

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

IN RE: ENERGY EFFICIENCY AND DEMAND
RESPONSE TRANSITION PERIOD PLAN

CASE NO: NEPR-MI-2022-0001

SUBJECT: Energy Efficiency Rider Funds

RESOLUTION AND ORDER

I. Introduction and Background

In this Resolution and Order, the Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) discusses ongoing cash constraints impacting the implementation of energy efficiency (“EE”) programs, and provides several directives to LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as “LUMA”) and the Puerto Rico Electric Power Authority (“PREPA”) regarding EE Rider funds and the immediate re-opening of EE programs.

On December 20, 2023, LUMA filed a *Motion to Submit Revised TPP and Other Information Requested under the Resolution and Order of November 29, 2023*. LUMA proposed an EE program budget for fiscal year 2025 (“FY25”) of \$13,745,450, intending to achieve savings of 38,885 MWh.¹ This budget was used to set the EE Rider for FY25 at 0.000853 \$/kWh.²

On October 9, 2024, LUMA filed a *Motion Requesting Approval for the Rollover of Unspent Energy Efficiency Program Funds to the FY2025 Budget for Energy Efficiency Programs* (“Unspent Funds Motion”) in which it requested approval to roll over unspent EE program funds from fiscal year 2024 (“FY24”) to FY25. LUMA had \$5,812,817 of unspent funds from FY24.³ Of these unspent funds, LUMA suggested using \$445,238 to fill a gap resulting from delays in the collection of the EE Rider in July 2024 and using the remaining \$5,367,578 to increase the budget and ambition of the FY25 EE program.⁴ With these additional funds, LUMA would raise its FY25 savings target from 38,885 MWh to 51,507 MWh.⁵

On October 23, 2024, the Energy Bureau issued a Resolution and Order (“October 23 Resolution”) through which the Energy Bureau approved LUMA’s request to rollover unspent FY24 funds. The approved budget for FY25 was \$19,113,028, after incorporating the unspent funds.⁶ The Energy Bureau also ordered LUMA to file the first Three-Year EE and DR Plan by July 15, 2025. The Energy Bureau also extended the TPP by six months to December 31, 2025, and ordered LUMA to prepare and file a revised TPP by December 2, 2024, and a proposed backup emergency DR program to be implemented by June 2025.

On November 25, 2024, LUMA submitted a *Motion for Extension of Deadlines and Modification of a Reporting Requirement in Resolution and Order of October 23, 2024*, in which LUMA requested additional time to file the revised TPP proposal. On December 5, 2024, the Energy Bureau extended the deadline to January 31, 2025.

On January 31, 2025, LUMA filed a *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* (“January 31 TPP Motion”). This motion

¹ Unspent Funds Motion at Exhibit 1, page 5.

² Energy Bureau. June 11, 2024. *Determinación sobre los Factores de las Cláusulas de Ajuste Anual para el periodo de julio 2024 a junio 2025*. Case No. NEPR-MI-2020-0001. At page 8.

³ Unspent Funds Motion, at Exhibit 1, page 5.

⁴ *Id.*

⁵ *Id.*, at page 14.

⁶ *Id.*, Energy Bureau. October 23, 2024. *Administrative Costs, Three-Year Plan Schedule, and FY24 Budget Rollover*. Case No. NEPR-MI-2022-0001.



included as an attachment a Revised Proposed TPP intended to run through June 30, 2026. LUMA requested an energy efficiency budget of \$41 million for the following programs: Residential Rebates, Residential Kits, In-Store Discounts, Business Rebates, Business Kits, Education and Outreach, and Cross-Cutting Planning, Administration, and Evaluation costs.

On April 3, 2025, the Energy Bureau issued a Resolution and Order (“April 3 Resolution”) through which the Energy Bureau extended the TPP until June 30, 2026; modified the first three-year plan to cover two years, from July 1, 2026 through June 30, 2028 (“2026-2028 EE and DR Plan”); and scheduled a Technical Conference for April 24, 2025 to discuss LUMA’s Revised TPP.

On April 24, 2025, the Energy Bureau held a Technical Conference. LUMA representatives presented on the agenda items listed in the April 3 Resolution and Order, including the Revised Proposed TPP.

On June 26, 2025, the Energy Bureau issued a Resolution and Order (“June 26 Resolution”) in which it reviewed LUMA’s Revised TPP and FY26 EE program budgets. The Energy Bureau directed LUMA to determine the FY26 program budget by adding unspent funds at the end of fiscal year 2025 (“FY25 Rollover”) to the expected revenue from the EE Rider, using the rider’s current value. The Energy Bureau directed LUMA to submit an amended FY26 EE program plan on or before July 21, 2025 that complies with the EE Rider level and budget limits set forth in the June 26 Resolution, including allocating no more than \$500,000 for education and outreach and \$1.2 million for cross-cutting planning, administration, and evaluation.

On July 22, 2025, LUMA filed a *Motion to Submit Amended Energy Efficiency Program Plan for Fiscal Year 2026 in Compliance with Resolution and Order of June 26, 2025* (“Amended FY26 TPP”). LUMA’s Amended FY26 TPP provides a scaled-down version of LUMA’s January 31 TPP to align with the budgetary guidance that the Energy Bureau provided. LUMA calculated the FY25 Rollover to be \$2,520,620.⁷ LUMA calculated the EE Rider will collect approximately \$13,939,415 in FY26. Following the Energy Bureau’s instruction, LUMA calculated the expected FY26 funds available to be \$16,187,656.

On August 19, 2025, the Energy Bureau found that the Amended FY26 TPP complies with the June 26 Resolution and approved the Amended FY26 TPP for implementation.

On October 28, 2025, LUMA filed a *Motion to Submit FY2025 Consolidated Transition Period Plan and Demand Response Administrative Cost Annual Report* and included its report as Exhibit 1 (“FY25 Annual Report”)

On November 14, 2025, LUMA filed a *Motion to Submit FY26 Q1 Consolidated Transition Period Plan and Demand Response Administrative Cost Quarterly Report* and included its report as Exhibit 1 (“November 14 Report”). The November 14 Report includes a summary table of program implementation during Q1 FY26.⁸ It listed several activities as “Paused” including Residential EE Rebates, Business EE Rebates, Residential EE Kits, and Business EE Kits. The Report stated that “During FY2026 Q1, no residential Energy Efficiency Kits were distributed due to cash constraints.”⁹ It further stated that “the Residential EE rebate program was not relaunched during FY2026 Q1 due to cash constraints”¹⁰ and “During FY2026 Q1, no activities were carried out under the Business Energy Efficiency Kits Program due to cash constraints.”¹¹ Table 15 of the November 14 Report indicates that LUMA

⁷ Total funds available to spend in FY25 were \$18,243,065, comprised of \$12,430,248 in EE Rider collected during FY25 and rollover from FY24 of \$5,812,817. Total estimated FY25 spending was \$15,722,445. The difference between total available funds and total estimated funds is the FY25 Rollover.

⁸ November 14 Report, at page 7-8.

⁹ *Id.*, at page 8.

¹⁰ *Ibid.*

¹¹ *Id.*, at page 10.



expended \$1.834 million in Q1 of FY2026, representing 11 percent of the planned budget of \$16.188 million.¹² Table 11 indicates that LUMA has achieved 9 percent of its annual target for efficiency savings.¹³ In the Conclusion of the November 14 Report, LUMA stated that “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.”¹⁴

On December 11, 2025, the Energy Bureau issued a Resolution and Order (“December 11 Resolution”) through which it discusses its concerns regarding the cash constraints raised in LUMA’s November 14 Report and the impact on EE program implementation. The Energy Bureau ordered LUMA and PREPA to respond to several requirements of information (ROIs) within five days to better understand the situation. The Energy Bureau also ordered PREPA to ensure that all funds collected through the EE Rider were promptly directed to LUMA for use in EE program implementation. The Energy Bureau ordered LUMA to ensure that all funds collected through the EE Rider were allocated to EE program implementation, to take all reasonable steps to reopen planned EE programs and cost-effectively expend the budgeted funds to achieve the savings targets approved in the Amended FY26 TPP, and to report any recurrence of any EE Rider-related cash constraint impacting EE programs to the Energy Bureau within 15 days of its occurrence.

On December 18, 2025, LUMA filed a *Motion to Submit LUMA’s Responses to Requirements of Information in Compliance with Resolution and Order of December 11, 2025* and included as Exhibit 1 its responses to the questions in the December 11 Resolution (“LUMA’s December 18 Response”).

On December 18, 2025, PREPA submitted a Motion and included as Exhibit 1 *PREPA Responses to Requirements of Information regarding Energy Efficiency Rider Funds and Cash Constraints, Pursuant to December 11, 2025, Resolution and Order* (“PREPA’s December 18 Response”).

II. Discussion

In the December 11 Resolution, the Energy Bureau expressed the importance of re-opening EE programs and ensuring that all EE Rider funds are promptly directed to LUMA for use in EE implementation. The EE Rider collects funds from customers with the purpose of implementing EE programs designed to benefit customers. The Energy Bureau has made it clear that those funds can only be spent on EE programs.¹⁵ To do otherwise is a disservice to customers and contrary to the Energy Bureau’s orders. Customers continue to pay for EE programs through the EE Rider. Therefore, it is critical that the programs are re-opened immediately.

The Energy Bureau finds it necessary to take several additional steps to ensure this outcome, as further discussed below. In their December 18 Responses, PREPA and LUMA provided conflicting information regarding the transfer of FY24 through FY26 EE program funds. Therefore, we find it necessary to continue to investigate this topic. Separately, to facilitate the immediate re-launch of FY26 EE programs, the Energy Bureau directs PREPA to transfer to LUMA the FY26 Q2-Q4 EE Rider funds. Finally, the Energy Bureau orders LUMA to establish a separate EE Rider financial account to better track funding and spending on EE programs. The Energy Bureau requires additional reporting from both LUMA and PREPA to ensure compliance with the Energy Bureau’s directives.

¹² *Id.*, at page 23.

¹³ *Id.*, at page 19.

¹⁴ *Id.*, at page 29.

¹⁵ See, e.g., December 11 Resolution.



FY24 through FY26 Q1 EE Program Funds

In September 2023, the Energy Bureau approved \$11,531,250 from LUMA's FY24 operating budget for the implementation of EE programs in FY24.¹⁶ FY25 was the first year of EE Rider implementation. LUMA reported actual EE Rider billing for FY25, corresponding to the period covering July 1, 2024, through June 30, 2025, was \$12,430,248.¹⁷ Additionally, LUMA reported \$3,562,168 was billed under the EE Rider in Q1 FY26.¹⁸ Therefore, a total of \$15,992,416 of EE Rider funds were billed to ratepayers from July 1, 2024, through September 30, 2025. Combined with the FY24 funds, this amounts to a total funding amount of \$27,523,666 for the implementation of EE programs from September 2023 through September 2025.

The Energy Bureau asked LUMA and PREPA several questions regarding the transfer of EE funds to LUMA and received conflicting answers regarding the amount of funds that have been transferred to date. The Energy Bureau intends to further investigate this issue, and **ORDERS** PREPA and LUMA to respond to the Requirements of Information in Attachment A within ten (10) business days of the notification of this Resolution and Order. The Energy Bureau may schedule a technical conference if additional information or clarification is required regarding PREPA and LUMA's responses.

FY26 Q2-Q4 EE Rider Funds

LUMA anticipates billing \$11,032,513 under the EE Rider during the last three quarters of FY26.¹⁹ Table 1 shows the expected collections by quarter.

Table 1. Expected EE Rider amount to be collected in Q2-Q4 FY26²⁰

FY26 Quarters	Expected EE Rider Collections
Q2	\$4,551,445
Q3	\$3,011,396
Q4	\$3,469,672
Total	\$11,032,513

To ensure the funds are available to LUMA for EE program implementation, the Energy Bureau **ORDERS** PREPA to, within five (5) calendar days of the notification of this Resolution and Order, transfer **\$4,551,445** to LUMA for implementing EE programs, corresponding to expected EE Rider collections for October through December 2025 (FY2026 Q2). PREPA **SHALL** transfer the remaining **\$6,481,068** of expected EE Rider funds in regular monthly payments on or before the 15th of each month according to the schedule specified below.

Table 2. Schedule for remaining FY26 EE Rider funds transfers

Transfer Date	EE Funds Transfer
February 15, 2026	\$1,003,799
March 15, 2026	\$1,003,799
April 15, 2026	\$1,003,799
May 15, 2026	\$1,156,557
June 15, 2026	\$1,156,557
July 15, 2026	\$1,156,557

¹⁶ See Resolution and Order, *In Re: LUMA's Initial Budgets*, Case No. NEPR-MI-2021-004, September 22, 2023.

¹⁷ LUMA FY2025 Annual Report, p. 27.

¹⁸ LUMA's December 19 Response, p. 1.

¹⁹ LUMA's December 19 Response, p. 2.

²⁰ *Ibid.*



The Energy Bureau acknowledges these payments are based on expected billed EE Rider amounts and that actual billed amounts may vary from forecasted due to variations in kWh consumed. The Energy Bureau plans to reconcile the difference at the end of the fiscal year once final actual sales and revenue data are available.

LUMA Account for EE Rider Funds

LUMA stated in its December 18 Response that there is no financial system implemented to separately track EE Rider funds when they are received. LUMA explained that the transfers to the EE program are made through specific requests to PREPA, and that these transfers have never been based on monthly collections. In its December 18 Response, PREPA explained it transfers amounts for the EE program to LUMA's Operating Account, and LUMA disburses funds to pay for the EE program out of this account.²¹

The Energy Bureau **ORDERS** LUMA to establish a separate account for all EE Rider funds transferred from PREPA, with the sole purpose of funding EE programs. LUMA **SHALL** open the account immediately and seed it with PREPA's forthcoming transfer of \$4,551,445. LUMA **SHALL** use the funds to immediately re-open EE programs.

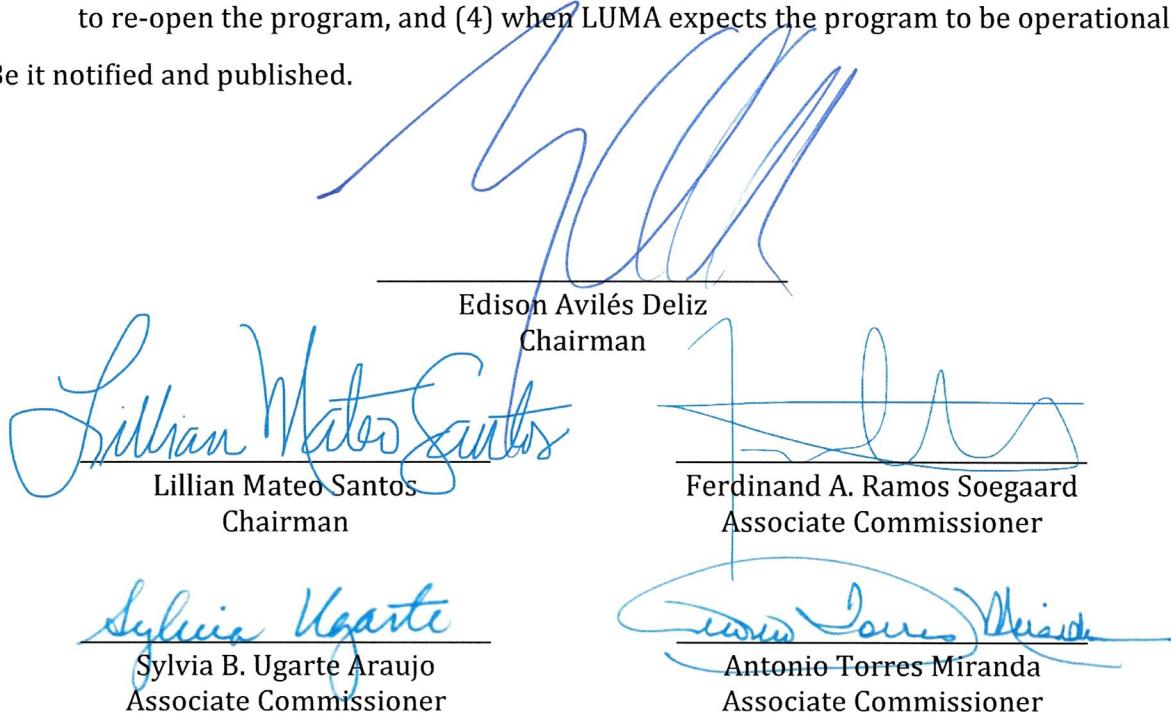
Reporting Requirements

The Energy Bureau reiterates its previous order that LUMA report any recurrence of any EE Rider-related cash constraint impacting EE programs to the Energy Bureau within 15 days of its occurrence.²²

In addition, the Energy Bureau **ORDERS** the following reports from **LUMA and PREPA**.

- Both PREPA and LUMA **SHALL** submit letters to the Energy Bureau confirming the imminent \$4,551,445 transfer's success.
- Starting with its FY26 Q2 TPP and DR Administrative Cost Report, LUMA **SHALL** report: (1) the EE Rider amount billed to customers, by month, in the past quarter and fiscal year-to-date and (2) the amount of EE Rider funds transferred from PREPA to LUMA in the past quarter and fiscal year-to-date.
- In its FY2026 Q2-Q4 TPP and DR Administrative Cost Reports, LUMA **SHALL** report: (1) whether any program(s) continue to be paused or otherwise not in operation, (2) an explanation of why the program is not in operation, (3) the steps LUMA is taking to re-open the program, and (4) when LUMA expects the program to be operational.

Be it notified and published.



Edison Avilés Deliz
Chairman

Lillian Mateo Santos
Chairman

Ferdinand A. Ramos Soegaard
Associate Commissioner

Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

²² December 11 Resolution, p. 3.



CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on January 23, 2026. I also certify, that on January 23, 2026 a copy of this Resolution and Order was notified by electronic mail to the following: RegulatoryPREBorders@lumapr.com; katiuska.bolanos-lugo@us.dlapiper.com; margarita.mercado@us.dlapiper.com; laura.rozas@us.dlapiper.com; alexis.rivera@prepa.pr.gov; nzayas@gmlex.net; mvalle@gmlex.net; rcruzfranqui@gmlex.net; hrivera@jrsp.pr.gov; 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; mqz@mcvpr.com. I also certify that today, January 23, 2026, I have proceeded with filing the Resolution and Order issued by the Puerto Rico Energy Bureau.

I sign this in San Juan, Puerto Rico, today January 23, 2026.


Wanda I. Cordero Morales
Interim Clerk


Attachment A. Requirements of Information (ROIs)

PREPA

1. Refer to PREPA's Motion in Compliance with the December 11 Resolution, response to ROI 4.
 - a. Indicate every transfer PREPA has made to LUMA that included EE program funds since the EE programs began. For each request in the response, include:
 - i. the date LUMA requested the funds from PREPA,
 - ii. the amount LUMA requested,
 - iii. the amount LUMA requested specifically for EE programs,
 - iv. the date PREPA transferred the funds to LUMA,
 - v. the amount PREPA transferred to LUMA,
 - vi. the amount PREPA transferred to LUMA specifically for EE programs,
 - vii. the account to which the funds were transferred, and
 - viii. the fiscal year PREPA is attributing the funds to.
 - b. For each transfer related to EE program funds, provide all communication between LUMA and PREPA for the transfer, including any emails, supporting documentation, and confirmation by the parties.
2. Refer to PREPA's Motion in Compliance with December 11, 2025 Resolution and Order, response to ROI 4, Table 2 and to LUMA's response ROI-LUMA-MI-2022-0001-20251211-PREB-#003.
 - a. PREPA indicates it transferred \$1,196,000 to LUMA on 7/23/2025, which is consistent with the amount LUMA indicates it received of \$1,196,312 on 7/28/2025. PREPA attributes this amount to FY26 while LUMA attributes it to FY25. Explain why PREPA is including this amount in FY26.
 - b. LUMA indicates it received an amount of \$500,000 on 9/26/2025, which does not appear in PREPA's Table 2. Explain whether PREPA received a request from LUMA for this amount and/or transferred this amount to LUMA.
3. Refer to PREPA's Motion in Compliance with December 11, 2025 Resolution and Order, response to ROI 4, Tables 1 and 2. Explain how PREPA determined the EE budget amounts for FY2024, FY2025, and FY2026 in Tables 1 and 2.
4. Refer to PREPA's Motion in Compliance with December 11, 2025 Resolution and Order, response to ROI 4, Table 1. Explain why PREPA transferred more to LUMA than the "Total LUMA Budget Expenses" in both FY2024 and FY2025.

LUMA

1. Refer to ROI-LUMA-MI-2022-0001-20251211-PREB-#003. LUMA states that "The transfers to the Energy Efficiency program have been made through specific requests to Puerto Rico Electric Power Authority (PREPA)."
 - a. Indicate every request that LUMA has made to PREPA for EE program funds since the EE programs began. For each request in the response include:
 - i. the date LUMA requested the funds from PREPA,
 - ii. the amount LUMA requested from PREPA,
 - iii. the amount LUMA requested from PREPA specifically for EE programs,
 - iv. the date LUMA received the funds from PREPA,
 - v. the amount LUMA received from PREPA,
 - vi. the amount LUMA received from PREPA specifically for EE programs,
 - vii. the account to which the funds were transferred, and
 - viii. the fiscal year LUMA is attributing the funds to.
 - b. For each request, provide all communication between LUMA and PREPA for the request, including any emails, supporting documentation, and confirmation by the parties.



2. Refer to PREPA's Motion in Compliance with December 11, 2025 Resolution and Order, response to ROI 4, Table 2 and to LUMA's response ROI-LUMA-MI-2022-0001-20251211-PREB-#003.
 - a. PREPA indicates it transferred \$1,196,000 to LUMA on 7/23/2025, which is consistent with the amount LUMA shows it received of \$1,196,312 on 7/28/2025. PREPA attributes this amount to FY26 while LUMA attributes it to FY25. Explain why LUMA is including this amount in FY25.
 - b. Explain why LUMA is attributing \$500,000 on 9/26/2025 to FY25 and not FY26. Explain whether LUMA requested this amount from PREPA.
 - c. PREPA indicates it transferred to LUMA \$1,139,000 on 11/17/2025 and again on 12/15/2025. Confirm whether LUMA received these amounts on these dates. If so, state to which fiscal year LUMA is attributing these amounts.
3. Provide a table showing, for each month since the EE Rider began on July 1, 2024 through now, the amount LUMA billed through the EE Rider and the amount LUMA spent on EE programs in each month.
4. Refer to PREPA's Motion in Compliance with December 11, 2025 Resolution and Order, response to ROI 4, Table 1 and Table 2. Did LUMA receive the amounts indicated by PREPA for FY2024 (\$1,218,889,000), FY2025 (\$878,167,000), and FY2026 (\$3,474,000)? If not, explain any differences and provide the amounts LUMA received from PREPA, including the amount and dates of payment.
5. Refer to ROI-LUMA-MI-2022-0001-20251211-PREB-#003.
 - a. How did LUMA determine each Amount in both tables?
 - b. Are these amounts that LUMA collected through the EE Rider?
 - c. Are these amounts that PREPA transferred to LUMA for EE programs?
6. Refer to ROI-LUMA-MI-2022-0001-20251211-PREB-#001. Provide the amount billed to customers and the amount collected from customers in FY2024, FY2025, and year to date for FY2026. The response should be for bills in total, not specific to the EE Rider.

