

**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 regarding
*Joint Motion to Request Approval of
Clarification to Fifth Participant's Phase 1
Standard Offer Agreement*, filed by LUMA
Energy, LLC and LUMA Energy ServCo, LLC
and Polaris Powe US, Inc.

RESOLUTION AND ORDER

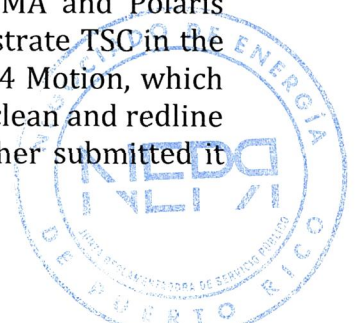
On August 8, 2025, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order approving the Fifth Participant's draft version of the ASAP Phase 1 Standard Offer Agreements ("SO1 Agreements") and ordered LUMA Energy, LLC and LUMA Energy ServCo, LLC (referred to jointly as "LUMA") to, within five (5) business days, finalize the referenced contract and submit the final version of the contract before the Puerto Rico Electric Power Authority ("PREPA") Board of Directors for its approval.

On August 15, 2025, LUMA filed a document titled *Motion Submitting Evidence of Submittal of Finalized Draft of Phase 1 Agreement with Fifth Participant to PREPA Board of Directors, in Compliance with Resolution and Order of August 8, 2025* ("August 15 Motion"). Through the August 15 Motion, LUMA informed that on August 14, 2025 it submitted the finalized SO Phase 1 Agreement with the Fifth Participant to PREPA's Executive Director for submittal and approval by PREPA's Board of Directors.

On August 27, 2025, LUMA filed a document titled *Informative Motion and Request for Confirmation or Approval from the Energy Bureau Relating to Certain ASAP Matters* ("August 27 Motion"). In its August 27 Motion, LUMA highlighted that the approved SO1 Agreements provide for certain costs to be passed through by the resource provider as Monthly Payment Pass-Through Components ("MPPTC"), including costs associated with increased insurance premiums and increased tariff costs. Nonetheless, it does not specify how costs which the resource provider is seeking to include within the MPPTC will be reviewed and determined to be reasonable. LUMA further stated SO1 developers expressed this discretionary situation was an unacceptable risk they could not incur. To address this concern, LUMA prepared two Position Papers and agreed to include these Position Papers as part of Appendices I and K to the Agreed Operating Procedures ("AOP"). LUMA requested the Energy Bureau's approval of Appendices J and K so as for these to be binding as part of the AOP required by the SO1 Agreements. LUMA also proposed a three (3) month extension to the target milestone dates of the revised Early Completion Bonus. According to LUMA the above-mentioned conditions will help set the stage for at least two ASAP Phase 1 participants to proceed with final steps.

On August 29, 2025, the Energy Bureau approved Position Papers included as Appendices J and K and the proposed extension of the target dates for the Early Completion Bonuses.

On October 24, 2025, LUMA filed a document titled *Joint Motion to Request Approval of Clarification to Fifth Participant's Phase 1 Standard Offer Agreement* ("October 24 Motion"). Through the October 24 Motion, Polaris ("Fifth Participant") and LUMA informed that they had identified that the methodology to demonstrate Tested Storage Capacity ("TSC") of the Storage Facility under the SO1 Agreement lacks clarity regarding the situation in which a Resource Provider seeks to use expanded capacity. They further asserted that said lack of clarity may restrict the ability to pursue expanded capacity and which Polaris may seek to explore under the SO1 Agreement. To address such lack of clarity, LUMA and Polaris proposed to incorporate language addressing the methodology to demonstrate TSC in the case of expanded capacity, as shown in Exhibits 1 and 2 to the October 24 Motion, which contain Polaris' SO1 Agreement incorporating the revised TSC Clause, in a clean and redline version showing the changes made to the current provision. Polaris further submitted it



stands ready to execute the S01 Agreement if this revised provision is incorporated in the S01 Agreement. LUMA confirmed the proposed revision and methodology are consistent with the overall objectives of the S01 Agreement and ensures that the capacity payments under the S01 Agreement are made for properly tested dispatch of maximum capacity in the case of expanded capacity for Polaris and for any other S01 proponent that seeks expended capacity. LUMA highlighted that with this clarification the S01 Agreement continues to be cost-effective, promotes the expeditious deployment of BESS, and represents considerable value to ratepayers. LUMA also requested the Energy Bureau to maintain Exhibits 1 and 2 to the October 24 Motion confidential, as containing trade secrets, and a ten (10) day term to submit a memorandum of law supporting such request.

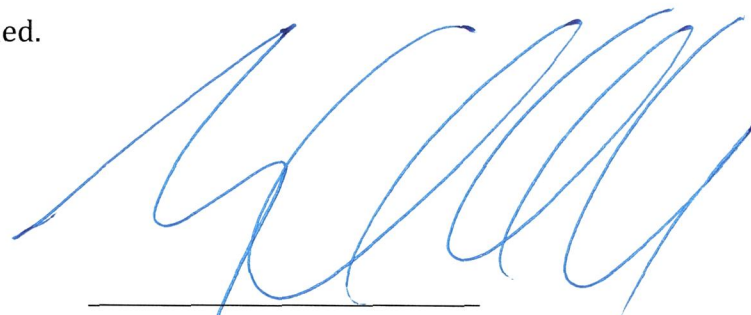
The Energy Bureau **DETERMINES** that the proposed revision of the TSC clause in the Fifth Participant's S01 Agreement appropriately clarifies the methodology demonstrating TSC in cases where a resource provider seeks to utilize expanded capacity. Specifically, in this case, while the aggregate capacity of the storage facility is 71.4MW across two BESS, the POI is limited to 35.7MW. The revised clause ensures that the full tested capacity can be properly recognized and compensated under S01 framework.

The Energy Bureau **APPROVES** the proposed revision, as it facilitates greater energy delivery without requiring grid upgrades, supports cost-effective and resilient energy objectives, and aligns with Puerto Rico's public energy policy. The Energy Bureau **REITERATES** its September 30 Resolution¹ as it pertains to moving forward with execution of the agreements.

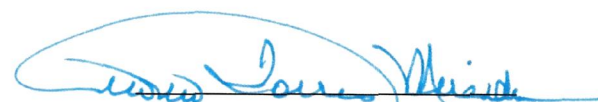
The Energy Bureau **GRANTS** LUMA the requested **ten (10) day term** to submit a memorandum of law supporting its confidentiality request and maintains Exhibits 1 and 2 to the October 24 Motion under seal of confidentiality.

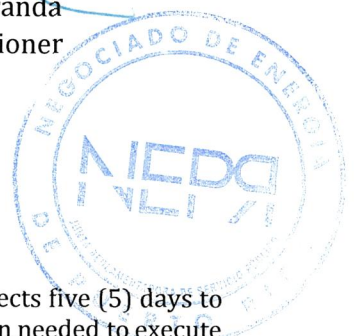
The Energy Bureau **WARNS** LUMA that failure to comply with this Resolution and Order, will result in the imposition of fines, under Art. 6.36 of Act 57-2014.²

Be it notified and published.



Edison Avilés Deliz
Chairman

Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres-Miranda
Associate Commissioner

¹ On September 30, 2025, the Energy Bureau granted the proponents of two Phase 1 projects five (5) days to file with the Puerto Rico Electric Power Authority ("PREPA") all outstanding documentation needed to execute the agreements ("September 30 Resolution"). The Energy Bureau further ordered PREPA to, within five (5) days of receiving all the required documentation pertaining to these two projects and approval from the Financial Oversight and Management Board ("FOMB"), file the executed contracts before the Energy Bureau.

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

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on October 27, 2025. Associate Commissioners Lillian Mateo Santos and Ferdinand A. Ramos Soegaard dissented without a written opinion. I also certify that on October 27, 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
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apc@mcvpr.com; cfl@mcvpr.com.

For the record, I sign this in San Juan, Puerto Rico, on October 27, 2025.



Sonia Seda Gaztambide
Clerk

