

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

NEPR

Received:

Nov 14, 2025

6:38 PM

IN RE:

ENERGY EFFICIENCY AND DEMAND
RESPONSE TRANSITION PERIOD PLAN

CASE NO.: NEPR-MI-2022-0001

SUBJECT: Motion to Submit FY2026 Q1
Consolidated Transition Period Plan and
Demand Response Administrative Cost
Quarterly Report

**MOTION TO SUBMIT FY2026 Q1 CONSOLIDATED TRANSITION PERIOD PLAN
AND DEMAND RESPONSE ADMINISTRATIVE COST QUARTERLY REPORT**

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 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 Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”). With this motion, LUMA is submitting to the Energy Bureau, as *Exhibit 1*, a consolidated report for the first quarter of the 2026 fiscal year (“FY”) providing information and data on progress, performance, and costs associated with the implementation of the EE and DR programs developed by LUMA and related information on program administrative costs, all in accordance with Energy Bureau’s directives

(the “FY2026 Q1 Report”). These programs promote energy savings and peak demand reduction, both of which contribute to Puerto Rico’s energy consumption reduction targets under the law. The FY2026 Q1 Report covers the period from July 1, 2025 to September 30, 2025.

The FY2026 Q1 Report includes, among others, updates on the progress of the EE programs. These include the EE educational program, in-store EE discount programs, EE rebate programs, and the free mail-order EE Kits program. The report also provides information and updates on the Customer Energy Battery Sharing Program or “CBES” as well as its extended version implemented for the summer of 2025, known as the CBES+.

LUMA remains committed to the implementation of the EE and DR programs which were designed to build a more reliable and resilient energy system for the people of Puerto Rico and advance the energy efficiency marketplace.

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*, a 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*.

2. On February 16, 2023, the Energy Bureau issued a Resolution and Order in the instant proceeding (the “February 16th Order”) in which it considered, amended, and approved the Proposed TPP, and, among others, ordered LUMA to: (a) deliver TPP quarterly reports within

sixty (60) days of the end of each quarter (“TPP Quarterly Report”)¹ and TPP annual reports within one hundred and twenty (120) days following the end of the program year; (b) fund the FY2024 TPP budget the EE Rider (unless funding was obtained by other means); and (c) file an EE Rider by a specified date. *See id.*, pp. 18, 27, 29 and 30 pp. 18.

3. On April 11, 2023, LUMA submitted a petition for approval of the proposed calculated factor for the EE Rider (“EE Rider Petition”) to cover the budgeted amount for EE and DR programs for FY2024. *See Motion to Submit EE Rider*, Exhibit 1, p. 7. LUMA also filed a revised EE Rider Petition on May 19, 2023. *See Motion to Submit Revised Exhibit 1 to EE Rider Petition and Translation Thereof, in Compliance with Bench Order of May 5, 2023*, Exhibit 1, Sections 2.1 and 2.3.

4. On July 31, 2023, the Energy Bureau issued a Resolution and Order (“July 31st Resolution and Order”) in Case No. NEPR-MI-2020-0001, *In Re: Permanent Rate of the Puerto Rico Electric Power Authority* (“Permanent Rate Case”), in which it determined, among others, that the cost of DR programs will not form part of the EE Rider and ordered LUMA to contemplate the DR programs as part of the proposal of factors corresponding to the Power Purchase Cost Adjustment (“PPCA”). *See July 31st Resolution and Order*, pp. 8 and 10.

5. On August 11, 2023, the Energy Bureau issued a Resolution and Order (“August 11th Order”) in which, among others, it ordered LUMA to file the estimated costs associated with the Battery Emergency DR Program of the TPP (now referred to by LUMA as the “Customer

¹ Specifically, the February 16th Order provided for filing of these reports for FY2024 on November 23, 2023, March 29, 2024, March 29, 2024, and August 29, 2024, corresponding to the first quarter (“Q1”), second quarter (“Q2”), third quarter (“Q3”) and fourth quarter (“Q4”), respectively. *See id.* Except for the deadline for the Q2 report, this timeline is consistent with the requirement in the Regulation on Energy Efficiency, Regulation 9637 (“EE Regulation”), which provides that quarterly reports on the implementation of the Transition Period Plan must be filed within sixty (60) day of the end of the quarter. *See Regulation 9637, Section 2.02(E)(1)(a).* The Q2 deadline appears to be a typographical error and should be February 29, 2024.

Battery Energy Sharing Initiative” or “CBES”) to be recovered through the PPCA. *See* August 11th Order, p. 3.

6. On August 23, 2023, LUMA submitted to the Energy Bureau the proposed estimated costs associated with the CBES. *See Motion to Submit Costs Associated with Emergency DR Program in Compliance with Resolution and Order of August 11, 2023, and Request for Confidential Treatment.*

7. On August 29, 2023, the Energy Bureau issued a Resolution and Order (“August 29th Order”) accepting the proposed CBES budget and determining that administrative costs for DR Programs will be recovered through the PPCA. *See* August 29th Order, p. 3. The Energy Bureau also directed LUMA to submit quarterly reports on the DR Programs’ administrative costs, within forty-five (45) days after each quarter closes meeting the information requirements set forth the August 29th Order (“DR Administrative Costs Quarterly Report”). *See id.*, pp. 3-4.

8. On November 29, 2023, the Energy Bureau issued a Resolution and Order (“November 29th Order”) determining to extend the TPP by one year and ordering LUMA to file a revised TPP. *See* November 29th Order, p. 7.

9. On December 20, 2023, LUMA submitted to the Energy Bureau the revised version of the TPP. *See Motion to Submit Revised TPP and Other Information Requested Under the Resolution and Order of November 29, 2023* and its Exhibit 1.

10. On February 14, 2024, LUMA requested the Energy Bureau to consolidate the DR Administrative Costs Quarterly Reports and the TPP Quarterly Reports into a single quarterly report to be filed within forty-five (45) days of the end of each fiscal quarter. *See Motion to Submit Second Quarterly Report on Administrative Costs and Expenditures of TPP DR Programs and Request to Consolidate Reporting Requirements* (“February 14th Motion”).

11. On March 21, 2024, the Energy Bureau issued a Resolution and Order (“March 21st Order”) granting LUMA’s request in the February 14th Motion. *See* March 21st Order, p. 2.

12. On June 11, 2024, the Energy Bureau issued a Resolution and Order in the Permanent Rate Case approving the implementation of the EE charge to cover the EE program costs for FY2025. *See* June 11th Resolution and Order, p. 8.

13. On August 13, 2024, LUMA requested approval of a template for the Consolidated TPP and DR Administrative Costs Quarterly Report. *See Motion to Submit FY2024 Q4 Consolidated Transition Period Plan and Demand Response Administrative Cost Quarterly Report and Request for Approval of Template for these Quarterly Reports* (“August 13th Motion”), pp. 1-2, 9-10 and Exhibit 1.

14. On October 23, 2024, the Energy Bureau issued a Resolution and Order (“October 23rd Order”) approving the proposed template for the Consolidated TPP and DR Administrative Costs Quarterly Report submitted by LUMA, requiring that it be supplemented with certain additional information specified in the October 23rd Order, including, among others, a requirement to submit invoices and other records to evidence professional services and certain staffing costs. *See* October 23rd Order, pp. 2, 3 and 6.

15. In the October 23rd Order, the Energy Bureau also determined to extend the TPP by an additional six months and ordered LUMA to file a revised TPP. *See id.* The Energy Bureau further ordered LUMA to file a proposed form of a permanent CBES program and develop and implement a program for the use of backup generators as a DR resource in emergency situations (now referred to by LUMA as the “Emergency Load Reduction Program” or “ELRP”) before the summer of 2025. *See id.*, pp. 3-5.

16. On January 24, 2025, the Energy Bureau issued a Resolution and Order (“January 24th Order”) in which it released LUMA from the requirement to provide in its Consolidated TPP and DR Administrative Costs Quarterly Reports the documentation evidencing professional services and certain staffing costs originally arising from the October 23rd Order². *See* January 24th Order, p. 3. The Energy Bureau also ordered LUMA to use in the quarterly reports the same energy efficiency program cost categories used in LUMA’s annual reports and modify one of the report tables. *See id.*, p. 6.

17. 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 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. On that date, LUMA also filed the proposed permanent CBES. *See Motion to Submit Permanent Customer Battery Energy Sharing Program Proposal in Compliance with Resolutions and Order of October 23, 2024 and December 5, 2024*.

18. On April 3, 2025, the Energy Bureau issued a Resolution and Order (“April 3rd Resolution and Order”) partially approved the Permanent CBES Program proposal for three years providing that the unapproved aspects would be considered after obtaining stakeholder comments. *See* April 3rd Resolution and Order, pp. 2-4.

19. On April 24, 2025, the Energy Bureau held a Technical Conference in which LUMA presented, among others, the Proposed Revised TPP, the status of the ELRP development,

² This determination was in response to a request from LUMA in a *Motion for Reconsideration of Resolution and Order of October 23, 2024* filed on November 12, 2024.

the permanent CBES proposal and a preliminary proposal to expand the CBES program for summer 2025, referred to as the “CBES Emergency Expansion” or “CBES +”.³

20. On April 30, 2025, the Energy Bureau issued a Resolution and Order (“April 30th Order”) ordering LUMA to file the proposals for the ELRP and the CBES+, addressing certain topics or questions set forth therein. *See* April 30th Resolution and Order, pp. 2-3.

21. On May 8, 2025, LUMA submitted to the Energy Bureau its proposal for the CBES+ (“CBES+ Proposal”). *See Motion to Submit Proposal for Expanded Customer Battery Energy Sharing Program and Revised Technical Conference Presentation In Compliance with Resolution and Order of April 30, 2025* (“May 8th Motion”) and its Exhibit 1.

22. On May 20, 2025, the Energy Bureau issued a Resolution and Order (“May 20th Order”) approving the CBES+ Proposal as proposed by LUMA and the remaining unapproved portions of the permanent CBES proposal, conditioned on LUMA submitting certain additional information. *See* May 20th Order, p. 2.

23. On May 21, 2025, LUMA filed its proposal for the ELRP (“ELRP” Proposal”), in compliance with the April 30th Order. *See Motion to Submit Proposal for Emergency Load Reduction Program in Compliance with Resolution and Order of April 30, 2025*.

24. On May 29, 2025, Energy Bureau issued a Resolution and Order (“May 29th Order”) determining that LUMA had fulfilled the requirements of the May 20th Order and approving the CBES+ proposal and the remaining unapproved portions of LUMA’s permanent CBES proposal. *Id.*, pp. 2-3.

³ *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.

25. On June 20, 2025, the Energy Bureau issued a Resolution and Order (“June 20th Order”) in which it approved the ELRP Proposal through October 31, 2025⁴.

26. On June 26, 2025, the Energy Bureau issued a Resolution and Order (“June 26th Order”) directing LUMA to file an amended EE program plan for Fiscal Year 2026 in accordance with specified budget limits and the EE Rider level set forth in the June 26th Order. *See id.* p. 4.

27. On July 22, 2025, LUMA filed an amended EE program plan as part of the Proposed Revised TPP with the associated revised budget. *See Motion to Submit Amended Energy Efficiency Program Plan in Compliance with Resolution and Order of June 26, 2025.*

28. On August 19, 2025, the Energy Bureau issued a Resolution and Order approving LUMA’s amended TPP for implementation in FY2026 (“FY2026 TPP”).

III. Submission of FY2026 Q1 Consolidated TPP and DR Administrative Costs Report

29. In compliance with the February 16th Order, the August 29th Order, March 21st Order, LUMA herein submits its FY2026 Q1 Consolidated TPP and DR Administrative Costs Quarterly Report. *See Exhibit 1.* This report follows the template approved by this Energy Bureau in the October 23rd Order, and includes the additional information required under the October 23rd Order and the January 24th Order. This report covers the implementation of the FY2026 TPP, the Permanent CBES and CBES+.

30. LUMA notes that, during Q1 of FY2026, LUMA operations continued to face severe underfunding, a challenge that began in the prior fiscal year and stems from a persistent structural funding gap. Although the Energy Bureau approved budgets to support reliable operations, actual cash transfers from PREPA have consistently fallen short, covering less than

⁴ The Energy Bureau did not approve a budget at that time, establishing a requirement to submit additional information once the program is ready to commence implementation. *See June 20th Order*, p. 3.

33% of required balances since August 2024. By the end of Q1 FY2026, LUMA had received only \$142 million, or 77% of the approved budget for that period. This ongoing shortfall has forced LUMA to triage its efforts, focusing limited resources on the most critical activities to safeguard the reliability and stability of the electric grid.

WHEREFORE, LUMA respectfully requests that the Energy Bureau (i) **take notice** of the aforementioned; (ii) **accept** the FY2026 Q1 Consolidated DR Administrative Costs and TPP Quarterly Report in *Exhibit I* in compliance with the February 16th Order, the August 29th Order, March 21st Order, October 23rd Order, and the January 24th Order; and (iii) **deem** LUMA in compliance with the quarterly reporting requirements under such orders for FY2026 Q1.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 14 day of November 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 hrivera@jrsp.pr.gov; nzayas@gmlex.net; mvalle@gmlex.net; rcruzfranqui@gmlex.net; javrua@sesapr.org; mrrios@arroyorioslaw.com; jordgraham@tesla.com; forest@cleanenergy.org; customerservice@sunnova.com; pjcleanenergy@gmail.com; agraitfe@agraitlawpr.com; info@sesapr.org; cfl@mcvpr.com; mqs@mcvpr.com.



DLA Piper (Puerto Rico) LLC
500 Calle de la Tanca, Suite 401
San Juan, PR 00901-1969
Tel. 787-945-9147
Fax 939-697-6147

/s/ Laura T. Rozas
Laura T. Rozas
RUA No. 10,398
laura.rozas@us.dlapiper.com

Exhibit I

FY2026 Q1 Consolidated TPP and DR Administrative Costs Quarterly Report

Consolidated Transition Period Plan and Demand Response Administrative Costs

FY2026 Q1 Report

NEPR-MI-2022-0001

November 14, 2025



Executive Summary

LUMA remains committed to working with the Puerto Rico Energy Bureau (PREB) in its mission to build a more reliable and more resilient energy system for the people of Puerto Rico. As the operator of Puerto Rico's electric Transmission and Distribution (T&D) System, LUMA is committed to helping implement Puerto Rico's public energy policy, including driving key customer initiatives such as Energy Efficiency (EE) and Demand Response (DR) programs to support a cleaner and brighter energy future for the 1.5 million customers we proudly serve.

This report provides an update on LUMA's Transition Period Plan (TPP) and includes an overview of LUMA's progress and achievements on EE and DR programs during the first quarter (Q1) of fiscal year 2026 (FY2026), from July 1 to September 30, 2025. Through the TPP, LUMA has launched multiple EE and DR programs and projects to raise customer awareness about EE and savings and increase participation.

LUMA's EE & DR Progress

During FY2026 Q1, LUMA made progress on the following programs and initiatives:

- **EE Education:** Educational talks were delivered to **200** public and **27** private schools across Puerto Rico, reaching nearly **6,000** students and promoting energy-saving behaviors while increasing awareness of responsible energy use among youth.
- **EE Rebates:** Issuing more than **1,400** financial rebates to residential customers for buying high-efficiency equipment, reducing energy consumption and costs.
- **In-Store EE Discounts:** Continued this quarter at 10 Home Depot locations. This initiative, which includes ceiling fans and window AC units, provided incentives for **1,675** ceiling fans, and **1,915** window AC units.
- **Community Streetlight Initiative:** Replacing approximately **188,127** streetlights across municipalities in Puerto Rico, enhancing safety and energy efficiency for customers while contributing to a brighter, more modern, and resilient grid for communities.
- **Customer Battery Energy Sharing Initiative:** The Customer Battery Energy Sharing (CBES) have enrolled a total of **81,004 participants**, representing **498.5 MW** of battery capacity to support grid stability during peak demand. This quarter, the program achieved an average event impact of 40.3 MW with a 74% participation rate over 4-hour events, reinforcing its value in enhancing service reliability and helping to minimize load shedding.

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report NEPR-MI-2022-0001

Regulatory Background

On June 1, 2022, LUMA submitted to the PREB the EE and DR Transition Period Plan (2022 TPP) ¹, which describes the various quick-start EE and DR programs to be implemented by LUMA during a two-year transition period ending on June 30, 2024. By Resolution and Order of February 16, 2023 (“February 16th Resolution and Order”) the PREB approved (with some modifications) the 2022 TPP. Subsequently, by Resolution and Order of November 29, 2023 (“November 29th Resolution and Order”), the PREB approved the extension of the 2022 TPP for an additional year. On December 20, 2023, LUMA prepared and submitted to the PREB a revised TPP (“Revised TPP”; as used hereinafter in this report, “TPP” refers to this revised TPP) updating the EE and DR programs and extending them until June 2025.

This report covers the period from April 1 through June 30, 2025, and is submitted by LUMA in adherence to the requirements of the PREB’s February 16th Resolution and Order to submit quarterly reporting on the reporting metrics set forth in Section 6 of the 2022 TPP, which requirements remained unchanged in the Revised TPP. Additionally, this report fulfills the reporting requirements established in the Energy Bureau’s August 29, 2023 (August 29 Resolution and Order) Resolution and Order, which mandates annual reporting on administrative costs related to the CBES Initiative, a component of the TPP.

The Energy Bureau approved the consolidation of these two annual reporting requirements by Resolution and Order of March 21, 2024. After other procedural events, on January 24, 2025, the Energy Bureau issued an additional Resolution and Order introducing new reporting requirements for both quarterly and annual reports.

This report is submitted in compliance with all applicable Energy Bureau directives and provides updated insights into program performance, growth, and contributions toward a more sustainable and resilient energy future for Puerto Rico.

¹See *Motion Submitting Proposed EE/DR Transition Period Plan* filed on June 21, 2022, in Case No. NEPR-MI-2021-0006, *In Re: Demand Response Plan Review, Implementation and Monitoring*, and its Exhibit 1.

Consolidated Transition Period Plan and Demand Response
Administrative Costs Quarterly Report
NEPR-MI-2022-0001

Contents

Executive Summary	2
Tables & Figures.....	5
1.0 Description of Implementation Progress.....	7
1.1 Summary of Program Implementation Experience and Progress.....	7
1.2 Residential EE Kits Program	8
1.3 Residential EE Rebate Program	8
1.4 Business EE Kits Programs	10
1.5 Business EE Rebates Program	10
1.6 In-Store EE Discounts Program	12
1.7 Program and Implementation Strategies	13
1.8 Funding Sources and Cost Recovery	15
2.0 Energy Efficiency Participants Enrolled and Installed Measures	16
2.1 Number of Participants in Energy Efficiency Programs	16
3.0 Energy Efficiency Performance.....	19
3.1 Energy and Peak Demand Savings by Sector.....	19
3.2 Energy and Peak Demand Savings by Program	19
3.3 Customer Education and Outreach.....	20
3.4 Marketing Performance.....	20
3.5 Stakeholders' Consultations.....	21
3.6 Research Activities	22
3.7 Collaboration with Key Strategic Groups	22
3.8 LUMA's Streetlight Modernization and Energy Efficiency Initiative.....	23
4.0 EE Program Cost.....	23
5.0 Demand Response Programs.....	25
5.1 DR: Customer Battery Energy Sharing Program	25
5.1.1 CBES Progress and DERMS Implementation	25
5.1.2 CBES Participants.....	26
5.1.3 CBES Performance for FY2025 Q4	26
5.1.4 CBES Program Administrative Costs	28
5.1.5 CBES Quarterly and Fiscal-Year-to-Date PPCA Fund Inflows and Balances Comparison	29
6.0 Conclusions and Recommendations.....	29
6.1 Analysis and Observations	29

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report NEPR-MI-2022-0001

Tables & Figures

Table 1: Activities and Achievements	7
Table 2: Rebates Processed	9
Table 3: Measures Installed	9
Figure 1: Geographical Distribution of Residential EE Rebates	10
Table 4: Eligible Equipment for Rebates	10
Table 5: Business Measures Installed.....	11
Figure 2: Geographical Distribution of Business EE Rebates	12
Table 6: In-Store Discounts Units Sold	13
Table 7: Residential Rebates: Contrast by Sector of Eligible Measures.....	13
Table 8: Measures Installed by Low-income Customers	14
Figure 3: Geographic Distribution of Residential EE Rebates for Low-income customers	15
Table 9: Number of Participants enrolled or receiving incentives in each EE Program	16
Table 10: Installed Measures by Sector, Segment, and Program (FY2026 Q1).....	17
Table 11: Energy and Peak Demand savings performance by Market Sector and Subsegment	19
Table 12: Energy and Peak Demand Savings Performance.....	19
Table 13: Customer Education and Outreach Activities for each EE Program	20
Table 14: EE Program Website Traffic – FY2026 Q1.....	21
Table 15: EE Budget & Costs.....	23
Table 16: Energy Efficiency Costs by Program and Cost Category.....	24
Table 17: Breakdown of EE Program Non-Incentive Administrative Costs.....	24
Table 18: Number of Participants and total MW available in each DR Program	26
Table 19: DR Performance Values	26
Table 20: DR YTD Performance Indicators	27
Table 21: DR (CBES) PP&A Budget and Costs	28
Table 22: FY2026 CBES Costs and PPCA Fund Overview	29

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report NEPR-MI-2022-0001

List of Acronyms

ACRONYM	DEFINITION
ADMS	Advanced Distribution Management Systems
ADR	Automated Demand Response
C&I	Commercial, Industrial and Agriculture
CBES	Customer Battery Energy Sharing
COR3	Central Office for Recovery, Reconstruction and Resiliency
CSI	Community Street Lights Initiative
DDEC	Department of Economic Development and Commerce
DERMS	Distributed Energy Resource Management System
DOE	Department of Energy
DR	Demand Response
EE	Energy Efficiency
EESRP	Energy Efficiency System Remediation Plan
EMS	Energy Management Systems
EPA	Environmental Protection Agency
HVAC	Heating Ventilation and Air Conditioning
LED	Light Emitting Diode
POS	Point-of-Sale
PREB	Puerto Rico Energy Bureau
PRHA	Puerto Rico Housing Authority
PREPA	Puerto Rico Electric Power Authority
PP&A	Program Planning and Administrative Costs
PPCA	Power Purchase Charge Adjustment
T&D	Transmission and Distribution
TPP	Transition Period Plan
TPPERP	Transition Period Plan Emergency Response Plan
VFDIRP	Valuable Frequency Drive Integrated Resource Plan
VPPs	Virtual Power Plants

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report NEPR-MI-2022-0001

1.0 Description of Implementation Progress

1.1 Summary of Program Implementation Experience and Progress

This section provides a high-level summary of the implementation experience and progress to date for each program and initiative. *Table 1: Activities and Achievements for FY2026 Q1* below summarizes the activities, achievements, and status of various programs under the TPP.

Table 1: Activities and Achievements

Relevant TPP Section	Initiatives	Description and Experience	Status
Education and Outreach Sec.	Stakeholder Outreach	The Energy Efficiency and Demand Response Three-Year Plan Stakeholder Feedback Kick-off Webinar was conducted to present the draft of the Three-Year Plan to participants. Over 55 stakeholders from different organizations attended the session.	Ongoing
Education and Outreach Sec.	Stakeholder Outreach	Educational talks were delivered to 200 public and 27 private schools across Puerto Rico, reaching nearly 6,000 students and promoting energy-saving behaviors, with early feedback indicating increased awareness and engagement among participants.	Ongoing
Residential EE Rebates	Pilot Program	Provide customers with a financial incentive for buying and installing eligible high-efficiency equipment and appliances. A total of 1,430 customers received reimbursements in FY2026 Q1.	Paused
Business EE Rebates	Pilot Program	Provide commercial customers with a financial incentive for buying and installing eligible high-efficiency equipment and appliances. During FY2026 Q1, 14 business customers participated in the program receiving a total of \$14,337 in Business EE Rebates.	Paused
In-Store EE Discounts Program	Pilot Program	The program offers customer point-of-sale (POS) discounts on eligible products at participating retail stores such as The Home Depot, providing discounts on Energy Star products such as Window AC units, and ceiling fans. A total of 1,675 ceiling fans, and 1,915 window AC units were sold in FY2026 Q1.	Ongoing
Residential EE Kits	Pilot Program	LUMA provides free mail-order “kits” containing typical EE measures and educational materials. During this reporting period, no Residential EE kits were distributed.	Paused
Business EE Kits	Pilot Program	Commercial customers receive a free mail-order “kit” that includes typical EE measures and educational materials. During this reporting period, no Business EE kits were distributed.	Paused

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report NEPR-MI-2022-0001

Relevant TPP Section	Initiatives	Description and Experience	Status
Street Light Conversion Program	Street Light Conversion Program	During Q1 FY2026, LUMA replaced approximately 4,331 streetlights enhancing public safety and energy efficiency for customers while contributing to a brighter, more modern, and resilient electric grid for communities across Puerto Rico. As a result of these replacements, LUMA achieved an estimated energy savings of approximately 92,706 kWh, demonstrating its commitment to holistic infrastructure improvements that integrate energy efficiency with grid modernization.	Ongoing
Customer Battery Energy Sharing Program	Program	The CBES Pilot has successfully scaled with 68,557 participants enrolled this quarter to enhance operational efficiency and support program growth, LUMA is working towards implementing a grid-edge DERMS platform, enabling automated dispatch, real-time reporting, and streamlined processes to meet grid needs and expand demand response capabilities.	Ongoing

1.2 Residential EE Kits Program

LUMA continued planning and coordinating efforts with the Puerto Rico Department of Economic Development and Commerce (DDEC) and Puerto Rico Public Housing Administration (PRPHA) to prepare for the next phase of kit distribution, with a focus on supporting low-income households.

Activities included refining the implementation plan, identifying target communities for future deployment, and enhancing survey tools to capture customer feedback and energy-savings data.

During FY2026 Q1, no Residential Energy Efficiency (EE) Kits were distributed due to cash constraints.

The program remains an important component of LUMA's strategy to expand access to energy efficiency opportunities and promote equitable participation across Puerto Rico.

1.3 Residential EE Rebate Program

During FY2026 Q1, LUMA continued processing pending rebate applications from FY2025. These applications correspond to customers who had previously submitted documentation for eligible high-efficiency equipment purchases, the majority of which were missing key information delaying completion of application processing. The Residential EE rebate program was not re-launched during FY2026 Q1 due to cash constraints.

Throughout the quarter, LUMA focused on reviewing customers' submissions of missing information, validating all application information and issuing rebate payments as cash constraints allowed. The results of these efforts are summarized in *Table 2: Rebates Processed*

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report NEPR-MI-2022-0001

Table 2: Rebates Processed

Customers Served ²	Applications Processed ³	Rebates Issued ⁴	Rebates Spend
1,430	1,452	1,966	\$731,242

As in previous quarters, mini-split air conditioners continued to represent the majority of processed measures, demonstrating strong customer interest in high-efficiency cooling technologies. Other measures included solar water heaters, refrigerators, tankless water heaters, window air conditioners, and freezers. For a detailed breakdown of the measures and their distribution, refer to *Table 3: Measures Installed in FY2026 Q1* below.

LUMA continues to collaborate closely with its implementation contractor to streamline processing, improve communication with customers, and ensure compliance with program requirements and reporting standards.

Table 3: Measures Installed

Measure	QTY	Percentage
Energy Star® Freezer	3	0.15%
Energy Star® Tankless Water Heater	16	0.81%
Energy Star® Window Air Conditioner	8	0.41%
Energy Star® Refrigerator	51	2.59%
Solar Water Heater	71	3.61%
Mini-Split Air Conditioner	1,817	92.42%
Total	1,966	100%

These results reflect continued customer engagement and sustained demand for energy-efficient equipment across Puerto Rico, reinforcing the effectiveness of the Residential EE Rebate Program in driving long-term energy savings.

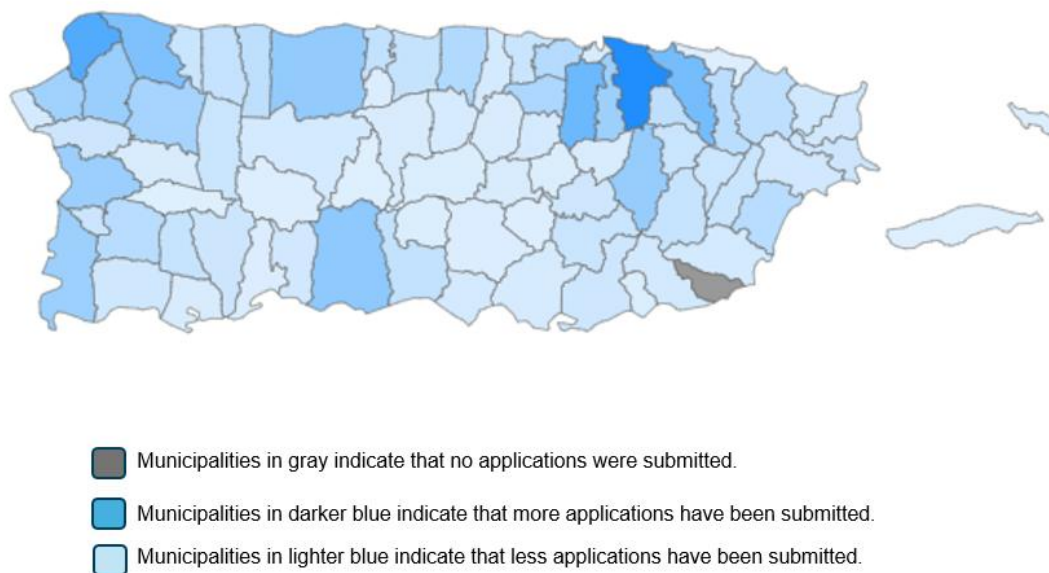
² Count of unique LUMA account numbers.

³Processed means paid. One application allows for more than one measure.

⁴ Number of Measures for which rebates were paid.

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report NEPR-MI-2022-0001

Figure 1: Geographical Distribution of Residential EE Rebates



1.4 Business EE Kits Programs

During FY2026 Q1, no activities were carried out under the Business Energy Efficiency Kits Program due to cash constraints. The Business EE Kit Program is scheduled to resume distribution activities during this fiscal year, with a focus on engaging small businesses.

1.5 Business EE Rebates Program

During FY2026 Q1, the Business EE Rebate Program, similar to the Residential EE Rebate program, concentrated its efforts to complete processing submitted applications. As a result, a total of **7** rebate payments were made, representing the installation of **33 energy efficiency measures**. These efforts resulted in rebate reimbursements totaling **\$14,338**. For a more detailed breakdown of eligible equipment, please refer to *Table 4: Eligible Equipment for Rebates*.

Table 4: Eligible Equipment for Rebates

Eligible Equipment	Rebate Amount
Exit Sign	\$10
Omni Directional LED Replacement	\$10
LED Troffer Replacement	\$25 - \$30
Linear Fluorescent LED Replacement	\$5 - \$10
Exterior Lighting	\$40 - \$280

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report NEPR-MI-2022-0001

Eligible Equipment	Rebate Amount
Occupancy Sensor	\$20 per sensor
Fryer	\$350
Convection Oven	\$350
Combination Oven	\$800
Ice Machine	\$500
Solar Water Heater	\$550
Commercial Refrigerator and Commercial Freezer	\$100 each
Commercial Air Conditioning	Tier 1: \$100 per ton Tier 2: \$175 per ton
Ductless Split Air Conditioner	\$250 - \$750
Energy Star® Window Air Conditioner	\$130
Chiller	Tier 1: \$100 per ton Tier 2: \$175 per ton
Window Film	\$1 per square foot
Pool Pump Valuable Frequency Drive ("VFD")	\$200 per HP

As shown in Table 5: Business Measures Installed, rebates issued during this reporting period correspond exclusively to high-efficiency cooling equipment, including commercial air conditioners and mini-split air conditioners.

Table 5: Business Measures Installed

Eligible Equipment	Qty (#)	Percentage
Fryer	0	0%
Convection Oven	0	0%
Combination Oven	0	0%
Commercial Refrigerator	0	0%
Commercial Freezer	0	0%
Energy Star® Window Air Conditioner	0	0%
Pool Pump Valuable Frequency Drive ("VFD")	0	0%
Occupancy Sensor	0	0%
Omni Directional LED Replacement	0	0%

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report NEPR-MI-2022-0001

Eligible Equipment	Qty (#)	Percentage
Chiller	0	0%
Window Film	0	0%
Ice Machine	0	0%
Exterior Lighting	0	0%
Exit Sign	0	0%
Solar Water Heater	0	0%
Commercial Air Conditioning	2	6.06%
Mini-Split Air Conditioner	33	93.94%
LED Troffer Replacement	0	0%
Linear Fluorescent LED Replacement	0	0%
Total	33	100%

Figure 2: Geographical Distribution of Business EE Rebates



1.6 In-Store EE Discounts Program

During FY2026 Q1, the LUMA In-Store EE Discount Program included two measures: energy efficient window AC units and ceiling fans, both discounted in partnership with The Home Depot.

Sales during the quarter continued to be strong for both measures, with **1,675 ceiling fans** and **1,915 window AC units** sold. This resulted in a combined incentive payout of **\$183,100** for these two measures and approximately **533,460 kWh** of annual energy savings.

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report NEPR-MI-2022-0001

Table 6: In-Store Discounts Units Sold

Measure	QTY
Energy Star® Window AC	1,915
Energy Star® Ceiling Fan	1,675
Total	3,590

1.7 Program and Implementation Strategies

Focus on Equity and Access

During FY2026 Q1, LUMA's EE programs continued advancing efforts to promote equity and access.

No EE Kits were distributed during the quarter, but LUMA continued its planning efforts. EE Kit, LUMA's planning efforts focused on building partnerships with DDEC, Vivienda and community groups to distribute a portion of available EE kits to their networks of low-income households. For the remaining EE kits to be distributed to low-income customers via LUMA's online portal, LUMA is planning to enhance the survey instruments used with recipients in order to gather information that will improve low-income program education and outreach in FY2026.

During FY2026 Q1, LUMA continued processing pending rebate applications from FY2025. LUMA paid higher financial support to low-income participants, addressing the challenges these households face when adopting EE technologies. Through this approach, LUMA aims to reduce the financial burden for vulnerable families, making energy-saving measures more accessible. See *Table 8: Contrast by Sector of Eligible Measures* below.

Eligibility for the low-income incentives is determined based on the combined yearly income and household information provided by applicants in conjunction with LUMA's low-income tariff. LUMA carefully reviews this information to ensure the incentives reach those with the greatest need, supporting equitable participation in the programs. This structure reflects LUMA's commitment to bridging gaps in access to EE and fostering inclusivity across diverse income groups.

LUMA actively identifies and implements targeted measures to increase participation rates of low-income customers. These efforts include enhanced data tracking for low-income customer identification, focused outreach initiatives, and strategic program expansion to improve accessibility for low-income communities.

Table 7: Residential Rebates: Contrast by Sector of Eligible Measures

Eligible Measure	Non-low-Income Incentive	Low-Income Incentive
Solar Water Heater	\$550	\$775
Electric Tankless Water Heater	\$60	\$85
Energy Star® Refrigerator	\$210	\$280

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report NEPR-MI-2022-0001

Eligible Measure	Non-low-Income Incentive	Low-Income Incentive
Energy Star® Freezer	\$210	\$280
Energy Star® Air Conditioner – Window	\$130	\$175
Air Conditioner – Mini-Split	\$375 - 500	\$375 - \$500

As of FY2026 Q1, LUMA paid a total of **\$36,045** in incentives specifically to low-income customers, supporting a variety of EE upgrades. The distribution of these funds was reflected in the installation of **95** energy-savings measures by **78** low-income customers across different categories, see *Table 9: Measures Installed by Low-income Customers* below.

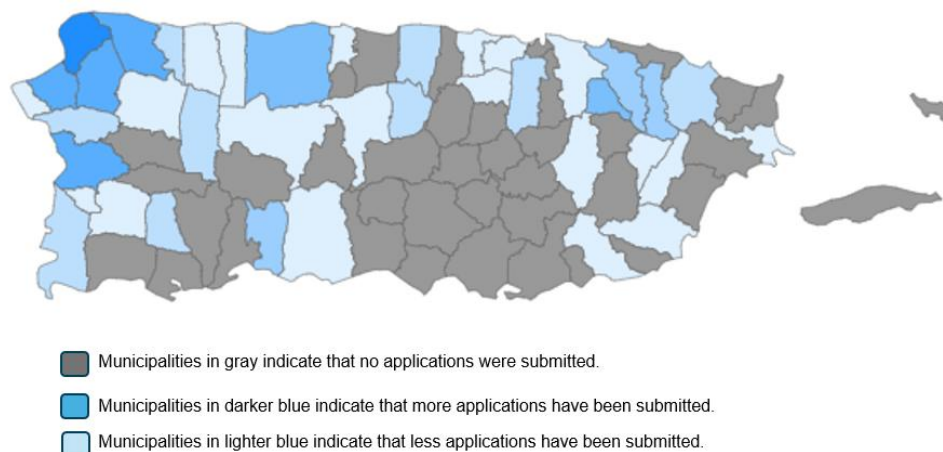
This effort highlights LUMA's dedication to providing long-term community benefits through energy savings. By ensuring that low-income households can participate meaningfully in EE programs, LUMA fosters broader program engagement and drives economic and environmental benefits. The focus on equity remains central to LUMA's strategy, ensuring that all customers, regardless of income, can enjoy the advantages of EE technologies.

Table 8: Measures Installed by Low-income Customers

Measure	QTY #
Electric Tankless Water Heater	0
Energy Star® Freezer	0
Energy Star® Air Conditioner – Window	0
Energy Star® Refrigerator	4
Solar Water Heater	2
Air Conditioner – Mini-Split	89
Total	95

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report NEPR-MI-2022-0001

Figure 3: Geographic Distribution of Residential EE Rebates for Low-income customers



1.8 Funding Sources and Cost Recovery

In June 2024, LUMA, as ordered by the PREB, implemented the EE Rider as a reliable and long-term funding source essential for planning and delivering EE programs to meet Act 17-2019 objectives, as amended. While LUMA explored other funding options like federal grants—which support individual projects but do not provide direct funding to utilities—the EE Rider was established, in line with the PREB’s 2019 determination to recover program costs from all customers on a per kilowatt-hour basis.

LUMA continues to explore the potential to expand its program’s reach and impact through additional funding sources such as the Department of Energy (DOE) and the Central Office for Recovery, Reconstruction and Resiliency (COR3) partnerships.

Particularly, LUMA has continued working during this quarter with COR3 to utilize the federal funding approved by DOE to pay for incentives via the CBES Program thereby increasing the CBES incentive budget.

LUMA continues its recurring discussions with key stakeholders such as the State Office of Public Energy Policy, Fortaleza, and the DOE. These discussions are vital for aligning efforts and ensuring comprehensive support for LUMA’s initiatives. The collaboration with these entities is ongoing, with a dedication to fostering strong partnerships to advance EE and DR goals.

As part of its continued commitment to program development and refinement—and in compliance with the PREB’s June 26, 2025 Resolution and Order— LUMA filed an amended EE Program Plan as part of the Proposed Revised TPP, which included a revised budget. Subsequently, on August 19, 2025, the PREB approved LUMA’s amended TPP for implementation in FY26⁵.

⁵ On August 19, 2025, PREB issued a Resolution and Order approving LUMA’s amended TPP with the associated revised budget. See [Resolution and Order](#) Subject: Fiscal Year 2026 Transition Period Plan Approval.

Consolidated Transition Period Plan and Demand Response
Administrative Costs Quarterly Report
NEPR-MI-2022-0001

2.0 Energy Efficiency Participants Enrolled and Installed Measures

2.1 Number of Participants in Energy Efficiency Programs

During FY2026 Q1, a total of **5,027** customers participated in LUMA's EE programs. No new Residential or Business EE Kits were distributed during this quarter, as LUMA focused on planning targeted outreach strategies to support the relaunch of these initiatives later in the fiscal year. It is also important to note that while the Residential and Business Rebate programs remained paused during this quarter, the reported figures reflect the processing of applications submitted during fiscal year 2025.

Table 10: Number of Participants enrolled or receiving incentives in each EE Program during FY2026 Q1 below includes the number of participants enrolled or receiving benefits in the EE programs by program to date (limited to those programs where customers enrolled or received the rebates and/or incentives).

Table 9: Number of Participants enrolled or receiving incentives in each EE Program

Program	Participants FY2026 Q1
Residential Rebates	1,430
Low-Income	78
Non-Low-Income	1,352
In-Store Discount	3,550
Business Rebates	7
Residential EE Kits	0
Business EE Kits	0
Total	5,027

Table 10: Installed Measures by Sector, Segment, and Program (FY2026 Q1) provides an overview of the energy efficiency measures implemented across various sectors during the fourth quarter of FY 2025. This table categorizes the installed measures into distinct sectors, including residential, commercial, industrial, and utility segments, allowing for a clear understanding of where energy efficiency efforts are concentrated. Each sector is further broken down by specific programs that detail the types of measures installed, such as lighting upgrades, Heating Ventilation and Air Conditioning (HVAC) improvements, and insulation enhancements.

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report
NEPR-MI-2022-0001

Table 10: Installed Measures by Sector, Segment, and Program (FY2026 Q1)

Sector	Segment	Program	Installed Measure	FY2026 Q1 Quantity	YTD Quantity	FY26 Q1 Energy Savings kWh	YTD Energy Savings kWh	FY26 Q1 Peak Demand Savings kW	YTD Peak Demand Savings kW
Residential	Single-Family Homes	Residential Rebate	Air Conditioner - Window	8	8	6,407.59	6,407.59	0.20	0.20
Residential	Single-Family Homes	Residential Rebate	Mini-Split Air Conditioner	1,817	1,817	2,149,543.86	2,149,543.86	220.4	220.4
Residential	Single-Family Homes	Residential Rebate	Solar Water Heaters	71	71	123472.86	123472.86	17.9	17.9
Residential	Single-Family Homes	Residential Rebate	Tankless Water Heaters	16	16	1427.72	1427.72	2.08	2.08
Residential	Single-Family Homes	Residential Rebate	Refrigerators	51	51	2594.98	2594.98	0.306	0.306
Residential	Single-Family Homes	Residential Rebate	Freezers	3	3	128.28	128.28	0.015	0.015
Residential	Single-Family Homes	In-Store Discount Program	Window ACs	1,915	1,915	448,002	448,002.00	63.17	63.17
Residential	Single-Family Homes	In-Store Discount Program	Ceiling Fans	1,675	1,675	105,525	105,525.00	30.15	30.15
Commercial	Small Business	Business Rebate Program	Exit Sign	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Omni Directional LED Replacement	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	LED Troffer Replacement	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Linear Fluorescent LED Replacement	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Occupancy Sensor	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Exterior Lighting	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Fryer	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Convention Oven	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Combination Oven	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Ice Machine	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Commercial Refrigerator	0	0	0	0	0	0



Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report
NEPR-MI-2022-0001

Commercial	Small Business	Business Rebate Program	Commercial Freezer	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Commercial Air Conditioner	2	2	11970.39	11970.39	2.07	2.07
Commercial	Small Business	Business Rebate Program	Window Air Conditioner	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Mini-Split Air Conditioner	31	31	31231.30	31231.30	3.45	3.45
Commercial	Small Business	Business Rebate Program	Chillers	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Solar Water Heaters	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Window Film*	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Pool Pump VFD	0	0	0	0	0	0

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report

NEPR-MI-2022-0001

3.0 Energy Efficiency Performance

3.1 Energy and Peak Demand Savings by Sector

During FY2026 Q1, LUMA's EE programs delivered energy (MWh) and peak demand (MW) savings across various market sectors and subsegments, as shown in *Table 11: Energy and Peak Demand savings performance by Market Sector and Subsegment*, which includes preliminary estimates of savings achieved during the quarter in relation to annual targets.

Table 11: Energy and Peak Demand savings performance by Market Sector and Subsegment

MARKET SECTOR	SUBSEGMENT	ANNUAL ENERGY SAVINGS TARGET (MWH)	FY2026 Q1 ENERGY SAVINGS (MWH)	YTD ENERGY SAVINGS (MWH)	ACTUAL SAVINGS (%) OF ANNUAL TARGET	PEAK DEMAND SAVINGS TARGET (MW)	FY26 Q1 PEAK DEMAND SAVINGS (MW)	YTD PEAK DEMAND SAVINGS (MW)	ACTUAL PEAK DEMAND SAVINGS (%) ANNUAL TARGET
Residential Sector	Low-Income	6,904	106.72	106.74	2%	3	0.01	0.01	0.4%
Residential Sector	Non-Low-Income	12,479	2,730.31	2,730	22%	2	0.32	0.32	21.5%
Commercial, Industrial and Agriculture (C&I) Sector	Small Business	4,619	43.20	43	1%	1	0.01	0.01	0.9%
Commercial, Industrial and Agriculture (C&I) Sector	Other Commercial/Industrial and Agricultural Sector	8,373	0.00	0	0%	1	0.00	0.00	0.0%
Government/Public	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Portfolio Total		32,375	2,880	2,880	9%	6	0.34	0.34	5.7%

3.2 Energy and Peak Demand Savings by Program

Table 12: Energy and Peak Demand Savings Performance below provides the preliminary estimates of energy (MWh) and peak demand (MWh) savings achieved during the quarter for each program and how these relate to annual targets.

Table 12: Energy and Peak Demand Savings Performance

Program	Annual Energy Savings Target (MWh)	FY2026 Q1 Energy Savings (MWh)	YTD Energy Savings (MWh)	FY2026 YTD Energy Savings (%)	FY2026 Peak Demand Savings Target (MW)	FY2026 Q1 Peak Demand Savings (MW)	YTD Peak Demand Savings (MW)	FY2026 YTD Peak Demand Savings (%)	FY2026 Q1 Spend (\$)	YTD Program Spend (\$)	\$/kWh ⁶
Residential EE Rebates ⁷	17,106	2,284	2,284	13%	2	0.24	0.24	12%	909,318	909,318	\$0.40

⁶ The calculation of cost per kilowatt-hour (\$/kWh) is based on the YTD program spend for FY2026 divided by the YTD Energy Savings (kWh). This figure helps gauge the cost-effectiveness of the program's investments in relation to the energy savings achieved.

⁷ Total Actual Energy Savings for Residential EE Rebates reflect rebates disbursed to customers during the reporting period.

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report

NEPR-MI-2022-0001

Program	Annual Energy Savings Target (MWh)	FY2026 Q1 Energy Savings (MWh)	YTD Energy Savings (MWh)	FY2026 YTD Energy Savings (%)	FY2026 Peak Demand Savings Target (MW)	FY2026 Q1 Peak Demand Savings (MW)	YTD Peak Demand Savings (MW)	FY2026 YTD Peak Demand Savings (%)	FY2026 Q1 Spend (\$)	YTD Program Spend (\$)	\$/kWh ⁶
In-Store EE Discounts	1,741	553	553	32%	0	0.09	0.09	5%	150,771	150,771	\$0.27
Residential EE Kits	536	0	0	0%	2	0.00	0.00	0%	0.00	0.00	\$0.00
Business EE Rebates	9,239	43	43	0%	2	0.01	0.01	1%	171,375	171,375	\$3.97
Business EE Kits	3,754	0	0	0%	0	0.00	0.00	0%	0.00	0.00	\$0.00
Total	32,376	2,880	2,880	9%	6	0.34	0.34	5.7%	1,231,465	1,231,465	\$0.43

3.3 Customer Education and Outreach

LUMA's Education and Outreach activities remained largely on hold during FY2026 Q1 due to cash constraints which have also prevented the relaunching of the rebate and kits programs. However, the school-based educational talks program continued during the quarter, maintaining engagement with students and supporting long-term energy awareness efforts despite the broader pause in outreach initiatives.

Table 13: Customer Education and Outreach Activities for each EE Program during FY2026 Q1 below summarizes the customer education and outreach activities conducted during the quarter.

Table 13: Customer Education and Outreach Activities for each EE Program

Program	Event	Event Description	Month
Education and Outreach	EE School Education Program	A school education program aimed at teaching 5th-grade students about energy efficiency. The program targets both public and private schools across Puerto Rico. During FY2026 Q1, presentations were delivered at 200 public and 27 private schools, reaching nearly 6,000 students across the island. These sessions promoted energy-saving behaviors and raised awareness about responsible energy use from an early age.	Aug & Sept 2025

For more details about Customer Outreach and Education efforts, please see *Appendix A: Customer Education & Outreach Materials*.

3.4 Marketing Performance

During FY2026 Q1, LUMA tracked website traffic across key pages related to its EE programs. This data provides valuable insights into customer interests and supports the development of future outreach and content strategies. In total, the EE website ecosystem saw **8,460** visits in Q1. While this represents a decline from prior quarters, it aligns with the planned pause in marketing and demonstrates the continued relevance of energy efficiency information among Puerto Rico customers.

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report

NEPR-MI-2022-0001

LUMA's Education and Outreach activities, including marketing, remained largely on hold during FY2026 Q1 due to cash constraints which have also prevented the relaunching of the rebate and kits programs.

As part of this approach, LUMA suspended active promotional campaigns across social media and traditional advertising channels.

For a detailed breakdown of traffic by EE program webpage, please refer to *Table 14: EE Program Website Traffic*.

Table 14: EE Program Website Traffic – FY2026 Q1

EE Program Webpage	Number of Visits
Customer Incentives Programs (landing page)	940
Residential EE Rebates	3,572
In-Store EE Discounts	81
Residential EE Kits	881
Business Incentive Program (landing page)	75
Business EE Rebates	137
Business EE Kits	301
Energy Savings Tips	1,029
Customer Battery Energy Sharing	1,444
Total	8,460

Looking ahead, marketing efforts will be reactivated to support the relaunch of incentive programs and broader engagement strategies planned for this fiscal year.

3.5 Stakeholders' Consultations

During FY2026 Q1, LUMA continued dialogue with key federal and local stakeholders to enhance the reach and effectiveness of its energy efficiency and demand response initiatives. Engagements with federal agencies such as the U.S. Department of Energy (DOE) and the Environmental Protection Agency (EPA) remained ongoing, with a focus on identifying potential funding opportunities, securing technical assistance, and integrating best practices into program design to support long-term energy goals.

LUMA also maintained its monthly coordination meetings with the DDEC. These meetings facilitated joint planning for the rollout of complementary programs and educational campaigns, ensuring that each organization could efficiently reach different customer segments across the island. The collaboration aims to enhance community engagement, improve market penetration, and align efforts with Puerto Rico's broader economic development objectives.

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report

NEPR-MI-2022-0001

3.6 Research Activities

During FY2026, LUMA continued working with DDEC to access and analyze data on typical energy end-uses and consumption in low-income households and captured through DDEC programs such as the Weatherization Assistance Project (WAP). LUMA also continues its work with trade allies to capture additional data on the market for energy-efficiency products in Puerto Rico. These research efforts will provide valuable insights that will inform future program enhancements and marketing approaches, particularly for increasing adoption in underrepresented commercial segments.

3.7 Collaboration with Key Strategic Groups

During FY2026 Q1, LUMA continued strengthening its partnerships with key strategic organizations to enhance program planning for the Three-Year Plan, promote workforce development, and ensure equitable access to energy efficiency benefits across Puerto Rico. These collaborations are central to LUMA's broader strategy to build a resilient, inclusive, and sustainable energy future for the island.

A major milestone this quarter was the hosting of the first Three-Year EEDR Plan Stakeholder Kickoff Webinar in September. The event brought together over 50 stakeholders from a wide range of sectors and industries, serving as a critical platform to gather input and foster dialogue around the development of the Three-Year Plan. The webinar underscored LUMA's commitment to transparency, inclusive planning, and stakeholder-driven program design. Feedback collected during the session is being used to inform program priorities and ensure alignment with community and industry needs.

LUMA also sustained its monthly coordination meetings with both the Puerto Rico Department of Economic Development and Commerce (DDEC) and the Puerto Rico Public Housing Authority (PRPHA). These meetings provided a consistent forum for aligning outreach strategies, coordinating the launch of complementary initiatives, and addressing barriers to customer engagement and market penetration. The collaboration with PRPHA is focused on identifying opportunities to deliver energy efficiency initiatives within public housing communities, with an emphasis on shared goals, program coordination, and tailored outreach strategies. This partnership aims to better serve low-income customers through community-based engagement, educational outreach, and direct installations—further reinforcing LUMA's commitment to energy equity.

In parallel, LUMA expanded its network of technical and workforce partners. LUMA met with Thermo-King & Trane Technologies, a company that delivers sustainable climate solutions for buildings and transport refrigeration. The meeting explored collaboration under the Trade Allies Program to support technician training and program deployment, with a focus on small business. This aligns with LUMA's goals of capacity building and the promotion of long-term, sustainable partnerships.

Together, these efforts demonstrate LUMA's proactive and inclusive approach to engaging strategic partners across sectors in support of a just and effective energy transition.

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report

NEPR-MI-2022-0001

3.8 LUMA's Streetlight Modernization and Energy Efficiency Initiative

LUMA is poised to enhance public safety and EE in Puerto Rico with its ambitious plan to install 300,000 streetlights over the next three years. This initiative aims to improve safety for residents while promoting energy efficiency across communities.

During Q1 FY2026, LUMA replaced approximately **4,331** streetlights enhancing public safety and energy efficiency for customers while contributing to a brighter, more modern, and resilient electric grid for communities across Puerto Rico.

As a result of these replacements, LUMA achieved an estimated energy savings of approximately **92,706 kWh**, demonstrating its commitment to holistic infrastructure improvements that integrate energy efficiency with grid modernization. This includes the Community Streetlight Initiative (CSI), funded by FEMA, which represents a total investment of \$1 billion aimed at modernizing streetlight infrastructure across all municipalities in Puerto Rico.

This modernization not only improves visibility and safety but also contributes to long-term energy savings and environmental sustainability. Each new LED streetlight consumes approximately 65% less energy and has a lifespan up to four times longer than traditional lighting solutions.

4.0 EE Program Cost

For a detailed breakdown of costs for each EE program, please refer below to *Table 15: EE Budget & Costs* below, which outlines expenditures for FY2026 Q1 and Year to Date.

Table 15: EE Budget & Costs

Program	Cost For FY2026 Q1 (\$)	FY2026 YTD Costs (\$)	Total Program Budget FY2026 (\$)	% of Total Program Budget
Residential Rebates	909,318	909,318	7,650,656	12%
In-Store Discounts	150,772	150,772	1,400,000	11%
Residential EE Kits	0	0	700,000	0%
Business Rebates	171,375	171,375	4,337,000	4%
Business EE Kits	0	0	400,000	0%
Education & Outreach	20,867	20,867	500,000	4%
Cross-Cutting Planning, Administration & Evaluation Costs	581,779	581,779	1,200,000	48%
Total Portfolio	1,834,111	1,834,111	16,187,656	11%

Please refer below to *Table 16: Energy Efficiency Costs by Program and Cost Category* for a breakdown of energy efficiency costs by categories in FY2026 Q1 which include participant incentives, PP&A, Marketing, EM&V, and other costs for incentive program costs. Negative figures represent adjustments to

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report

NEPR-MI-2022-0001

accrued expenses from the previous period. LUMA reports that there have been no EM&V costs to date, as LUMA awaits notification from the PREB that an EM&V contractor has been selected.

Table 16: Energy Efficiency Costs by Program and Cost Category

Program	Participant Incentives (\$)	PP&A (\$)	Marketing (\$)	EM&V (\$)	Other Costs (\$)	Total
Residential Rebates	731,242	178,076	0	n/a	0	909,318
In-Store Discounts	183,100	-32,328	0	n/a	0	150,772
Residential EE Kits	0.00	0	0	n/a	0	0
Business Rebates	143,338	28,038	0	n/a	0	171,375
Business EE Kits	0.00	0	0	n/a	0	0
Education & Outreach	n/a	20,867	0	n/a	0	20,867
Cross-Cutting Planning, Administration & Evaluation Costs	n/a	581,779	n/a	0	0	581,779
Total Portfolio	1,057,680	\$776,431	\$0	\$0	\$0	\$1,834,111

Shifts in funds between programs

During FY2026 Q1 LUMA did not perform any shifting of funds between programs.

Managing Budget Variations Above 20 Percent

As shown in *Table 15: EE Budget and Cost*, during FY2026 Q1, LUMA did not incur any budget variations exceeding 20 Percent.

EE Program Non-Incentive Administrative Costs

Table 17: Breakdown of EE Program Non-Incentive Administrative Costs provides a breakdown of EE programs' non-incentive administrative costs incurred by LUMA in FY2026Q1 between staff administrative costs, planning and regulatory professional services, program implementation contractors, program evaluation and other administrative costs.

Table 17: Breakdown of EE Program Non-Incentive Administrative Costs

Categories	Program Budget FY2026	Costs For FY2026 Q1	YTD Costs
LUMA Staff	600,000	67,455	67,455
Professional Services	6000,000	411,425	411,425
Program Implementation Contractors	3,987,656	297,551	297,551
Other Administrative Costs	0	0	0
Total	\$5,187,656	\$776,431	\$776,431

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report NEPR-MI-2022-0001

5.0 Demand Response Programs

In compliance with the August 29th Resolution and Order, as well as reporting requirements, this section of the report details the DR administrative costs. It presents the actual receipts for both the quarterly and fiscal-year-to-date periods, compared to the budgeted inflows from the Power Purchase Charge Adjustment (PPCA), and reflects the current fund balance.

The report includes a summary of program information indicators for the same periods, aligning them with the assumptions used, and highlighting any significant variances from the approved budget. Additionally, it outlines the quarterly and fiscal-year-to-date expenditures for the DR Program, broken down by line items, and details any discrepancies from the approved budget.

This overview is essential for assessing fund management, withdrawals, and outstanding balances, providing explanations to ensure transparency and facilitate effective oversight by the PREB.

5.1 DR: Customer Battery Energy Sharing Program

On May 20, 2025, the Energy Bureau issued a Resolution and Order approving LUMA's proposal to expand the CBES program to provide critical support to the grid during the forecasted Summer 2025 generation shortfall.

During this quarter, the DR Program made progress in expanding customer enrollment and increasing capacity for DR events with the successful addition of **68,557** customers bringing the total number of enrolled customers to **81,004**. The program's total enrolled battery capacity at the end of the quarter reached **498.5 MW** of total nameplate capacity, with **134.6 MW** of available capacity (after reserve) per emergency DR event, as reported by LUMA's aggregator partners. This reflects the program's strengthening capacity to manage demand fluctuations by adjusting energy supply during critical grid shortages.

For this quarter, the average impact per event based on actual participation reached approximately **40.3 MW**. The average participation rate in CBES events was 74% and the average duration for an event was 4 hours. Overall, our program maintains a strong participant base.

5.1.1 CBES Progress and DERMS Implementation

Since its launch in November 2023, CBES has successfully enrolled **81,004** customers through third-party aggregators. These aggregators are responsible for customer recruitment, battery dispatch, telemetry data collection, and performance reporting. Currently, LUMA's System Operations determines the need for emergency DR events based on system conditions and communicates dispatch instructions to aggregators via email.

However, to enable the CBES program to continue to grow in scale and impact, LUMA is working on the implementation of a DERMS as approved by the Energy Bureau in their Resolution and Order on May 20, 2025. DERMS implementation remains an important component to support scalable operations, improve data transparency, and streamline aggregator coordination through automated integrations.

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report

NEPR-MI-2022-0001

5.1.2 CBES Participants

Table 18: Number of Participants and total MW available in each DR Program during the FY2026 Q1 below includes the number of participants enrolled in the CBES Program to date by program and sector/segment and total MW enrolled. Total MW figures reflect estimated figures based on aggregator self-reported data and may be subject to future validation and updates.

Table 18: Number of Participants and total MW available in each DR Program

Sector	Segment	Program	Total Participants Enrolled (YTD)	Total MW Available (YTD)	Total MW Enrolled (YTD)
Residential	Residential Housing	Customer Battery Energy Sharing	80,027	132.2	489.7
Commercial	Small Business	Customer Battery Energy Sharing	977	2.5	8.8
Total			81,004	134.7MW	498.5MW

5.1.3 CBES Performance for FY2025 Q4

LUMA has been closely monitoring key performance indicators to evaluate the effectiveness of the CBES Program, as detailed in *Table 19: DR Performance Values*. This includes tracking the number of enrolled customers, the power and energy enrolled per event, and the total number of events dispatched. By analyzing these indicators such as the average battery power and energy dispatched per event LUMA aims to gain insights into program performance. This data helps in assessing the program's benefits and guiding future improvements to enhance customer engagement and operational efficiency.

Table 19: DR Performance Values

Performance	YTD FY2026 Q1
Enrolled Customers (#)	81,004
Enrolled Power per Event (MW)	498.5
Enrolled Energy per Event (MWh)	1,258.8
Events Dispatched (#)	30
Average Customer Response (%)	74%
Average Dispatched Battery Power per Event (MW)	40.3
Average Dispatched Battery Energy per Event (MWh)	189
Peak Demand Savings Target (MW)	40
Peak Demand Savings (MW)	40
Peak Demand Savings (%)	100%

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report

NEPR-MI-2022-0001

Performance	YTD FY2026 Q1
Costs (\$)	\$7,087,435.98

Table 20: DR YTD Performance Indicators

Program Parameters	YTD Forecast (A)	YTD Actual Q1 (B)	Variance Between YTD Forecast and Actual YTD [(A-B)]
Enrolled Customers (#)	60,000	81,004	21,004
Enrolled Load (kW)	369,600	498,511.2	128,911.2
Average Battery Capacity (kWh/battery)	15.56	15.56	0
Average Battery Reserve (%)	50%	73%	23%
Average Impacts per Event (kW)	40,000	40,348	348
Aggregate Seasonal/Annual Impacts (kW)	40,000	40,348	348
Impacts as % of Enrolled Load	11%	8%	3%
Average Participation Rate per Event (%)	85%	74%	11%
Average Event Duration (Hours)	4	4	0
Events (#)	49	30	19
Capacity per Event (kW)	48,277	40,348	7,929
Estimated Energy per Event (kWh)	277,143	188,998	88,145
Total Energy Delivered (kWh)	6,899,752	5,669,948.78	1,229,803.22
Participant Incentive Payments (\$)	\$ 8,624,690	\$7,023,466	\$ 1,601,224
Program Planning and Administrative (PP&A) Costs (\$)	\$ 1,495,011	\$ 302,419	\$ 1,192,592
Total program costs (\$)	\$ 11,845,071	\$ 7,325,885	\$ 4,519,186

Understanding DR Variances

The FY2026 Q1 results demonstrate strong program performance and notable progress across multiple key indicators when compared to the year-to-date (YTD) forecast.

Enrollment significantly exceeded expectations, with 81,004 enrolled customers versus a forecast of 60,000 — an increase of over 21,000 participants. Correspondingly, enrolled load reached 498 MW, surpassing the forecast by 129 MW, underscoring continued customer interest and aggregator success in expanding participation. The average battery reserve of 73%, compared to the 50% forecast, further strengthened dispatch reliability and event response capabilities.

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report

NEPR-MI-2022-0001

Operationally, the program achieved 40 MW average impacts per event, aligning closely with forecasted values and reflecting stable aggregator performance. While the average participation rate (74%) was slightly below the 85% target, the outcome remains strong given the program's growth and the operational expansion of events from 2.8 to 4 hours.

The number of events during the quarter was significantly less than forecasted, resulting in lower incentive costs. Specifically, lower incentive costs account for over half of the variance in total program costs during the period. The other half of the variance is lower PP&A costs attributed to DERMS deployment delays due to general company cash constraints.

Overall, the first-quarter results highlight continued momentum in customer enrollment, higher available load capacity, strong operational delivery, and prudent cost management, positioning the CBES program for sustained performance throughout FY2026.

5.1.4 CBES Program Administrative Costs

Total PP&A costs for the quarter amounted to \$302,419. Program Management expenses totaled \$69,389, supporting core oversight, coordination, and stakeholder engagement functions. Professional Services costs of \$233,030 primarily covered regulatory, planning, and technical support activities tied to program reporting and compliance under NEPR-MI-2022-0001. No expenditure was recorded under System Operations, Customer Service, Program Evaluation, or Other Expenses categories this quarter, demonstrating continued fiscal restraint and targeted resource allocation.

Table 21: DR (CBES) PP&A Budget and Costs below provide the costs to date of the CBES Program during the Quarter broken down by category.

Table 21: DR (CBES) PP&A Budget and Costs

Categories	PP&A Total Budget FY2026	YTD Costs for FY2026Q1
Program Management	\$270,000	\$69,389
System Operations	\$0	\$0
Customer Service	\$0	\$0
Professional Services ⁸	\$2,050,000	\$233,030
Program Evaluation	\$0	\$0
Other Expenses ⁹	\$0	\$0
Total PP&A	\$2,320,000	\$302,419

⁸Please note that planning and regulatory professional services are included in this line item.

⁹Actual costs correspond to payments made to legal services.

Consolidated Transition Period Plan and Demand Response Administrative Costs Quarterly Report NEPR-MI-2022-0001

5.1.5 CBES Quarterly and Fiscal-Year-to-Date PPCA Fund Inflows and Balances Comparison

Table 22: FY2026 CBES Costs and PPCA Fund Overview below provides an overview of the actual fund inflows received against the budgeted inflows specified in the PPCA. It also includes the fiscal-year-to-date actual fund balance, offering a clear view of how actual receipts align with the planned budget and how they impact the overall fund balance for the year. This detailed comparison helps assess budgeting, identify any discrepancies, and ensure that financial operations are in line with August 29th Resolution and Order requirements and best practices.

Table 22: FY2026 CBES Costs and PPCA Fund Overview¹⁰

CBES FY2026 Q1 Costs (\$)	CBES YTD Costs (\$)	Estimated Budget Inflows for CBES from the PPCA	PPCA Fiscal YTD Actual Fund Balance
\$7,325,885	\$7,325,8854	\$11,845,071	\$4,519,186

6.0 Conclusions and Recommendations

6.1 Analysis and Observations

EE Programs

In the face of cash constraints, LUMA's efforts in this quarter have focused on program design and continual improvement with an eye toward relaunching EE programs in Q3 if cash issues are resolved.

In addition, during FY2026 Q1, LUMA continued processing pending rebate applications from FY2025. These applications correspond to customers who had previously submitted documentation for eligible high-efficiency equipment purchases, the majority of which were missing key customer information delaying completion of application processing. Throughout the quarter, LUMA focused on reviewing customers' submissions of missing information, validating all application information and issuing rebate payments as cash constraints allowed.

Demand Response Programs

The CBES Program continues to demonstrate strong progress and measurable results, solidifying its role as a cornerstone of Puerto Rico's demand response and distributed energy strategy. With more than 81,000 enrolled customers, over 498 MW of available load, and consistently high participation and reliability, the program is delivering meaningful grid support. Strong dialogue with external and internal partners such as system operators and Aggregators continues to ensure the CBES Program remains well positioned and prepared to support during emergency grid events.

¹⁰LUMA provides an explanation of current discrepancies between actual spending and funds collected through the PPCA in its February 14, 2025, Response to the PREB's January 24, 2025, Requirements of Information. LUMA is in the process of reviewing its forecasting methodology for the CBES program in an effort to produce more accurate forecasts for FY2025 Q3 Report and beyond.