

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

NEPR

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

CASE NO. NEPR-MI-2020-0001

SUBJECT: LUMA's Submission of FCA and PPCA Reconciliations for July and August 2025, Calculated FCA, PPCA and FOS Factors and Request for Confidential Treatment

**MOTION SUBMITTING FCA AND PPCA RECONCILIATIONS FOR JULY AND
AUGUST 2025, FCA, PPCA AND FOS CALCULATED FACTORS AND
MEMORANDUM OF LAW IN SUPPORT OF CONFIDENTIAL TREATMENT**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME NOW LUMA Energy, LLC ("ManagementCo"), and **LUMA Energy Servco, LLC** ("ServCo") (jointly referred to as the "Operator" or "LUMA"), through the undersigned counsel, and respectfully state and request the following:

I. Introduction

As Operator of the Puerto Rico Electric Power Authority's ("PREPA") Transmission and Distribution System ("T&D System"), and in furtherance of its duties as agent of PREPA regarding system regulatory matters under Section 5.6 of the T&D OMA¹ LUMA prepares quarterly reconciliations and proposed calculated factors for the Fuel Charge Adjustment ("FCA"), the Purchased Power Charge Adjustment ("PPCA"), and the Fuel Oil Subsidy ("FOS") riders.

The Final Rate Order of 2017, issued on January 10, 2017, Case CEPR-AP-2015-0001, as amended ("Final Rate Order") and PREPA's tariff book, require the calculation of the FCA and PPCA riders reconciliation to ensure that the costs the power purchased from private generators

¹ The *Transmission and Distribution System Operation and Management Agreement* was executed by LUMA Energy, LLC, LUMA Energy ServCo, LLC, the Puerto Rico Electric Power Authority, and the Puerto Rico Public-Private Partnerships Authority on June 22, 2020. This agreement is supplemented and amended by the *Puerto Rico Transmission and Distribution System Operation and Maintenance Supplemental Terms Agreement*, which was also executed on the same day. This agreement is herein referred to as the T&D OMA.

and of fuel used for generation by PREPA (now the responsibility of Genera PR, LLC (“Genera”)) are passed through to customers without any markup, profit or additional charges that would benefit PREPA.

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

The reconciliations for the FCA and PPCA riders that are submitted herewith for the months of July and August 2025 are consistent with the approved and currently existing PREPA Tariff Book and the Final Rate Order. LUMA is also submitting proposed factors for the FCA, PPCA and FOS riders for the months of October, November and December 2025. LUMA is also submitting reconciliation amounts and estimated costs related to the Customer Battery Energy Sharing (“CBES”) Program and the Accelerated Storage Addition Program (“ASAP”), as well as proposed costs for the ASAP Program for October through December 2025.

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

II. Procedural Background

Pursuant to orders in the same dockets, the Energy Bureau has approved and revised the factors associated with several riders, including the FCA, PPCA, and the FOS. These riders are reconciled and set every quarter. Collectively, these riders are hereinafter referred to as the “Quarterly Riders,” and the reconciliation of these riders is hereinafter referred to as the “Quarterly Reconciliation.”

On June 16, 2025, LUMA filed a brief entitled *Motion Submitting FCA and PPCA Reconciliations for March Through May 2025 and Updated Annual Reconciliation and Submission of PCA, PPCA, and FOS and Annual Calculated Factors and Request for Confidential Treatment* (“June 16 Motion”). Through the June 16 Motion, LUMA presented its proposal for FCA, PPCA and FOS factors to be implemented as of July 1, 2025 and the corresponding reconciliations.

On June 30, 2025, the Energy Bureau issued a comprehensive *Resolution and Order* addressing the annual and quarterly adjustment clauses (“June 30 Order”). On what is relevant to this motion, in the June 30 Order, the Energy Bureau approved the reconciliation of the FCA and PPCA for the period of March 1, 2025, through May 31, 2025, after a detailed review of actual fuel costs, prior period adjustments, and supporting documentation submitted by LUMA. The Energy Bureau determined that the methodology and calculations presented were reasonable. In accordance with regulatory requirements, it authorized the implementation of an adjustment reflecting a credit to customers for the relevant period. The FCA, PPCA and FOS factors established from July 1 to September 30, 2025 are:

| Adjustment Clause | Factor (\$/kWh) | Effective Dates |
|-------------------|-----------------|-----------------------------------|
| FCA | 0.119003 | July 1, 2025 – September 30, 2025 |
| PPCA | 0.051953 | July 1, 2025 – September 30, 2025 |
| FOS | 0.021137 | July 1, 2025 – September 30, 2025 |

On July 7, 2025, the Energy Bureau issued a Resolution and Order (“July 7 Order”) addressing the procedural status of the proposed amendment to LGA OMA.² After a procedural summary of matters that led to the absence of a finalized amendment, the Energy Bureau determined that it could not proceed with its evaluation or approval process. Importantly, the Bureau ordered that the \$40 million previously collected from consumers through the FCA, which had been reserved in anticipation of the LGA OMA amendment, be returned to consumers. The Energy Bureau also rescinded its prior directive requiring LUMA to collect an additional \$30 million related to the proposed amendment for July through September 2025. Notwithstanding, the Bureau instructed LUMA to retain \$6,081,703.50 as an eligible incentive reserve for Genera’s 2024 contract year, pending further regulatory review. The July 7 Order directed LUMA to implement an accelerated adjustment to ensure the prompt return of the reserved funds to consumers and to submit the actual fuel costs for June as soon as they became available to evaluate the accelerated adjustment.

Therefore, in compliance with the July 7th Order, on July 15, 2025, LUMA submitted a *Motion Submitting FCA and PPCA Accelerated Reconciliation for June 2025 and Recalculated Factors for August and September 2025* (the “July 15 Order”). LUMA recalculated the applicable adjustment factors in compliance with the approved Tariff Book and submitted the recalculated factors and all supporting documentation for the Energy Bureau’s review and consideration.

² The *Puerto Rico Thermal Facilities Operation and Management Agreement* was executed by Genera PR LLC, the Puerto Rico Electric Power Authority, and the Puerto Rico Public-Private Partnerships Authority on January 23, 2023. This agreement is herein referred to as the LGA OMA.

Subsequently, on July 17, 2025, the Energy Bureau issued a further Resolution and Order approving the accelerated clause factors for both the FCA and PPCA, to be effective from August 1, 2025, through September 30, 2025.

| Adjustment Clauses and Riders | Approved (\$/kWh) | Previously Approved (\$/kWh) | Variance |
|-----------------------------------|-------------------|------------------------------|------------------|
| FCA – Fuel Purchase Adjustment | 0.102718 (\$/kWh) | 0.119003 | -0.016285 |
| PPCA – Purchased Power Adjustment | 0.047325 (\$/kWh) | 0.051953 | -0.004628 |
| Total | | | -0.020913 |

On July 22, 2025, the Energy Bureau issued a Resolution and Order (“July 22 Order”), establishing specific directives regarding the recovery of interconnection costs associated with Tranche 1 renewable energy projects. Pursuant to the June 30th Order, the Energy Bureau has authorized LUMA to recover from customers, through the PPCA rider mechanism, a total of \$24,716,398 corresponding to July, August, and September. As of September 2025, the Energy Bureau has authorized the recovery from customers of a total amount of \$76,049,193.97 in Tranche 1 interconnection costs. The Energy Bureau further determined to rescind the previously approved recovery of \$16,477,598.66 for August and September 2025 and expressly ordered that such amounts are not to be collected from ratepayers during this period. In compliance with the Resolution and Order, LUMA was required to submit, within five (5) days, a revised PPCA factor for August and September 2025, reflecting the exclusion of the amounts above. Additionally, PREPA was directed to authorize and effectuate the transfer of \$59,571,595.31, which is the total amount approved for recovery through July 31, 2025, to LUMA, and to certify such transfer to the Energy Bureau within five (5) days. LUMA was further ordered to establish a restricted reserve account with the transferred funds, to be used exclusively for the payment of Tranche 1 interconnection costs, and to provide immediate notification to the Energy Bureau upon receipt of

said funds. The July 22 Order also requires LUMA to exclude any amounts related to Tranche 1 interconnection costs from all future quarterly PPCA factor proposals, commencing with the proposal effective October 1, 2025, until further directive from the Energy Bureau.³

On July 31, 2025, the Energy Bureau issued a Resolution and Order (“July 31 Order”) establishing the accelerated clause factor for the PPCA to be in effect from August 1, 2025, through September 30, 2025.

The following table illustrates the approved accelerated clause factor compared to previously approved factors:

| Adjustment Clauses and Riders | Approved (\$/kWh) | Previously Approved (\$/kWh) | Variance |
|-----------------------------------|-------------------|------------------------------|-------------------|
| PPCA – Purchased Power Adjustment | 0.041660 (\$/kWh) | 0.047325 (\$/kWh) | 0.005665 (\$/kWh) |

The July 31 Order also directed LUMA to submit, as established in the June 30 Order, proposed quarterly factors for the FCA, PPCA, and FOS clauses that will take effect on October 1, 2025, including the corresponding reconciliations.⁴ This includes the \$10 million associated with the proposed amendment to GOMA for July 2025. The Energy Bureau stated that the latter must be credited to the customers.

Exercising its responsibilities regarding system regulatory matters under Section 5.6 of the T&D OMA, LUMA’s role includes performing reconciliations and calculating proposed factors for the FCA, PPCA, and FOS proposed factors. These are to be reviewed, modified, and approved by this Energy Bureau. Consequently, this motion is submitted to comply with LUMA’s responsibilities outlined in the T&D OMA.

³ In compliance with this directive, LUMA has not included any interconnection costs in the PPCA factor proposed herein.

⁴ The Energy Bureau further ordered LUMA to submit, by 12:00 p.m. on May 31, 2026, the proposed annual factors for the CILTA, SUBA-HH, SUBA-NHH, and EE clauses that will be effective on July 1, 2026, including proposed reconciliations for the period from May 1, 2025, to April 30, 2026.

III. Authority of the Energy Bureau

This submission concerning the Quarterly Reconciliation and proposed factors for the Quarterly Riders pertains to the Energy Bureau's authority under Act 57-2104,⁵ as amended by Act 17-2019,⁶ to "review and approve and, if applicable, modify the rates or fees charged by electric power service companies in Puerto Rico or the contractor of the transmission and distribution system of Puerto Rico in connection with any matter directly or indirectly related to the provision of electric power services." *See* Act 57-2014, Section 6.3(n), PR Laws Ann. Tit. 22 § 1054(n), 22 L.P.R.A. §§ 1054(n) (2025). Additionally, the Energy Bureau possesses the authority to "formulate and implement strategies to achieve the objectives of this Act, including, but not limited to, attaining the goal of reducing and stabilizing energy costs." *See id.* at Section 6.3(f).

IV. Calculated FCA, PPCA, and FOS Factors

1. FCA

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

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

Id.

⁵ Known as the "Puerto Rico Energy Transformation and RELIEF Act" (hereinafter, "Act 57-2014").

⁶ Known as the "Puerto Rico Energy Public Policy Act" (hereinafter, "Act 17-2019").

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

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

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

2. PPCA

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

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

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

Id.

The total cost of purchased power is the cost of the energy and capacity resources purchased from private generators for the three forecasted months in the quarterly period. *Id.* The

prior period reconciliations are the under- or over-recovered funds for the first two months of the current quarter and the last month of the prior quarter. *Id.* LUMA shall provide the estimated reconciling balance with each proposed quarterly filing of the PPCA. *Id.* Finally, the applicable net retail kWh sales include the sale of energy to all customer classes, including the net metering clients. *Id.*

3. FOS

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

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

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

V. Reconciliations of FCA and PPCA for July 2025

1. FCA and PPCA Riders

The reconciliations submitted with this Motion in the file entitled “FAC-PPAC Reconciliation Jul-Aug25.xlsx” include the reconciliations of the FCA and PPCA riders (costs versus revenues) and the amounts to be recovered or returned for each of these riders. For the quarter, there was a total FCA revenue insufficiency of \$25,749,618.10 and a total PPCA revenue insufficiency of \$9,855,055.78.

a. FCA

For July 2025, the fuel costs and prior period adjustments were \$173,174,369.61, and revenues totaled \$166,821,870.18. There is a credit pertaining to the return of LGA OMA billed in June of \$10 million, resulting in an excess revenue of \$3,647,500.57.

For August 2025, the fuel costs and prior period adjustments were \$169,490,357.17, and revenues totaled \$140,093,238.50. There was a revenue insufficiency of \$29,397,118.67.

b. PPCA

For July 2025, the PPCA and prior period adjustments were \$73,666,755.69, and revenues totaled \$72,922,369.06. There was a revenue insufficiency of \$744,386.63.

For August 2025, the PPCA and prior period adjustments were \$65,976,536.88, and revenues totaled \$56,865,867.74. There was a revenue insufficiency of \$9,110,669.14.

2. CBES Program

Through a *Resolution and Order* issued on July 31, 2023, the Energy Bureau directed LUMA to contemplate recovery through the PPCA, as part of the proposed calculated PPCA factor, of the costs associated with the CBES Program. In compliance with the latter, LUMA herein submits costs pertaining to the CBES program.

The CBES costs pertaining to the prior period are included within the reconciliation summary in Attachment 4 of the proposed factors workbook. Please refer to each line item under the Purchased Power adjustment clauses. LUMA respectfully submits that due to the timing of LUMA's monthly financial closings, CBES costs are reported to have a one-month delay. For example, the PPCA reconciliation for the month of August 2025 includes CBES costs for July 2025.

For this period, LUMA has included the total recovery of \$6,404,724.18 pertaining to the CBES program. Detailed cost breakdowns and forecasts are available in the "CBES Program Costs & Forecasts" tab within the *Oct-Dec.2025 Proposed Factors.xlsx*.

VI. ASAP Implementation Costs

Through a *Resolution and Order* dated March 5, 2025 issued in the matter of *In re LUMA's Accelerated Storage Addition Program*, Case No. NEPR-MI-2024-0002, the Energy Bureau approved the ASAP Program Implementation Plan and the ASAP Program Expenditure Collection, Reporting & Recovery Procedure ("March 5 ASAP Order").⁷ Regarding costs to be recovered through the PPCA, the Energy Bureau approved the "optimistic" scenario of \$8 million. March 5 ASAP Order at 2-3. The Energy Bureau further stated that, "[c]onsidering current cash

⁷ On February 28, 2025, LUMA submitted for consideration by this Energy Bureau in the matter of *In re LUMA's Accelerated Storage Addition Program*, Case No. NEPR-MI-2024-0002, a proposed Implementation Program Plan for the ASAP Program ("February 28th ASAP Implementation Filing"). Exhibit 3 to the February 28th ASAP Implementation Filing included expected expenditures of \$15 million. LUMA proposed to recover ASAP implementation costs through the PPCA and submitted two recovery scenarios: a "Not-to-Exceed" scenario of \$15 million and an "optimistic" scenario of \$8 million, which included costs incurred through February 2025.

constraints, the Energy Bureau AUTHORIZE[D] LUMA to use the PPCA rider as a cost recovery mechanism for the ASAP implementation through December 2025.” *Id.* at 3.

Exhibit 2 to this motion explains the approval of previously incurred ASAP implementation costs amounting to \$410,166 for expenditures from March to April 2025, and projected expenses of \$1,800,000 for July to September 2025. It provides a detailed breakdown of actual and forecasted implementation costs, including legal and consulting fees. During this quarter, consultants also focused on continuing development of the Agreed Operating Procedures and supporting informational documents on key topics (*i.e.*, position papers). More detailed site visits, including those at substations, were conducted during this quarter. The team continues to prepare and deliver various status reports to ensure key stakeholders, both internal and external (e.g., with interested and committed developers and regulatory agencies), remain informed and aligned on critical updates. Table 0-1 of Exhibit 2 attached herein provides details of the actual costs incurred in the execution of the program and projected expenses for September through the end of calendar year.

The total cost incurred from July and August 2025 for the implementation of the ASAP was \$690,371.75. In accordance with the forecasts approved through the March 5, 2025 Order, the total forecasted costs for ASAP during Q2 FY 2026 are \$1,700,000.00.

VII. FCA and PPCA Calculated Factors

The Excel spreadsheet titled “*Oct_Dec.2025 Proposed Factors.xlsx*” includes the proposed FCA, PPCA, and FOS factors. FCA and FOS are presented in “Attachment 1,” and the PPCA factor is presented in “Attachment 2.”

LUMA respectfully submits the following factors for the Energy Bureau’s review and consideration, applicable from October 1, 2025, to December 31, 2025:

| Adjustment Clause | Factor (\$/kWh) |
|-------------------|-----------------|
| FCA | \$0.120661 |
| PPCA | \$0.044477 |
| FOS | \$0.021510 |

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

A. Confidential Folder

1. Precio Ponderado Analisis _ 2025.08.31.xlsx
2. Oct_Dec.2025 Proposed Factors.xlsx
3. FAC-PPAC Reconciliation Jul-Aug25.xlsx

B. Public Folder

1. Inventory (Fuel) – August 31, 2025:
2. GPR_Fuel Inventory_Weighted Average Price Report_PREPA SYSTEM_2025.08.31.pdf
3. Precio Ponderado Analisis _ 2025.08.31_Values.xlsx
 - AGUIRRE_TANK INVENTORY_2025.08.31.pdf
 - CAMBALACHE_Tank Inventory_2025.08.31.pdf
 - COSTA SUR_TANK INVENTORY_2025.08.31.pdf
 - DAGUAO_TANK INVENTORY_2025.08.31.pdf
 - JOBOS_TANK INVENTORY_2025.08.31.pdf
 - MAYAGÜEZ_TANK INVENTORY_2025.08.31.pdf
 - PALO SECO_TANK INVENTORY_2025.08.31.pdf
 - SAN JUAN_TANK INVENTORY_2025.08.31.pdf
 - YABUCOA_TANK INVENTORY_2025.08.31.pdf
4. Oct_Dec.2025 Proposed Factors_Values.xlsx
5. FAC-PPAC Reconciliation Jul-Aug25_Values.xlsx

The files are attached to this motion as Exhibit 2.

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

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

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

The bedrock provision on the management of confidential information filed before the Energy Bureau is Section 6.15 of Act 57-2014, known as the “Puerto Rico Energy Transformation and Relief Act.” It provides, in pertinent part, that: “if any person who is required to submit information to the Energy [Bureau] believes that the information to be submitted has any confidentiality privilege, such person may request the Commission to treat such information as such” 22 LPRA §1054n. If the Energy Bureau determines, after appropriate evaluation, that the information should be protected, “it shall grant such protection in a manner that least affects the public interest, transparency, and the rights of the parties involved in the administrative procedure in which the allegedly confidential document is submitted.” *Id.* at Section 6.15 (a).

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

Access to the confidential information shall be provided “only to the lawyers and external consultants involved in the administrative process after the execution of a confidentiality agreement.” *Id.*, Section 6.15(b). Finally, Act 57-2014 provides that this Energy Bureau “shall keep the documents submitted for its consideration out of public reach only in exceptional cases. In these cases, the information shall be duly safeguarded and delivered exclusively to the personnel of the [Bureau] who needs to know such information under nondisclosure agreements. However, the [Bureau] shall direct that a non-confidential copy be furnished for public review”. *Id.*, Section 6.15 (c).

The Energy Bureau’s Policy on Confidential Information details the procedures a party should follow to request that a document or portion thereof be afforded confidential treatment. In essence, the referenced Policy requires the identification of the confidential information and the ... filing of a memorandum of law explaining the legal basis and support for a request to file information confidentially. *See* CEPR-MI-2016-0009, Section A, as amended by the Resolution of September 16, 2016, CEPR-MI-2016-0009. The memorandum should also include a table that identifies the confidential information, a summary of the legal basis for the confidential designation, and the reasons why each claim or designation conforms to the applicable legal basis of confidentiality. *Id.* at paragraph 3. The party that seeks confidential treatment of information filed with the Bureau must also file both a “redacted” or “public version” and an “unredacted” or “confidential” version of the document that contains confidential information. *Id.* at paragraph 6.

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

1. Trade Secret Information

Any document designated by the [Energy Bureau] as Validated Confidential

information because it is a trade secret under Act 80-2011 may only be accessed by the Producing Party and the [Bureau], unless otherwise set forth by the [Bureau] or any competent court.

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

Relatedly, Energy Bureau Regulation No. 8543, *Regulation on Adjudicative, Notice of Noncompliance, Rate Review, and Investigation Proceedings*, includes a provision for filing confidential information in adjudicatory proceedings before this honorable Bureau. To wit, Section 1.15 provides that “a person has the duty to disclose information to the [Bureau] considered to be privileged information, request the [Bureau] the protection of said information, and provide supportive arguments, in writing, for a claim of information of privileged nature. The [Energy Bureau] shall evaluate the petition and, if it understands [that] the material merits protection, proceed accordingly to ... Article 6.15 of Act No. 57-2015, as amended. *See also* Bureau Regulation No. 9137 on *Performance Incentive Mechanism*, Section 1.13 (addressing disclosure before the Bureau of Confidential Information and directing compliance with Resolution CEPR-MI-2016-0009.

B. Grounds for Confidentiality

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

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

Id. at §4131, Section 3 Act. 80-2011.⁸ Trade secrets include, but are not limited to, processes, methods, mechanisms, manufacturing processes, formulas, projects, or patterns to develop machinery and lists of specialized clients that may afford an advantage to a competitor. *See* Statement of Motives, Act 80-2011. As explained in the Statement of Motives of Act 80-2011, protected trade secrets include any information bearing commercial or industrial value that the owner reasonably protects from disclosure. *Id.*; *see also* Article 4 of Puerto Rico's Open Data Law, Act 122-2019 (exempting the following from public disclosure: (1) commercial or financial information whose disclosure will cause competitive harm; (2) trade secrets protected by a contract, statute or judicial decision (3) private information of third parties). *See* Act 122-2019, Articles 4 (ix) and (x) and (xi).

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

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

LUMA appreciates the importance of placing the Energy Bureau in the position of reviewing the reconciliations and fixing the annual factors. However, to avoid future competitive

⁸ Relatedly, Rule 513 of the Rules of Evidence of Puerto Rico provides that the owner of a trade secret may invoke the privilege to refuse to disclose, and to prevent another person, from disclosing trade secrets, provide that these actions do not tend to conceal fraudulent actions or lead to an injustice. 32 P.R. Laws Annot. Ap. VI, R 513. If a court of law mandates disclosure of a trade secret, precautionary measures should be adopted to protect the interests of the owner of the trade secret. *Id.*

harms that could ensue if original format spreadsheets with formulae and calculations are publicly disclosed, LUMA respectfully requests that the Excel files submitted today in the file entitled *Confidential* be received, kept, and maintained confidentially by this Energy Bureau.

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

X. Conclusion

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

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 15th day of September 2025.

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



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/s/ Margarita Mercado Echegaray
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Exhibit 1

ASAP Costs Memorandum

Exhibit 1

Accelerated Storage Addition Program

On March 5, 2025, the Puerto Rico Energy Bureau (PREB or Energy Bureau) issued a Resolution and Order in Docket No. NEPR-MI-2024-0002¹, approving for LUMA to utilize the Purchased Power Charge Adjustment (PPCA) rider as a cost recovery mechanism for costs associated with the implementation of the Accelerated Storage Addition Program (ASAP) through December 2025 (March 5th Order).² Furthermore, the Energy Bureau mandated that LUMA provide justification³ for the expenses it proposes to recover through the proposed PPCA factor in its quarterly filing on March 17, 2025, as well as in future quarterly factors submissions, based on the Optimistic Case⁴ expenses related to the ASAP Implementation.

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

On June 30, 2025, the Energy Bureau approved previously incurred ASAP Implementation costs of [REDACTED] for expenditures from March to April 2025. They also approved projected expenses from July to September 2025, amounting to [REDACTED], which pertain to legal and consulting fees directly associated with the ASAP implementation during the specified periods.

ASAP INVOICE ACTUALS IMPLEMENTATION PROGRAM COSTS

From June 2025 to August 2025, LUMA spent [REDACTED] on consultants and legal services for the ongoing development of the ASAP Program. While continuing to support the initial four Phase 1 Standard Offers (SO1) through the regulatory approval process, activities this period also focused on completing and submitting to the Energy Bureau two additional SO1s for two additional participants. This brings the total potential capacity for SO1 participants to six separate projects representing [REDACTED].

During this quarter, consultants also focused on continuing development of the Agreed Operating Procedures (AOP), which included informational documents on key topics (i.e., position papers). Significant progress was made on these documents as a result of collaborative efforts with SO1 developers. The AOP, which complements the Standard Offer and outlines the procedures to ensure safe, reliable, and efficient integration of the battery energy storage system into the transmission and

¹ In Re: LUMA's Accelerated Storage Addition Program, Docket No. NEPR-MI-2024-0002.

² Pages 2 -3 of Resolution and Order of March 5, 2025, Docket No. NEPR-MI-2024-0002.

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

⁴ Table 3 Expected Monthly Expenditure by Category of Exhibit 3 "ASAP Program Update" of February 28, 2025, LUMA's Motion to Submit ASAP Program Implementation Plan and Associated Documents, Request for Approval of ASAP Cost Recovery Mechanism, and Request for Confidential Treatment, Docket No. NEPR-MI-2024-0002.

⁵ California Public Utilities Commission. (n.d.). Energy storage. <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/energy-storage>

Exhibit 1

distribution system, was revised following a review cycle with all SO1 developers, resulting in the development of Preliminary Draft v2. This version was then returned to SO1 developers for additional feedback and filed with the Energy Bureau on August 28, 2025, in Docket No. NEPR-MI-2024-0002⁶. The Energy Bureau approved Appendix J and Appendix K to the AOP by Resolution and Order of August 29, 2025 in Docket No. NEPR-MI-2024-0002. Which included making them binding, per the request of developers.

Additional work conducted during this past quarter included review by consultants of legal's comments on the Large Generator Interconnection Agreement (LGIA) developed for the SO projects. Consultants also coordinated reviews of the AOP and LGIA with legal counsel to ensure compliance with the Standard Offer.

More detailed site visits, including those at substations, were conducted during this quarter. The Request for Information (RFI) process to develop engineering studies is ongoing between the SO1 participants and the A&E firm, with support from LUMA.

The team continues to prepare and deliver various status reports to ensure key stakeholders, both internal and external (e.g., with interested and committed developers and regulatory agencies), remain informed and aligned on critical updates.

Table 0-1. ASAP Invoice Actuals Program Implementation Costs⁷

| Actual Costs per Month | Legal | Consultant | Total |
|------------------------------------|-------|------------|-------|
| Expended through December 31, 2024 | | | |
| January 2025 | | | |
| February 2025 | | | |
| March 2025 | | | |
| April 2025 | | | |
| May 2025 ⁹ | | | |
| June 2025 | | | |
| July 2025 | | | |
| August 2025 | | | |

⁶ Informative Motion and Request for Confirmation or Approval from the Energy Bureau Relating to Certain ASAP Matters, Docket No. NEPR-MI-2024-0002.

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

⁸ The March 2025 legal expense reflects a credit that was received in March due to an adjustment of the previous invoices.

⁹ As previously noted, due to the timing of LUMA's monthly financial closings, ASAP Program costs are reported with a one-month delay

Exhibit 1

ASAP FORECAST IMPLEMENTATION PROGRAM COSTS

September

In September, LUMA submitted the additional two SO agreements to the Energy Bureau. The engineering firm is also expected to continue its work on engineering studies. The focus will also be on facilitating the progress towards execution of the initial four SO agreements and establishing dispatch strategies for battery deployment within the Puerto Rico grid. LUMA expects to finalize the drafts of the LGIA and AOP with legal counsel.

October

In October, Facility studies are expected to be completed, pending the completion of the respective RFIs by the developers, and LUMA will collaborate with developers on the findings. LUMA will also support the regulatory approval process of the additional two SO1s submitted in September. In addition, LUMA will provide support, as appropriate, to the participants or the Puerto Rico Electric Power Authority (PREPA) need to complete signing conditions and execution of the SOs. After the final submittals of the six SO1 contracts completed in October, LUMA will commence efforts to advance the SO2 contracts. This will involve working with attorneys to update relevant SO2 documents, to reflect recent PREB orders.

November

In November, System Impact studies are expected to be completed, pending the completion of the respective RFIs by the developers, and LUMA will collaborate with developers on the findings. LUMA will provide support, as appropriate, to the participants or PREPA need to complete signing conditions, execution of the SOs and conditions precedent to achieve Closing Date.

December

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

Table 0-2. ASAP Forecast Program Implementation Costs

| Forecast Cost per Month | Legal | Consultant ¹⁰ | Total |
|-------------------------|-------|--------------------------|-------|
| September | | | |
| October | | | |
| November | | | |
| December | | | |

¹⁰ This column includes the line items "Consultant", "Other" and "Contingency" in Table 3 of the Exhibit 3 submitted on February 28, 2025.

Exhibit 2

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