

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

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IN RE:

ENERGY EFFICIENCY AND DEMAND
RESPONSE TRANSITION PERIOD PLAN

CASE NO.: NEPR-MI-2022-0001

SUBJECT: Motion to Submit FY2026 Q2
Consolidated Transition Period Plan and
Demand Response Administrative Cost
Quarterly Report

**MOTION TO SUBMIT FY2026 Q2 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 second 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 Q2 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 Q2 Report covers the period from October 1, 2025, to December 31, 2025.

The FY2026 Q2 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”).

29. On November 14, 2025, LUMA filed its Consolidated TPP and DR Administrative Costs Quarterly Report (“Q1 FY26 Report”) for the first quarter of (“Q1”) FY 2026. *See Motion to Submit FY26 Q1 Consolidated Transition Period Plan and Demand response Administrative Cost Quarterly Report* (“November 14th Motion”). In the November 14th Motion, LUMA informed about the pause of certain EE programs due to underfunding challenges. *See id.*, Exhibit 1, p. 8.

30. On November 17, 2025, LUMA filed a *Motion to Submit November 2025 Report on the Development of the Pilot Emergency Backup Generators Demand Response Program* (“November 17th Motion”) and submitted, as Exhibit 1, its monthly status report covering activities conducted during October 2025. In the November 17th Motion, LUMA also requested the Energy Bureau to release LUMA from the requirement to file further reports, given that the

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.

purpose of the monthly reports was to monitor progress towards implementation by June 2025, a milestone that could not be met. *See* November 17th Motion, p. 3.

31. On November 20, 2025, LUMA filed a *Motion to Submit Monthly Status Report on the CBES+ Program for October 2025, in Compliance with Resolutions and Orders of May 20, 2025, and May 29, 2025* (“November 20th Motion”) and submitted as, Exhibit 1, its monthly status report on the CBES+ program, covering October 2025. In the November 20th Motion, LUMA noted that, pursuant to the May 20th and May 29th Orders, it was ordered to submit monthly status reports for the summer 2025 season (June 1, 2025 – October 31, 2025). Therefore, LUMA stated it had submitted its final monthly status report for the CBES+ program. *See* November 20th Motion, p. 4.

32. On December 11, 2025, the Energy Bureau issued a Resolution and Order (“December 11th Order”) in which it noted the information in the Q1 FY26 Report regarding the financial constraints and resulting pause of certain EE programs and requested information from PREPA and LUMA. *See* December 11th Order, pp. 2-3.

33. On January 9, 2026, the Energy Bureau issued a Resolution and Order (“January 9th Order”) in which it released LUMA from the monthly reporting requirements for the ELRP and ordered LUMA to continue to report on ELRP implementation progress in its future TPP Quarterly Reports. Furthermore, the Energy Bureau ordered LUMA to include in its future TPP Quarterly Reports the information it was submitting in its monthly CBES reports, including the monthly information in Tables 2 and 3 of those monthly reports. *See* January 9th Order, p. 2.

34. On January 23, 2026, the Energy Bureau issued a Resolution and Order (“January 23rd Order”) ordering LUMA to report in its FY2026 Q2-4 TPP and DR Administrative Cost Reports: (1) whether any EE 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. *See id.*

III. Submission of FY2026 Q2 Consolidated TPP and DR Administrative Costs Report

37. In compliance with the February 16th Order, the August 29th Order, March 21st Order, January 9th Order, and the January 23rd Order, LUMA herein submits its FY2026 Q2 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, the January 24th Order, the January 9th Order and the January 23rd Order. This report covers the implementation of the FY2026 TPP, the Permanent CBES, the CBES+, and the ELRP.

WHEREFORE, LUMA respectfully requests that the Energy Bureau (i) **take notice** of the aforementioned; (ii) **accept** the FY2026 Q2 Consolidated DR Administrative Costs and TPP Quarterly Report in *Exhibit 1* in compliance with the February 16th Order, the August 29th Order, March 21st Order, October 23rd Order, and the January 24th Order, the January 9th Order and the January 23rd Order; and (iii) **deem** LUMA in compliance with the quarterly reporting requirements under such orders for FY2026 Q2.

RESPECTFULLY SUBMITTED.

In Guaynabo, Puerto Rico, this 17th day of February 2026.

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; hrivera@jrsp.pr.gov; javrúa@sesapr.org; mrios@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.



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Exhibit 1

FY2026 Q2 Consolidated TPP and DR Administrative Costs Quarterly Report

Consolidated Transition Period Plan and Demand Response Administrative Costs

FY2026 Q2 Report

NEPR-MI-2022-0001

February 17, 2026



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 it proudly serves.

This report provides an update on LUMA's Transition Period Plan (TPP) and includes an overview of LUMA's progress on the implementation of EE and DR programs during the second quarter (Q2) of fiscal year 2026 (FY2026), from October 1 to December 31, 2025. Through the TPP, LUMA has introduced a range of EE and DR programs to increase customer awareness, promote energy savings, and drive greater participation in EE and DR portfolios.

LUMA's EE and DR Progress

During FY2026 Q2, 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 **3,000** students and promoting energy-saving behaviors while increasing youth awareness of responsible energy use among youth.
- **EE Rebates:** LUMA issued **1,000** financial rebates to residential customers for buying high-efficiency equipment, helping reduce energy consumption and costs.
- **In-Store EE Discounts:** This initiative, which includes ceiling fans and window AC units, provided incentives for **272** ceiling fans and **220** window AC units.
- **Community Streetlight Initiative (CSI):** LUMA replaced approximately **2,778** streetlights, bringing the total since commencement to approximately **190,921**¹ 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 (CBES):** LUMA has enrolled a total of **81,858** participants through this initiative, representing **505.8 MW** of battery capacity to support grid stability during peak demand. This quarter, the program achieved an average event impact of **25.1 MW** and a **73%** participation rate in 4-hour events, reinforcing its value in enhancing service reliability and minimizing load shedding.

Regulatory Background

LUMA filed its energy efficiency and demand response Transition Period Plan in June 2022, which outlined quick-start programs for a two-year transition period. PREB approved the TPP with modifications in February 2023. In November 2023, PREB extended the plan by one year, and LUMA submitted a

¹ Note that this figure represents replacements since commencement from the CSI (federally funded) and T&D (rate-funded) initiatives.

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revised TPP in December 2023, extending implementation through June 2025. PREB granted an additional extension in October 2024, moving the end date to December 31, 2025, and adjusted deadlines for the upcoming Three-Year Plan.

For energy efficiency, LUMA filed an amended EE portfolio in July 2025, which PREB approved in August 2025 for FY2026 implementation. A further amended EE portfolio was submitted in June 2026, marking the final update under the Transition Period Plan.

For demand response, LUMA filed its DR portfolio in January 2025, and PREB approved it later that year, establishing the Customer Battery Energy Sharing (CBES) program as a permanent fixture for the next three years.

LUMA is currently in its final year of the Transition Period Plan, completing EE pilot programs and operating under the approved DR portfolio. The next step is the launch of the comprehensive Three-Year EE and DR Plan, covering July 2026 through June 2028.

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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
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

1.0 Description of Implementation Progress

1.1 Programs Status

In accordance with the PREB's Resolution and Order dated January 23, 2026, LUMA includes this section as part of the Q2 Report, which includes an update on the status of EE programs.

During FY2026 Q2, several EE programs remained paused or were otherwise not in operation. Specifically, Residential and Business EE Rebate Programs, Residential and Business EE Kits Programs, and education and outreach activities remained paused throughout the reporting period. The In-Store Discounts (ISD) Program remained active through October FY2026 and was subsequently suspended for the remainder of the quarter.

The pause of these programs was driven by ongoing cash constraints and limited funding availability, consistent with prior reporting periods. These funding limitations restricted LUMA's ability to issue incentive payments and to maintain customer-facing EE program operations.

Despite these constraints, LUMA maintained operational readiness through integrated planning and coordination with the Energy Efficiency implementation contractor and internal departments. This readiness ensured that all processes, systems, and resources were aligned for reactivation once funding is secured.

As stated in LUMA's January 30, 2026, Informative Motion² regarding compliance with the Resolution and Order of January 23, 2026, steps are underway to restart EE programs previously paused due to financial constraints. However, LUMA cannot reopen these programs immediately, as several required administrative and operational processes must be first completed. A more comprehensive and detailed update is expected in the FY2026 Q3 Report.

1.2 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 Q2* 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	Stakeholder Outreach	As part of stakeholder feedback efforts supporting the EE and DR Three-Year Plan, LUMA conducted customer	Completed

² See Informative Motion Regarding Compliance with Resolution and Order of January 23, 2026.

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Relevant TPP Section	Initiatives	Description and Experience	Status
		surveys at multiple service centers to assess customer awareness, prior participation, and interest in future EE programs.	
Education and Outreach	Stakeholder Outreach	Educational talks were delivered to 200 public and 27 private schools across Puerto Rico, reaching nearly 3,000 students and promoting energy-saving behaviors while increasing youth awareness of responsible energy use among youth.	Paused
Residential EE Rebates	Pilot Program	LUMA provided customers with a financial incentive to purchase and install eligible high-efficiency equipment and appliances. A total of 1,000 customers received reimbursements in FY2026 Q2.	Paused
Business EE Rebates	Pilot Program	LUMA provided commercial customers with a financial incentive to purchase and install eligible high-efficiency equipment and appliances. During FY2026 Q2, two business customers participated in the program, receiving a total of \$3,000 in business EE rebates.	Paused
In-Store EE Discounts Program	Pilot Program	The program offers customer point-of-sale 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 272 ceiling fans and 220 window AC units were sold in FY2026 Q2. Program was paused in October.	Paused
Residential EE Kits	Pilot Program	Previously, LUMA offered free “kits” by mail that included typical EE measures and educational materials. During this reporting period, LUMA did not distribute residential EE kits.	Paused
Business EE Kits	Pilot Program	Commercial customers received free kits by mail that included typical EE measures and educational materials. During this reporting period, LUMA did not distribute business EE kits.	Paused

Relevant TPP Section	Initiatives	Description and Experience	Status
Street Light Conversion Program	Street Light Conversion Program	<p>During Q2 FY2026, LUMA replaced approximately 2,778 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.</p> <p>As a result of these replacements, LUMA achieved an estimated energy savings of approximately 64,791 kWh, demonstrating its commitment to holistic infrastructure improvements that integrate energy efficiency with grid modernization.</p>	Ongoing
Customer Battery Energy Sharing Program	Program	The CBES pilot program has successfully scaled with a total of 81,858 participants enrolled to enhance operational efficiency and support program growth.	Ongoing

1.3 Residential EE Kits Program

The Residential Energy Efficiency Kits Program remained paused throughout FY2026 Q2. No kits were distributed, and no operational activities were conducted due to cash constraints.

During the quarter, program efforts were limited to internal planning for the next phase of kit distribution, with a targeted focus on low-income communities, subject to funding availability.

1.4 Residential EE Rebate Program

During FY2026 Q2, the Residential EE Rebate Program remained paused, and no new applications were accepted. Program activities during the quarter focused on completing the review and processing of all previously submitted residential rebate applications and issuing payments for approved applications. By the end of FY2026 Q2, LUMA had reviewed and processed all previously submitted residential rebate applications. At the time, 1,685 applications were ready for payment, totaling \$876,806 in approved rebates. However, LUMA was able to issue only a portion of approved rebate payments because cash constraints prevented issuing payments for all applications ready for payment. As a result, program activity remained limited to the targeted disbursement of available funds, and reactivation of the Residential EE Rebate Program was not possible during the quarter.

During the quarter, LUMA received limited funding, which was allocated to issue rebate payments for residential applications associated with FY2025 program participation. The results of these efforts are summarized in *Table 2: Rebates Processed*.

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Table 2: Rebates Processed

Customers Served ³	Applications Processed ⁴	Rebates Issued ⁵	Spending in Rebates
1,000	1,003	1,384	\$ 499,957.80

Consistent with prior reporting periods, rebate payments issued during FY2026 Q2 were predominantly associated with high-efficiency air conditioning equipment. Mini-split systems remained the most popular option among customers. For a detailed breakdown of the measures and their distribution, refer to *Table 3: Measures Installed in FY2026 Q2* below.

Table 3: Measures Installed

Measure	QTY	Percentage
Energy Star® Freezer	2	0.14%
Energy Star® Tankless Water Heater	16	1.16%
Energy Star® Window Air Conditioner	23	1.66%
Solar Water Heater	62	4.48%
Energy Star® Refrigerator	63	4.55%
Mini-Split Air Conditioner	1,218	88.01%
Total	1,384	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.

³ Count of unique LUMA account numbers.

⁴ Processed means paid. One application allows for more than one measure.

⁵ Number of Measures for which rebates were paid.

Figure 1: Geographical Distribution of Residential EE Rebates



1.5 Business EE Kits Programs

During FY2026 Q2, no activities were conducted under the Business Energy Efficiency Kits Program due to cash constraints. The program is scheduled to resume distribution activities later this fiscal year, focusing on engaging small businesses, subject to the availability of funds.

1.6 Business EE Rebates Program

During FY2026 Q2, the Business EE Rebate Program, similar to the Residential EE Rebate program, remained paused, and no new applications were accepted. Program activities during the quarter focused on completing the review and processing of all previously submitted business rebate applications, and issuing payments for approved applications, subject to limited available funds. At the time, 7 applications were ready for payment, totaling \$74,895 in approved business rebates. 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 signs	\$10
Omni-directional LED replacements	\$10
LED troffer replacements	\$25 - \$30
Linear fluorescent LED replacements	\$5 - \$10
Exterior lighting systems	\$40 - \$280
Occupancy sensors	\$20 per sensor
Fryers	\$350
Convection ovens	\$350

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Eligible Equipment	Rebate Amount
Combination ovens	\$800
Ice machines	\$500
Solar water heaters	\$550
Commercial refrigerators and commercial freezers	\$100 each
Commercial air conditioning units	Tier 1: \$100 per ton Tier 2: \$175 per ton
Ductless split air conditioning systems	\$250 - \$750
Energy Star® window air conditioning units	\$130
Chillers	Tier 1: \$100 per ton Tier 2: \$175 per ton
Window films	\$1 per square foot
Pool pumps with variable frequency drives (VFDs)	\$200 per HP

During the quarter, LUMA issued two business applications associated with FY2025 program participation. These payments were made using available funds and did not represent a reactivation of the Business EE Rebate Program. As shown in *Table 5: Business Measures Installed*, rebates issued during this reporting period correspond exclusively to high-efficiency cooling equipment.

By the end of FY2026 Q2, LUMA had reviewed and processed all previously submitted business rebate applications. However, LUMA was able to issue only a small number of approved rebate payments because cash constraints prevented issuing payments for all applications ready for payment. As a result, program activity during FY2026 Q2 remained focused on targeted payment issuance, and the Business EE Rebate Program remained paused throughout the quarter.

Table 5: Business Measures Installed

Eligible Equipment	Qty (#)	Percentage
Fryers	0	0%
Convection ovens	0	0%
Combination ovens	0	0%
Commercial refrigerators	0	0%
Commercial freezers	0	0%
Energy Star® window air conditioning units	0	0%
Pool pumps with variable frequency drives (VFDs)	0	0%
Occupancy sensors	0	0%
Omni-directional LED replacements	0	0%

Eligible Equipment	Qty (#)	Percentage
Chillers	0	0%
Window films	0	0%
Ice machines	0	0%
Exterior lighting systems	0	0%
Exit signs	0	0%
Solar water heater	0	0%
Commercial air conditioning units	0	0%
Mini-split air conditioning units	4	100%
LED troffer replacements	0	0%
Linear fluorescent LED replacements	0	0%
Total	4	100%

Figure 2: Geographical Distribution of Business EE Rebates



1.7 In-Store EE Discounts Program

In October 2026, the In-Store Energy Efficiency Discounts (ISD) Program was paused for the remainder of the Q2 reporting period due to cash constraints. Therefore, LUMA could not conduct promotional events or other customer-facing activities under this program. Its efforts were limited to administrative close-out activities and internal monitoring of program status pending future funding availability.

See *Table 6: In-Store Discount Units Sold during FY2026 Q2.*

Table 6: In-Store Discounts Units Sold

Measure	QTY
Energy Star® window AC units	220
Energy Star® ceiling fans	272
Total	492

1.8 Program and Implementation Strategies

Focus on Equity and Access

During FY2026 Q2, LUMA's Energy Efficiency program implementation strategies continued to prioritize equity and access, consistent with the approach described in the FY2026 Q1 report. LUMA provided greater financial support to low-income participants, helping address the challenges these households face when adopting EE technologies. Through this approach, LUMA aims to reduce the financial burden on vulnerable families by making energy-saving measures more accessible. See *Table 7: Residential Rebates: Contrast by Sector of Eligible Measures* below.

LUMA determines eligibility for the low-income incentives based on applicants' combined yearly income and household information, in conjunction with LUMA's low-income tariff. LUMA carefully reviews this information to ensure incentives reach those most in need and promote 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.

To increase participation among low-income customers, LUMA implements targeted measures, including enhanced data tracking, focused outreach initiatives, and strategic program expansion to improve accessibility for these communities.

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

Eligible Equipment	Non-low-Income Incentive	Low-Income Incentive
Solar water heaters	\$550	\$775
Electric tankless water heaters	\$60	\$85
Energy Star® refrigerators	\$210	\$280
Energy Star® freezers	\$210	\$280
Energy Star® air conditioning units (window)	\$130	\$175
Air conditioning units (mini-split)	\$375 - 500	\$375 - \$500

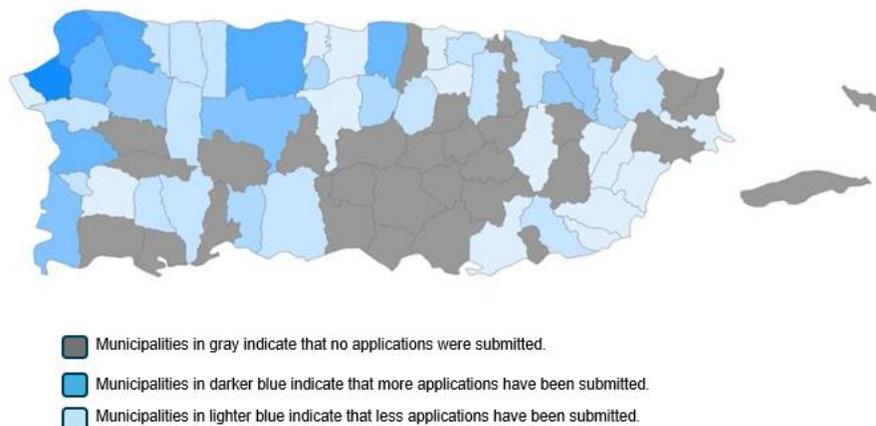
During FY2026 Q2, LUMA issued approved rebate payments as limited funds became available, including 41 payments to low-income participants. Activity remained constrained by cash availability and did not signal a restart of customer-facing incentive programs. See *Table 8: Measures Installed by Low-income 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. LUMA remains prepared to support low-income participants and advance broader program objectives as soon as funding conditions permit program reactivation.

Table 8: Measures Installed by Low-income Customers

Measure	QTY #
Energy Star® freezers	0
Energy Star® refrigerators	0
Energy Star® air conditioning units (window)	1
Solar water heaters	1
Electric tankless water heaters	2
Air conditioning units (mini-split)	49
Total	53

Figure 3: Geographic Distribution of Residential EE Rebates for Low-Income Customers



1.9 Funding Sources and Cost Recovery

Energy Efficiency Funding Source

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.

Demand Response Funding Source

On August 11, 2023, the PREB determined that costs related to Demand Response programs, would be recovered through the purchase power cost adjustment clause (“PPCA”).

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

LUMA is coordinating with COR3 on the potential use of DOE-approved federal funding. At this stage, LUMA is assessing only eligibility, permissible uses, and administrative requirements related to this funding. No federal funds have been drawn, spent, or committed for CBES, and no final decision has been made regarding their use or implementation.

LUMA continues to hold recurring discussions with key stakeholders, including the State Office of Public Energy Policy in Fortaleza and the DOE. These conversations are critical for aligning efforts and ensuring comprehensive support for LUMA’s initiatives. Collaboration remains active, with a commitment to fostering strong partnerships that advance EE and DR goals.

2.0 Energy Efficiency Participants Enrolled and Installed Measures

2.1 Number of Participants in Energy Efficiency Programs

During FY2026 Q2, LUMA’s EE programs remained largely paused, with the exception of the In-Store Discount (ISD) Program, which remained active through October before being paused due to cash constraints.

A total of **1,494 participants** were reported for FY2026 Q2. Participant enrollment and installed measures reflect limited activity associated with ISD Program during October, as well as measures tied to previously submitted and approved rebate application corresponding to FY2025 participation.

Installed measures reported during FY2026 Q2 are therefore associated with (1) ISD activity conducted prior to the program pause in October and (2) rebate applications processed and paid during the quarter, subject to cash constraints.

Table 9 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
Residential Rebates	1,000
Low-Income	41
Non-Low-Income	959

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Program	Participants FY2026
In-Store Discount	2
Business Rebates	0
Residential EE Kits	0
Business EE Kits	492
Total	1,494

Table 10: Installed Measures by Sector, Segment, and Program (FY2026 Q2) provides an overview of the energy efficiency measures implemented across various sectors during the second quarter of FY2026. 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 into specific programs that detail the types of measures installed, such as lighting upgrades, heating ventilation, and air conditioning (HVAC) improvements, and insulation enhancements.

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Table 10: Installed Measures by Sector, Segment, and Program (FY2026 Q2)

Sector	Segment	Program	Installed Measure	FY2026 Q1 Quantity	FY2026 Q2 Quantity	YTD Quantity	FY2026 Q1 Energy Savings kWh	FY2026 Q2 Energy Savings kWh	YTD Energy Savings kWh	FY2026 Q1 Peak Demand Savings kW	FY2026 Q1 Peak Demand Savings kW	YTD Peak Demand Savings kW
Residential	Single-family homes	Residential Rebate	Air – conditioning units (window)	8	23	31	6407.59	15332.55	21740.14	0.20	0.58	0.79
Residential	Single-family homes	Residential Rebate	Mini-split air conditioning units	1,817	1,218	3,035	2,149,543.86	1,417,797.63	3,567,341.49	220.45	145.89	366.34
Residential	Single-family homes	Residential Rebate	Solar water heaters	71	62	133	123,472.86	105,224.26	228,697.13	17.91	15.66	33.57
Residential	Single-family homes	Residential Rebate	Tankless water heaters	16	16	32	1427.72	1258.54	2686.26	2.08	1.8	3.91
Residential	Single-family homes	Residential Rebate	Refrigerators	51	63	114	2594.98	3205.57	5800.55	0.31	0.37	0.68
Residential	Single-family homes	Residential Rebate	Freezers	3	2	5	128.28	85.52	213.80	0.015	0.01	0.03
Residential	Single-family homes	In-Store Discount Program	Window ACs	1,915	220	2,135	448,002	51,480	499,482.00	63.17	7.26	70.43
Residential	Single-family homes	In-Store Discount Program	Ceiling fans	1,675	272	1,947	105,525	17,136	122,661.00	30.15	4.89	35.05
Commercial	Small Business	Business Rebate Program	Exit signs	0	0	0	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Omni-directional LED replacements	0	0	0	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	LED troffer replacements	0	0	0	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Linear fluorescent LED replacements	0	0	0	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Occupancy sensors	0	0	0	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Exterior lighting systems	0	0	0	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Fryers	0	0	0	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Convention ovens	0	0	0	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Combination ovens	0	0	0	0	0	0	0	0	0

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Sector	Segment	Program	Installed Measure	FY2026 Q1 Quantity	FY2026 Q2 Quantity	YTD Quantity	FY2026 Q1 Energy Savings kWh	FY2026 Q2 Energy Savings kWh	YTD Energy Savings kWh	FY2026 Q1 Peak Demand Savings kW	FY2026 Q1 Peak Demand Savings kW	YTD Peak Demand Savings kW
Commercial	Small Business	Business Rebate Program	Ice machines	0	0	0	0.00	0.00	0.00	0	0	0
Commercial	Small Business	Business Rebate Program	Commercial refrigerators	0	0	0	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Commercial freezers	0	0	0	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Commercial air conditioning units	2	0	2	11970.39	0.00	11970.39	2.07	0	2.07
Commercial	Small Business	Business Rebate Program	Air – conditioning units (window)	0	0	0	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Mini-split air conditioning units	31	4	35	31231.30	4229.45	35460.75	3.49	0.47	3.96
Commercial	Small Business	Business Rebate Program	Chillers	0	0	0	0	0	0	0	0	0
Commercial	Small Business	Business Rebate Program	Solar water heaters	0	0	0	0.00	0.00	0.00	0	0	0
Commercial	Small Business	Business Rebate Program	Window films	0	0	0	0.00	0.00	0.00	0	0	0
Commercial	Small Business	Business Rebate Program	Pool pumps with VFD	0	0	0	0	0	0	0	0	0

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3.0 Energy Efficiency Performance

3.1 Energy and Peak Demand Savings by Sector

During FY2026 Q2, 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 Q2 Energy Savings (Mwh)	YTD Energy Savings (Mwh)	Actual Savings (%) Of Annual Target	Peak Demand Savings Target (Mw)	FY2026 Q2 Peak Demand Savings (Mw)	YTD Peak Demand Savings (Mw)	Actual Peak Demand Savings (%) Annual Target
Residential Sector	Low-Income	6,904	56.93	164	2%	3	0.01	0.02	0.6%
Residential Sector	Non-Low-Income	12,479	1,555	4,284	34%	2	0.17	0.49	32.8%
Commercial, Industrial and Agriculture (C&I) Sector	Small Business	4,619	4.23	47	1%	1	0.00	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	1,616	4,495	14%	7	0.18	0.52	8.7%

3.2 Energy and Peak Demand Savings by Program

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

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Table 12: Energy and Peak Demand Savings Performance

Program	Annual Energy Savings Target (MWh)	FY2026 Q2 Energy Savings (MWh)	YTD Energy Savings (MWh)	FY2026 YTD Energy Savings (%)	FY2026 Peak Demand Savings Target (MW)	FY2026 Q2 Peak Demand Savings (MW)	YTD Peak Demand Savings (MW)	FY2026 YTD Peak Demand Savings (%)	FY2026 Q2 Spend (\$)	YTD Program Spend (\$)	\$/kWh ⁶
Residential EE Rebates ⁷	17,106	1,543	3,826	22%	2	0.16	0.41	19%	943,399	1,852,717	\$0.48
In-Store EE Discounts	1,741	69	622	36%	0	0.01	0.11	127%	37,932	188,703	\$0.30
Residential EE Kits	536	0	0	0%	2	0.00	0.00	0%	2,447	2,447	\$0.00
Business EE Rebates	9,239	4	47	1%	2	0.00	0.01	0%	-46,664	124,711	\$2.63
Business EE Kits	3,754	0	0	0%	0	0.00	0.00	0%	-48	-48	\$0.00
Total	32,376	1,616	4,496	14%	6	0.18	0.52	8.7%	937,066	2,168,531	\$0.48

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.

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3.3 Customer Education and Outreach

During FY2026 Q2, education and outreach activities related to EE programs were limited due to the pause of customer-facing incentive programs and cash constraints. No marketing campaign or promotional efforts were conducted to promote EE rebates or kits during the reporting period. For the ISD Program, no additional outreach or promotional activities occurred following its suspension in October.

However, the school-based educational talks program continued throughout the quarter, maintaining student engagement 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 below summarizes the customer education and outreach activities conducted during the FY2026 Q2.

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

Program	Event	Event Description	Month
Education and Outreach	EE School Education Program	The EE School Education Program is an educational initiative that teaches fifth-graders the principles of energy efficiency. The program targets both public and private schools across Puerto Rico. During FY2026 Q2, 114 presentations were delivered at public and private schools, reaching 2,967 students across the island. These sessions promoted energy-saving behaviors and raised awareness about responsible energy use from an early age.	Oct and Dec 2025

3.4 Marketing Performance

During FY2026 Q2, 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 12,412 visits in Q2, a 46.7% increase from Q1 (8,460). While overall traffic remains below FY2025 levels, it aligns with the planned marketing pause and demonstrates the continued relevance of energy-efficiency information among Puerto Rico customers.

LUMA's education and outreach activities, including marketing, remained largely on hold during FY2026 Q2 due to cash constraints, which have also prevented the relaunching of the rebate and kits programs.

As part of this approach, LUMA suspended 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 – FY2026 Q2*.

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Table 14: EE Program Website Traffic – FY2026 Q2

EE Program Webpage	Number of Visits
Customer Incentives Programs (landing page)	3,842
Residential EE Rebates	4,318
In-Store EE Discounts	150
Residential EE Kits	428
Business Incentive Program (landing page)	170
Business EE Rebates	198
Business EE Kits	111
Energy Savings Tips	1,469
Customer Battery Energy Sharing	1,726
Total	12,412

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 Q2, 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), continued, with a focus on identifying potential funding opportunities, securing technical assistance, and integrating best practices into program design to support long-term energy goals.

Coordination with the Department of Economic Development and Commerce (DDEC) remains an important component of LUMA's stakeholders' engagement efforts. Although LUMA did not hold formal coordination meetings with DDEC in FY2026 Q2, the company expects to resume these engagements in FY2026 Q3 as part of ongoing collaboration. LUMA will continue coordinating to support future joint planning for the rollout of complementary programs and educational campaigns, ensuring each organization efficiently reaches 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.

3.6 Research Activities

During FY2026 Q2, LUMA conducted research to gather customer feedback to inform future EE program design and planning. As part of these efforts, a customer survey was administered at multiple LUMA customer service centers to assess customer awareness and understanding of Energy Efficiency, prior participation in EE programs, and interest in participating in future offerings.

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LUMA conducted this initiative as part of its broader stakeholder feedback efforts supporting the development of the EE and DR Three-Year Plan. Information collected through the survey should inform program design considerations, customer engagement strategies, and equity-focused approaches for future EE program implementation.

Survey data collected during FY2026 Q2, which is currently under analysis, will be available for reporting in FY2026 Q3.

3.7 Collaboration with Key Strategic Groups

During FY2026 Q2, LUMA continued to strengthen 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.

As part of efforts to obtain stakeholder feedback in support of the EE and DR Three-Year Plan, LUMA held several meetings with community-based organizations during the quarter. These discussions provided insights into customer needs, barriers to participation, and opportunities to improve access to EE programs, particularly for underserved communities.

While LUMA did not hold formal coordination meetings with the Puerto Rico Public Housing Authority (PRPHA) in FY2026 Q2, it expects these engagements to resume in FY2026 Q3 as part of ongoing collaboration activities. These meetings provide 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 focuses on identifying opportunities to deliver energy-efficiency initiatives in public housing communities, with an emphasis on shared goals, program coordination, and tailored outreach. 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.

3.8 LUMA's Streetlight Modernization and Energy Efficiency Initiative

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

During Q2 FY2026, LUMA replaced approximately **2,778** 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 **64,791 kWh**, demonstrating its commitment to infrastructure improvements that integrate energy efficiency with grid modernization. The Community Streetlight Initiative (CSI), funded by FEMA, is one of those infrastructure improvements and represents a total investment of \$1 billion to modernize streetlight infrastructure across all municipalities in Puerto Rico.

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This modernization not only improves visibility and safety but also delivers long-term energy savings and supports 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

4.1 EE Rider

On January 23, 2026, PREB issued a Resolution and Order that, among other directives, required LUMA to report the EE Rider amount billed to customers, by month, for the past quarter and fiscal year-to-date, as well as the amount of EE Rider funds transferred from PREPA to LUMA during the same periods. In compliance with this Order, refer to *Table 15: EE Rider Billed to Customers and Funds Transferred from PREPA to LUMA by Month*.

Table 155: EE Rider Billed to Customers and Funds Transferred from PREPA to LUMA by Month

Fiscal Year - Month	EE Rider Amount Billed to Customers by Month	EE Rider Funds Transferred from PREPA to LUMA
FY2026 – July 2025	\$1,197,224.02	\$1,196,312.98
FY2026 – August 2025	\$1,184,929.10	\$0
FY2026 – September 2025	\$1,258,781.42	\$500,000
FY2026 – October 2025	\$2,100,000.00	\$0
FY2026 – November 2025	\$1,325,278.08	\$0
FY2026 – December 2025	\$1,084,936.64	\$0
	\$8,151,149.26	\$1,696,312.98

For a detailed breakdown of costs for each EE program, please refer to *Table 16: EE Budget & Costs* below, which outlines expenditures for FY2026 Q2 and year-to-date.

Table 16: EE Budget & Costs

Program	Cost For FY2026 Q2 (\$)	FY2026 YTD Costs (\$)	Total Program Budget FY2026 (\$)	% of Total Program Budget
Residential Rebates	943,399	1,852,717	7,650,656	24%
In-Store Discounts	37,932	188,703	700,000	27%
Residential EE Kits	2,447	2,447	1,400,000	0%
Business Rebates	-46,664	124,711	4,337,000	3%
Business EE Kits	-48	-48	400,000	0%
Education and Outreach	13,032	33,899	500,000	7%

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Program	Cost For FY2026 Q2 (\$)	FY2026 YTD Costs (\$)	Total Program Budget FY2026 (\$)	% of Total Program Budget
Cross-Cutting Planning, Administration and Evaluation Costs	251,405	833,183	1,200,000	69%
Total Portfolio	1,201,502	3,035,613	16,187,656	19%

Please refer to *Table 17: Energy Efficiency Costs by Program and Cost Category* for a breakdown of energy efficiency costs by category in FY2026 Q2, including participant incentives, PP&A, marketing, evaluation, measurement and verification (EM&V), and other costs for incentive program costs. Negative figures represent adjustments to 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 regarding the selection of an EM&V contractor. All LUMA incurred expenditures were in alignment with available funding and subject to cash constraints.

Table 17: Energy Efficiency Costs by Program and Cost Category

Program	Participant Incentives (\$)	PP&A (\$)	Marketing (\$)	EM&V (\$)	Other Costs (\$)	Total
Residential Rebates	1,231,200	621,517	0	n/a	0	1,852,717
In-Store Discounts	206,920	-18,217	0	n/a	0	188,703
Residential EE Kits	0.00	2,447	0	n/a	0	2,447
Business Rebates	17,338	107,374	0	n/a	0	124,711
Business EE Kits	0.00	-48	0	n/a	0	-48
Education & Outreach	n/a	33,899	0	n/a	0	33,899
Cross-Cutting Planning, Administration & Evaluation Costs	n/a	833,183	n/a	0	0	833,183
Total Portfolio	\$1,455,458	\$1,580,155	\$0	\$0	\$0	\$3,035,613

Shifts in funds between programs

During FY2026 Q2 LUMA did not perform any shifting of funds between programs.

Managing Budget Variations Above 20 Percent

As shown in *Table 16: EE Budget and Cost*, during FY2026 Q2, LUMA did not incur any budget variations exceeding 20 percent.

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EE Program Non-Incentive Administrative Costs

Table 18: Breakdown of EE Program Non-Incentive Administrative Costs provides a breakdown of EE programs' non-incentive administrative costs incurred by LUMA in FY2026 Q2, including staff administrative costs, planning and regulatory professional services, program implementation contractors, program evaluation, and other administrative costs.

Table 18: Breakdown of EE Program Non-Incentive Administrative Costs

Categories	Program Budget FY2026 (\$)	Costs For FY2026 Q2 (\$)	YTD Costs (\$)
LUMA Staff	600,000	59,013	126,468
Professional Services	600,000	80,344	491,769
Program Implementation Contractors	3,987,656	664,368	961,919
Other Administrative Costs	0	0	0
Total	\$5,187,656	\$803,725	\$1,580,156

5.0 Demand Response Programs

In accordance with the Resolution and Order issued on August 29, 2023, and consistent with applicable reporting requirements, this section provides a comprehensive overview of the DR Program's financial and operational status. It summarizes administrative costs, actual receipts for both the quarterly and fiscal-year-to-date periods and compares these figures against budgeted inflows from the power purchase charge adjustment (PPCA). The current fund balance is also presented to reflect the program's financial position.

Additionally, the section includes key program performance indicators for the same periods, aligns them with underlying assumptions and highlights any material variances from the approved budget. It further outlines quarterly and year-to-date expenditures by major line items, notes any discrepancies and provides context where necessary.

5.1 DR: Customer Battery Energy Sharing Program

On May 20, 2025, PREB 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 DR event capacity, with the successful addition of **788** customers, bringing the total number of enrolled customers to **81,858**. The program's total enrolled battery capacity at the end of the quarter reached **505.8 MW** of total nameplate capacity, with **136.6 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.

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For this quarter, the average impact per event based on actual participation reached approximately **25.1 MW**. The average participation rate in CBES events was 39%, and the average duration for an event was four hours. These numbers reflect the participation of six aggregators.

5.1.1 CBES Progress and DERMS Implementation

Since its launch in November 2023, CBES has successfully enrolled **81,858** 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.

As the CBES program continues to grow in scale and impact, LUMA has successfully executed all tasks related to event dispatch and performance analysis. This achievement underscores strong operational capacity, coordination, and commitment to delivering results aligned with program goals and regulatory expectations. In light of this demonstrated performance, LUMA does not anticipate moving forward with the Distributed Energy Resource Management System (DERMS) implementation. LUMA considers that implementing a DERMS platform could become viable once it has established a more comprehensive portfolio of demand response programs. As such, the associated costs of more than two million dollars will be avoided for the time being, ensuring prudent use of available program resources while maintaining current operational effectiveness.

5.1.2 CBES Participants

Table 19: Number of Participants and Total MW Available in Each DR Program below shows the number of participants enrolled in the CBES Program to date, by program and sector/segment, and the 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 19: 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	80,868	134.2	496.9
Commercial	Small Business	Customer Battery Energy Sharing	990	2.4	8.9
Total			81,858	136.6MW	505.8MW

5.1.3 CBES Performance for FY2026 Q2

LUMA has been closely monitoring key performance indicators to evaluate the effectiveness of the CBES Program, as detailed in Table 20. This includes tracking the number of enrolled customers, the power and energy enrolled per event, and the total number of events dispatched. By analyzing indicators such as average battery power and energy dispatched per event, LUMA aims to gain insights into program

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performance. This data helps assess the program's benefits and guides future improvements to enhance customer engagement and operational efficiency.

Table 20: DR Performance Values

Performance	YTD FY2026
Enrolled Customers (#)	81,858
Enrolled Power per Event (MW)	505.8
Enrolled Energy per Event (MWh)	1,272.7
Events Dispatched (#)	48
Average Customer Response (%)	61%
Average Dispatched Battery Power per Event (MW)	34.7
Average Dispatched Battery Energy per Event (MWh)	157.7
Peak Demand Savings Target (MW)	40
Peak Demand Savings (MW)	34.7
Peak Demand Savings (%)	87%
Costs (\$)	\$9,088,158.69

Table 21: DR YTD Performance Indicators

Program Parameters	YTD Forecast (A)	YTD Actual (B)	Variance Between YTD Forecast and Actual YTD [(A-B)] ⁸
Enrolled Customers (#)	60,000	81,858	21,858
Enrolled Load (kW)	369,600	505,858.28	136,258.28
Average Battery Capacity (kWh/battery)	15.56	15.57	0.01
Average Battery Reserve (%)	50%	73%	23%
Average Impacts per Event (kW)	40,000	34,570	5,430
Aggregate Seasonal/Annual Impacts (kW)	2,760,000	1,659,360	1,100,640

⁸ Variances are expressed on an absolute basis.

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Program Parameters	YTD Forecast (A)	YTD Actual (B)	Variance Between YTD Forecast and Actual YTD [(A-B)] ⁸
Impacts as % of Enrolled Load	11%	7%	4%
Average Participation Rate per Event (%)	85%	61%	24%
Average Event Duration (Hours)	4	4	0
Events (#)	49	48	1
Capacity per Event (kW)	48,277	34,570	13,707
Estimated Energy per Event (kWh)	277,143	157,747	119,396
Total Energy Delivered (kWh)	6,899,752	7,571,869	672,117
Participant Incentive Payments (\$)	\$ 8,624,690	\$8,741,106.06	\$ 116,416.06
Program Planning and Administrative (PP&A) Costs (\$)	\$ 1,495,011	\$ 347,052.63	\$ 1,147,958.37
Total program costs (\$)	\$ 11,845,071	\$ 9,088,158.69	\$ 2,756,912.31

Table 22: Number of participants enrolled during the quarter (broken out by auto-enrolled and opt-in)

Period	Opt-In	Auto-Enrolled	Total
October 2025	101	0	101
November 2025	377	0	377
December 2025	416	0	416
Total	894	0	894

Understanding DR Variances

The FY2026 Q2 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 81,858 enrolled customers versus a forecast of 60,000, a positive variance of over 21,858 participants. Correspondingly, enrolled load reached 505.8 MW, surpassing the forecast by 136 MW, underscoring continued customer interest and aggregator success in expanding participation. The average battery reserve of 73%, compared with the 50% forecast, further strengthened dispatch reliability and event-response capabilities.

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Operationally, the program achieved an average impact of 35 MW per event, aligning closely with forecasts and reflecting stable aggregator performance. While the average participation rate 73% was slightly below the 85% target, the outcome remains strong given the program's growth and the operational expansion of events.

Overall, the second-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 \$347,052.63. Program Management expenses totaled \$119,972.73, supporting core oversight, coordination, and stakeholder engagement functions. Professional Services costs of \$227,038.90 primarily for 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 targeted resource allocation.

Table 23: DR (CBES) PP&A Budget and Costs below presents the costs to date for the CBES Program for the quarter, broken down by category.

Table 23: DR (CBES) PP&A Budget and Costs

Categories	PP&A Total Budget FY2026	YTD Costs for FY2026
Program Management	\$270,000	\$119,972.73
System Operations	\$0	\$0
Customer Service	\$0	\$0
Professional Services ⁹	\$2,050,000	\$227,038.90
Program Evaluation	\$0	\$0
Other Expenses ¹⁰	\$0	\$41.00
Total PP&A	\$2,320,000	\$347,052.63

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

Table 24: FY2026 CBES Costs and PPCA Fund Overview below presents an overview of the actual fund inflows received relative to the budgeted inflows specified in the PPCA. It also includes the fiscal-year-to-date actual fund balance, providing a clear view of how actual receipts align with the planned budget and how they affect the overall year-end fund balance. This detailed comparison helps assess budgeting, identify discrepancies, and ensure that financial operations are aligned with the requirements of the August 29th Resolution and Order and best practices.

⁹Please note that planning and regulatory professional services are included in this line item.

¹⁰Actual costs correspond to payments made to legal services.

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Table 24: FY2026 CBES Costs and PPCA Fund Overview

CBES FY2026 Q2 Costs (\$)	CBES YTD Costs (\$)	Estimated Budget Inflows for CBES from the PPCA	PPCA Fiscal YTD Actual Fund Balance
\$1,763,071.79	\$9,088,158.69	\$18,249,795.00	\$9,161,636.31

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5.2 CBES Reports

Table 25: CBES Event-by-Event Summary

Event Information			Participants		Event Statistics				
Date	Duration (Hours)	Start Time (AST)	Participating Customers	# of Participating Aggregators	Total Battery Energy Dispatched (KWh/Event)	Average Energy Per Participant (KWh/Event)	Total Battery Power Dispatched (KW)	Average Power Per Participant (KW)	Estimated Total Event Cost
1-Oct	4	6:30:00PM	31,891	6	112,201.18	3.5	26,593.45	0.8	\$140,251.48
3-Oct	4	6:30:00PM	31,966	6	111,154.43	3.5	26,347.20	0.8	\$138,943.03
6-Oct	4	6:30:00PM	31,903	6	108,244.72	3.4	25,653.44	0.8	\$135,305.90
8-Oct	4	6:30:00PM	31,734	6	108,580.28	3.4	25,732.16	0.8	\$135,725.36
15-Oct	4	6:30:00PM	31,550	4	98,639.91	3.1	24,795.08	0.8	\$123,299.89
17-Oct	4	6:30:00PM	31,880	6	110,487.87	3.5	26,183.75	0.8	\$138,109.84
19-Oct	4	6:30:00PM	31,402	4	106,056.94	3.4	25,090.20	0.8	\$132,571.17
20-Oct	4	6:30:00PM	31,831	6	110,571.64	3.5	26,203.41	0.8	\$138,214.55
21-Oct	4	6:30:00PM	31,705	6	109,695.55	3.5	25,993.06	0.8	\$137,119.43
28-Oct	4	6:30:00PM	32,570	6	110,678.24	3.4	26,231.12	0.8	\$138,347.80
29-Oct	4	6:30:00PM	32,420	6	115,396.70	3.6	27,343.94	0.8	\$144,245.88
30-Oct	4	6:30:00PM	32,051	5	111,641.54	3.5	26,408.37	0.8	\$139,551.92
31-Oct	4	6:30:00PM	31,983	6	46,472.42	1.5	11,086.80	0.3	\$58,090.53
3-Nov	4	6:30:00PM	32,057	6	106,027.56	3.3	25,119.52	0.8	\$132,534.45
4-Nov	4	6:30:00PM	31,732	6	108,310.56	3.4	25,659.46	0.8	\$135,388.20
5-Nov	4	6:30:00PM	31,542	6	108,327.46	3.4	25,662.22	0.8	\$135,409.33
17-Nov	4	6:30:00PM	31,735	5	110,280.09	3.5	26,112.12	0.8	\$137,850.11
18-Nov	4	6:30:00PM	31,685	5	108,475.22	3.4	25,681.97	0.8	\$135,594.03

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Table 26: CBES Program Events and Minimum Load Shed (MLS) Avoidance

Dates	MW DE CBESS	Time Sub-Group A	Time Sub-Group B	Duration (Hours)	Total Reserve MW Sub-A	Total Reserve MW Sub-B	MLS Start Time	MLS End Time	MLS Duration	Avoided Load Shed
1-Oct	33	18:30	18:45	4	292	256	N/A	N/A	N/A	Morning Forecasted Reserve 165 MW
3-Oct	33.7	18:30	18:45	4	189	192	N/A	N/A	N/A	Morning Forecasted Reserve -21 MW
6-Oct	34.1	18:30	18:45	4	380	384	N/A	N/A	N/A	Morning Forecasted Reserve -71 MW
8-Oct	33.8	18:30	18:45	4	294	276	N/A	N/A	N/A	Morning Forecasted Reserve 156 MW
15-Oct	32.7	18:30	18:45	4	345	299	N/A	N/A	N/A	Morning Forecasted Reserve 189 MW
17-Oct	33.3	18:30	18:45	4	206	221	N/A	N/A	N/A	Morning Forecasted Reserve 173 MW
19-Oct	33	18:30	18:45	4	6	33	7:21 h	9:46 h	2.25 hours	Minimize MLS Effect
20-Oct	34.2	18:30	18:45	4	136	66	N/A	N/A	N/A	Morning Forecasted Reserve -6 MW
21-Oct	34.7	18:30	18:45	4	524	528	N/A	N/A	N/A	Morning Forecasted Reserve 91 MW
28-Oct	33.9	18:30	18:45	4	56	82	N/A	N/A	N/A	Morning Forecasted Reserve 190 MW
29-Oct	33.4	18:30	18:45	4	72	80	N/A	N/A	N/A	Morning Forecasted Reserve 70 MW
30-Oct	33.3	18:30	18:45	4	51	51	N/A	N/A	N/A	Morning Forecasted Reserve 151 MW
31-Oct	34.2	18:30	18:45	4	142	142	N/A	N/A	N/A	Morning Forecasted Reserve 142 MW
3-Nov	34	18:30	18:45	4	10	10	6:04 h	8:16 h	2.12 hours	Minimize MLS Effect
4-Nov	34.2	18:30	18:45	4	165	154	N/A	N/A	N/A	Morning Forecasted Reserve 26 MW
5-Nov	34.6	18:30	18:45	4	169	176	N/A	N/A	N/A	Morning Forecasted Reserve 73 MW
17-Nov	34.2	18:30	18:45	4	246	244	N/A	N/A	N/A	Morning Forecasted Reserve -1 MW
18-Nov	34.5	18:30	18:45	4	391	400	N/A	N/A	N/A	Morning Forecasted Reserve 191 MW

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5.3 DR Emergency Load Reduction Program (ELRP)

During the most recent reporting period, LUMA continued to advance preparatory and coordination activities for launching the ELRP program. LUMA has continued to engage with relevant stakeholders to better understand regulatory constraints on the operation of backup generators under existing U.S. Environmental Protection Agency (EPA) regulations.

LUMA continues its efforts to facilitate interactions between stakeholders and the EPA on the approval of a Non-Action Assurance. Securing this assurance remains a critical issue for enabling commercial and industrial customers to participate in the ELRP without concern for exceeding allowable operating-hour limitations for backup generation resources.

LUMA remains committed to advancing the ELRP in a financially responsible and coordinated manner, ensuring that all regulatory, operational, and environmental considerations are appropriately addressed before program implementation.

6.0 Conclusions and Recommendations

6.1 Analysis and Observations

EE Programs

FY2026 Q2 was characterized by continued cash constraints, which significantly limited EE program activity. During the quarter, LUMA completed the review and processing of all previously submitted EE rebate applications. However, due to funding limitations, LUMA was unable to issue payments for all approved rebate applications associated with FY2025 participation. LUMA was also unable to reactivate customer-facing EE programs during the reporting period.

While funding constraints continue to delay the payment of a portion of approved applications and the relaunch of EE programs, LUMA remains operationally prepared to resume incentive offerings and complete outstanding payments once sufficient funding becomes available. Ongoing coordination and planning efforts will continue to support an orderly and efficient transition to future program phases.

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 81,800 enrolled customers, over 505 MW of available load, and consistent 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.

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Appendix A:

No images are included as part of this reporting period. All activities have been reported in the pertinent sections of the main report.