been mitigated, possibly preventing reliance on loadshedding. Particularly considering that said load sheds' capacity, possibly, could have been covered by the projects, identified for execution, under the Phase 1 ASAP Program, which capacity totaled 110MW of BESS.

Taking the above into consideration, on July 23, 2025, the Energy Bureau granted PREPA five (5) days to provide a detailed explanation regarding the cause of the delay in the execution of the four (4) approved BESS Phase 1 projects and why their immediate execution should not proceed, in a manner consistent with the paramount public interest.

On August 1, 2025, PREPA filed a document titled *Motion in Compliance with Resolution and Order of July 23, 2025* ("August 1 Motion"). In its August 1 Motion, PREPA stated that the developers of the four (4) referenced projects have not fulfilled the contractual Signing Conditions required for execution of the SO1 Agreements, as detailed in Exhibit 21 of said agreement. According to PREPA, only Ecoeléctrica responded to PREPA's update request, stating that it is actively working on completing the required documentation and expects to be ready to execute the contract by September 2025. The other three (3) developers [San Fermín Battery Project LLC ("San Fermín"); Infinigen Horizon ASAP LLC ("Horizon"); and Infinigen Oriana ASAP LLC ("Oriana")] have not responded to PREPA's communications nor submitted any of the required documentation, despite PREPA's initial email date June 27, 2025, and a follow-up sent on July 24, 2025.





¹ LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as, "LUMA").

Pursuant to Section 6.24 of Act 57-2014,² the Energy Bureau is empowered to: (i) investigate matters relating to Puerto Rico's electric system; (ii) require information from certified entities; and (iii) oversee compliance with laws and regulations. Additionally, Regulation 8701³ authorizes the Energy Bureau to require reports, documents, and appearances from certified entities for oversight and compliance purposes.

Based on the information submitted by PREPA, the Energy Bureau **FINDS** it necessary and appropriate to require San Fermín, Horizon and Oriana, and Ecoeléctrica, as certified companies under its jurisdiction, to provide **detailed explanations** for their failure to respond to PREPA's communications in a timely manner.

The Energy Bureau **ORDERS** San Fermín, Horizon, Oriana, and Ecoeléctrica to submit an explanation, **no later than Thursday**, **August 14**, **2025**, which includes: (i) a detailed explanation of the current compliance status with the Signing Conditions outlined in Exhibit 21 of the SO Agreement; (ii) an identification of any obstacles causing the delay; and (iii) updated timeline and proposed corrective actions to allow execution of the contracts.

The Energy Bureau **HIGHLIGHTS** that the delay in execution of these ASAP projects occurs at a time of critical urgency, due to limited available generation capacity and persistent reliability challenges on the Island's electric system. These projects were approved precisely to accelerate the integration of storage resources needed to maintain system stability. Any further delays may aggravate our existing generation shortfall.

The Energy Bureau **WARNS** San Fermín, Horizon, Oriana, and Ecoeléctrica that failure to comply with this Resolution and Order, will result in the imposition of fines, in accordance with Art. 6.36 of Act 57-2014.

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

² Known as the *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").

³ Amendment to Regulation No. 8618, on Certifications, Annual Fees and Operational Plans of Electric Service Providers in Puerto Rico, Regulation 8701, February 17, 2016 ("Regulation 8701").

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on August 4, 2025. Associate Commissioner Sylvia B. Ugarte Araujo did not intervene. I also certify that on August 4, 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 August 4, 2025.

Sonia Seda Gaztambide

Clerk