

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

NEPR
Received:
Mar 16, 2026
7:45 PM

IN RE:

ENERGY EFFICIENCY AND DEMAND
RESPONSE THREE YEAR PLAN

CASE NO.: NEPR-MI-2026-0002

SUBJECT: Motion to Submit LUMA’s
Presentation for the Technical Workshop
Scheduled for March 17, 2026

**MOTION TO SUBMIT LUMA’S PRESENTATION FOR THE TECHNICAL
WORKSHOP SCHEDULED FOR MARCH 17, 2026**

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:

1. On March 2, 2026, LUMA submitted to the Energy Bureau, in Case No. NEPR-MI-2020-0001, *In re: Energy Efficiency and Demand Response Transition Period Plan*, its proposed Three-Year Energy Plan for Efficiency (“EE”) and Demand Response (“DR”) for the two-year period from July 1, 2026 through June 30, 2028. *See Motion to Submit the Three-Year EE and DR Plan, Exhibit 1* (the “TYP”).¹

2. On March 4, 2026, the Energy Bureau issued a Resolution and Order (“March 4th Order”) initiating the referenced proceeding for the review of LUMA’s TYP and setting forth a procedural calendar for such purposes. In particular, the Energy Bureau scheduled a virtual

¹ The two-year period covered by the TYP was established by the Energy Bureau in a Resolution and Order issued on April 3, 2025.

Technical Workshop for March 17, 2026, at 1:30 pm. (“March 17th Technical Workshop”), for LUMA to present a summary of its proposed TYP and answer questions from the Energy Bureau and stakeholders. *See* March 4th Order, p. 2. The Energy Bureau also established subsequent deadlines to submit comments. *See id.*

3. LUMA submits herein the Presentation that LUMA proposes to present during the March 17th Technical Workshop. *See Exhibit 1.*

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the foregoing and **accept** LUMA’s Presentation in *Exhibit 1* for the March 17th Technical Workshop.

RESPECTFULLY SUBMITTED.

In Guaynabo, Puerto Rico, this 16th day of March 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 to alexis.rivera@prepa.pr.gov; nzayas@gmlex.net; mvalle@gmlex.net; rcruzfranqui@gmlex.net; hriviera@jrsp.pr.gov; javrua@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

Presentation on Three-Year EE and DR Plan for Technical Workshop Scheduled for March 17, 2026



Energy Efficiency and Demand Response Three Year Plan Technical Workshop

(NEPR-MI-2026-0002)

March 17, 2026

Agenda

1. Three Year Plan (TYP) Theory of the Case
2. Regulatory Context
3. TYP Strategic Objectives and Design Principles
4. Portfolio Overview (EE + DR)
5. Energy Efficiency Programs
6. Demand Response Program
7. Summary of Performance Indicators
8. Reporting & Evaluation, Measurement & Verification
9. Summary



Three Year Plan Theory of the Case

1. The portfolio focuses on **tried-and-true programs** and reflects **real local experience** from 20+ months of Transition Period Plan implementation.
2. We prioritized programs and measures with high **cost-effectiveness** and near-term deliverability.
3. Continued **Market Development** is a core strategy within the TYP, and these investments are critical for the acceleration of the Puerto Rico long-term EE ecosystem.
4. Efforts around **Low-income equity** remain a primary focus.
5. TYP will build a **solid foundation** for achievement of the 2040 targets.

Regulatory Context



TYP Draft Timeline & Stakeholder Engagement



TYP - Background & Context








- **Policy Establishes Long-Term EE:** PREB reaffirmed Puerto Rico's statutory requirement to achieve 30% energy efficiency by 2040, equal to 4,744 GWh/year of cumulative reductions based on FY2019 sales.
- **Market Baseline & Potential Studies:** PREB finalized both studies and issued guidance in November 2025. The 2026–2028 TYP reflects updated market data, achievable potential, and study-informed program design.
- **Government Sector Clarification:** PREB confirmed that government buildings may be treated similarly to commercial buildings for EE modeling due to data limitations, enabling integration of public sector participation within existing commercial programs.
- **Rate Case & Funding Environment:** The TYP is designed to operate within available EE Rider funding and Power Purchase Charge Adjustment recovery mechanisms while prioritizing program stability.
- **Transition Period Experience:** Lessons from over 20 months of Transition Period Plan implementation informed program selection, delivery channels, and market activation strategies for this TYP.

TYP Strategic Objectives and Design Principles



TYP Strategic Objectives and Design Principles

 Fully Addressed
 Phased Approach

Type	Category	Status	TYP Coverage
SO	Maximize Energy Efficiency & Conservation		Core EE programs scaled; all measures pass Puerto Rico Cost Test (PRCT); near-term savings with defined peak impacts; Evaluation, Measurement & Verification (EM&V) framework established
SO	Market Transformation		Market development through Trade Ally & Commercial, Industrial and Agriculture (C&I) Networks; lost-opportunity measures prioritized; financing & custom programs phased to the future
SO	Equitable Access		Dedicated low-income programs active (Residential Kits); Low Income customers eligible across portfolio; targeted outreach embedded; 25% dedicated threshold phased
SO	Education & Engagement		Robust branding, stakeholder coordination, Public Energy Policy Program alignment, contractor training, and customer awareness strategies included
DP	Regulatory Alignment		Aligned with EE & DR Regulations; PRCT compliance; net-to-gross framework defined; EM&V procurement scheduled; PREB study findings integrated
DP	Market Coverage & Equity		Residential, C&I, Government sectors fully included; all major end-uses covered; public sector participation integrated via Business Rebates & Street Lighting
DP	Market Transformation (Addressed Market Barriers)		Financial, awareness, workforce, and product barriers addressed; trade ally leverage central to delivery model; scalable infrastructure established

Portfolio Overview (EE + DR)



Portfolio Overview (EE + DR)

Energy Efficiency



Residential



Commercial & Industrial

Low Income

Non-Low Income

Small/Medium

Large

In-Store Discounts

Government

Residential Rebates

Business Rebates

Residential
Kits

Streetlighting Conversion Program

Demand Response

Customer Battery Energy Sharing (CBES)

Energy Efficiency Programs



EE Programs: Measure End-Uses, Market Activation and Channels Needs



In-Store Discounts



FY27

Ramp Up – Expand
Coverage

FY28

Ramp Up – Expand
Coverage

Program Description	The In Store Discounts program offers immediate point-of-sale (POS) savings to customers purchasing high-efficiency products at participating retail locations. Retailers enter into formal agreements with LUMA, committing to stock eligible measures, display program signage, and engage in seasonal promotional efforts.
Target Customers	Residential (Low Income and Non-Low Income)
Delivery Type	In-store discount
Rebate structure	Per unit incentive for each appliance sold
Target Measures	Efficient box fans, energy star products, window Air Conditioners and others
Customer value proposition	Lower your electric bill at a low cost due to incentives.



Market Activation

Program Branding & Communications	Stakeholder Engagement	Strategic Partnerships	Tailored Customer Outreach & Technical Assistance
✓	✓	✓Trade Ally Network	–



Market Barriers

Financial
Lack of Knowledge
Lack of Retailer Participation
Product Availability



How to overcome barriers

Awareness
Product Access
Increase outreach and partnerships with retailers, distributors and manufactures



In-Store Discounts (ISD) Success Story



18,770 Participants to Date



5,238 MWh Energy Savings to Date



1.0 MW Peak Demand Savings to Date

~70% Of targeted savings achieved



LUMA held high-impact in-store discount events aimed to raise customer awareness and provide in-depth training for retail associates



LUMA announced the expansion of the ISD program for ENERGY STAR products in Q2



In Store Discount Event May 10, 2025, at The Home Depot, Ponce



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Residential Rebates



Full Speed



Full Speed

Program Description

This program offers financial incentives to customers for the installation of high-efficiency equipment and measures in their homes. Customers must complete an application to receive incentives. Prescriptive incentives are offered on a per-unit basis for qualifying measures, with incentive levels and eligible equipment reviewed regularly and updated as needed to reflect market conditions and customer demand.

Target Customers

Residential (Low Income and Non-Low Income)

Delivery Type

Rebate check or potentially instant payment options

Rebate structure

Per unit incentive for each equipment sold

Target Measures

Mini split Air Conditioners, solar water heaters and others

Customer value proposition

Buy energy efficient equipment and receive money back.



Market Activation

Program Branding & Communications	Stakeholder Engagement	Strategic Partnerships	Tailored Customer Outreach & Technical Assistance
✓	✓	✓ Trade Ally Network	✓ EE Low-income Assistance initiative



Market Barriers

Financial
Lack of Knowledge
Equipment Accessibility
Qualified Installers
Application Processing Delays



How to overcome barriers

Awareness
Product Knowledge
Program Rules
Rebate Processing
Qualified Leads



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Residential Rebates Success Story



13,752 Participants to Date



20,566 MWh Energy Savings to Date



2.5 MW Peak Demand Savings to Date



“LUMA en Tu Comunidad” initiative served to encourage participation by the Santurce community



LUMA provided informational inserts with practical energy-savings tips in over 1.4 million utility bills



At 25 LUMA services centers, information booths were set up to inform customers on how to apply for incentives and rebate programs

Working Together to Save Energy and Reduce Outages

How can you help?

- Unplug devices you're not using
- Turn off unnecessary lights
- Set your air conditioner to around 72 °F
- Do you drive an electric vehicle? Charge it during off-peak hours and save with LUMA's Time of Use Program.
- Do you have solar panels and batteries? Join the CBE's program and get compensated for supporting the grid.

Did You Know?

About 10% of your electric bill goes to LUMA for operating, transmitting, and distributing the electric grid. Most of the total comes from other charges like fuel purchases, energy bought from private generators, and the budgets of Cerezo and PSE-PA.

Visit progress@luma.pr to learn more about what we're doing for our customers and communities across Puerto Rico. For more information about your electric service, your account, or to report an emergency, visit LUMA.pr or call 1-844-888-LUMA (5862).

LUMA
People First. Safety Always.

Ahorra dinero con los programas de incentivos para negocios

Ofrecemos programas de incentivos para clientes comerciales que buscan mejorar la eficiencia energética en sus propiedades. A través del Programa de Reembolsos para la Eficiencia Comercial, tu empresa puede recibir reembolsos al adquirir e instalar equipos energéticamente eficientes, contribuyendo al ahorro en sus facturas y al cuidado del medio ambiente.

Conoce más sobre nuestro Programa de Eficiencia Energética para negocios aquí



Residential Kits



FY27

Full Speed



FY28

Full Speed

Program Description	This program provides residential customers with kits which they install themselves. Kit contents are adjustable, and savings are accounted for based on an averaged installation rate.
Target Customers	Residential (low-income only)
Delivery Type	Kits
Rebate structure	Free
Target Measures	Power strip, shower head aerator, faucet aerator and electronically commutated motors (ECM) tabletops.
Customer value proposition	Our program offers free energy efficiency equipment mailed directly to customers



Market Barriers

- Financial
- Lack of Knowledge
- Non-Installation Risk



How to overcome barriers

- Awareness
- Product Access
- Trainings
- Product Knowledge



Market Activation

Program Branding & Communications	Stakeholder Engagement	Strategic Partnerships	Tailored Customer Outreach & Technical Assistance
✓	✓	✓Community & Government Agencies	✓EE Low-income Assistance initiative



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Residential Kits Success Story



51,396 Participants to Date



19,876 MWh Energy Savings to Date



4.1 MW Peak Demand Savings to Date

LUMA en Tu Comunidad



71%

Of survey respondents expressed appreciation for receiving an energy savings kit

4 in 5

In round 1 of distribution recipients reported being extremely satisfied for every major kit measure

113

Kits ordered after LUMA participated in an IREC RACER Project Outreach event in Castañer



Business Rebates



FY27
Full Speed



FY28
Full Speed

Program Description	This program offers standard financial incentives to customers for installing eligible energy-efficient equipment. These prescriptive incentives focus on long-lived measures offered on a per-unit basis for qualifying equipment, with incentive levels and eligible technologies reviewed regularly and revised as needed to reflect market conditions and customer demand.
Target Customers	All commercial, industrial and government customers
Delivery Type	Rebate check or potentially instant payment options
Rebate structure	Per unit incentive for each equipment sold
Target Measures	Rooftop AC, Chillers, AC tune-up, Linear Fluorescent, and others
Customer value proposition	Buy energy efficient equipment and get money back.

Market Activation

Program Branding & Communications	Stakeholder Engagement	Strategic Partnerships	Tailored Customer Outreach & Technical Assistance
✓	✓	✓ Trade allies	✓ C&I Network

Market Barriers

- Financial
- Lack of Knowledge
- Qualified Installers
- Accessibility to equipment
- Application processing delays

How to overcome barriers

- Awareness
- Product Knowledge
- Training
- Program Rules
- Rebate Processing
- Tools
- Roles and Responsibilities
- Qualified Leads



Business Rebates Success Story



305 Participants to Date



2,923 MWh Energy Savings to Date



0.4 MW Peak Demand Savings to Date



LUMA participated in the PYMES Workshop attended by approx. 400 business owners to promote Business EE rebates

4 in 5

Recipients reported being extremely satisfied for every major kit measure in round 1 of kit distribution



LUMA's stakeholder newsletter outlines the Business EE rebate program to support informed participation



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Streetlighting Conversion Program

Program Description

The program modernizes the system through LED technology and stronger poles designed to withstand extreme weather, improving reliability, efficiency, and long-term resilience.

Customer value proposition

Delivers safer, more reliable streetlighting while reducing energy and maintenance costs. Strengthens community resilience through durable, modern infrastructure built to withstand future storms.

Estimated Unit Replacement and Program Cost - Streetlight Program (based on Feb 5 PREB R&O)

Description	FY27 Estimate	FY28 Estimate	Total
Planned Unit Replacements (#)	5,100	8,780	13,880
Total Costs (\$)	\$39.2M	\$70.2M	\$108.5M



Demand Response



Customer Battery Energy Sharing (CBES)

 **FY27**
Full Speed

 **FY28**
Full Speed

Program Description

The CBES program leverages distributed batteries as an energy resource during grid emergencies. Aggregators are responsible for dispatching battery resources of participating customers during CBES program events called by LUMA, and for compensating those customers for the energy provided.

Target Customers

The Program targets customers with DBESS batteries that are registered in the LUMA Net Energy Metering Program.

Rebate structure

LUMA compensates aggregators at a standardized rate of \$1.25 per kWh dispatched to the grid under the CBES program.



Market Barriers

- Data Validation & Settlement
- Underutilization of Enrolled Battery Capacity



How to overcome barriers

- Awareness
- Training
- Program Rules
- Roles and Responsibilities
- Qualified Leads



Market Activation

Program Branding & Communications	Stakeholder Engagement	Strategic Partnerships	Tailored Customer Outreach & Technical Assistance
✓	✓	✓ Aggregators	-



PPCA CBES Estimation and Monthly Customer Impacts

- The Power Purchase Charge Adjustment (PPCA) factor is calculated by dividing the estimated cost of the DR program by the total estimated annual kWh sales.
- The PPCA factor for FY2027 emergency DR programs is estimated to be \$0.002/kWh, as shown in the table below. This figure represents an illustrative estimate of the PPCA factor for CBES, this estimate will be finalized through the quarterly PPCA reconciliation process.

FY2027 PPCA Estimation for LUMA Emergency DR Programs

Item	Amount	Reference
Incremental Funds Required from PPCA (\$)	\$29,411,022.90	LUMA estimate
Estimated Retail Sales for FY27 (kWh)	15,526,219,788	Load Forecast FY27
PPCA Adjustment for FY27(\$/kWh)	\$0.001894	LUMA estimate / Load Forecast

- The PPCA factor for FY2028 emergency DR programs is estimated to be \$0.002/kWh, as shown in the table below. This figure represents an illustrative estimate of the PPCA factor for CBES, this estimate will be finalized through the quarterly PPCA reconciliation process.

FY2028 PPCA Estimation for LUMA Emergency DR Programs

Item	Amount	Reference
Incremental Funds Required from PPCA (\$)	\$28,757,444.28	LUMA estimate
Estimated Retail Sales for FY28 (kWh)	15,198,043,750	Load Forecast FY28
PPCA Adjustment for FY28 (\$/kWh)	\$0.001892	LUMA estimate / Load Forecast



Summary of Performance Indicators



Projected Energy Savings by Program

Program	FY2027			FY2028		
	First Year Annual Electricity Savings (MWh)	Lifetime Electricity Savings (MWh)	Peak Demand Savings (MW)	First Year Annual Electricity Savings (MWh)	Lifetime Electricity Savings (MWh)	Peak Demand Savings (MW)
Residential	16,912	222,193	4.1	17,022	223,627	4.2
In Store Discounts	788	8,408	0.2	793	8,462	0.2
Residential Rebates	16,124	213,785	4.0	16,228	215,165	4.0
Residential Low-Income	3,546	17,036	0.6	3,569	17,145	0.6
Residential Kits	3,546	17,036	0.6	3,569	17,145	0.6
Commercial / Industrial / Government	7,414	69,265	2.4	7,461	69,705	2.4
Business Rebates	7,414	69,265	2.4	7,461	69,705	2.4
Portfolio Total	27,873	308,495	7.2	28,052	310,477	7.2



Projected Benefits by Program (represented in 2026 dollars)

Program	FY2027 (\$)	FY2028 (\$)
Residential	\$22,414,608	\$21,613,522
In Store Discounts	\$848,185	\$812,890
Residential Rebates	\$21,566,423	\$20,800,633
Residential Low-Income	\$1,863,322	\$1,778,850
Residential Kits	\$1,863,322	\$1,778,850
Commercial / Industrial / Government	\$6,861,323	\$6,531,738
Business Rebates	\$6,861,323	\$6,531,738
Portfolio Total	\$31,139,253	\$29,924,111



LUMA Energy Efficiency Budget (nominal \$)

Program	FY2027 (\$)	FY2027 (% of total)	FY2028 (\$)	FY2028 (% of total)
Residential	\$10,493,841	67%	\$10,477,778	67%
In Store Discounts	\$499,759	3%	\$502,330	3%
Residential Rebates	\$9,994,083	64%	\$9,975,618	64%
Residential Low-Income	\$1,739,403	11%	\$1,744,282	11%
Residential Kits	\$1,739,403	11%	\$1,744,282	11%
Commercial / Industrial / Government	\$3,367,102	22%	\$3,378,190	22%
Business Rebates	\$3,367,102	22%	\$3,378,190	22%
Portfolio Total	\$15,600,346	100%	\$15,600,249	100%

- The Energy Bureau has previously established the EE Rider to recover the cost of EE programs from all customers on a per kilowatt-hour basis. The EE Rider factor is calculated by dividing the estimated EE program cost by the total estimated FY kWh sales. The estimated EE Rider factor during FY2026, subject to the availability of the appropriate recovery mechanism, is \$0.001005/kWh.



Cost-Effectiveness by Program

Program	FY2027	FY2028
Residential	1.98	1.93
In Store Discounts	1.07	1.03
Residential Rebates	2.05	2.00
Residential Low-Income	1.22	1.17
Residential Kits	1.22	1.17
Commercial / Industrial / Government	1.72	1.65
Business Rebates	1.72	1.65
Portfolio Total	1.85	1.79



Reporting & Evaluation, Measurement, and Verification (EM&V)



Reporting & Evaluation, Measurement, and Verification (EM&V)

Evaluation, Measurement & Verification

- Includes impact evaluations to verify energy and capacity savings
- Conducts process evaluations to assess stakeholder satisfaction and identify improvement opportunities
- Performs market effects evaluations to measure broader changes in product availability and customer behavior

Year-End Reports

- Submit within 120 days of each quarter's end
- Follow the same format and structure as the quarterly reports
- Highlight results for the entire fiscal year
- Include Q4 results



Quarterly Reports

- Submit within 45 days of each quarter's end
 - Include updates on implementation progress
 - Contain EE / DR savings
 - Other required indicators as outlined in the EE and DR regulations

Evaluation, Measurement, and Verification (EMV)

- 1. Independent Annual Impact Evaluations:** Programs operating for at least one year will undergo full annual EM&V beginning in FY2027, including verified gross and net savings.
- 2. Verified Savings with Defined Statistical Rigor:** First-year gross savings verified at:
 - 90% confidence level
 - $\pm 10\%$ relative precision.
 - Net savings calculated using program-specific Net-To-Gross (NTG) ratios.
- 3. Process Evaluation:** Evaluate customer satisfaction, participation barriers, partner feedback, and program operations to inform process improvements and future program enhancements.
- 4. Program-Specific Evaluation Requirements:**
 - HVAC operating hours
 - System peak demand performance
 - Market effects and participant behavior

Proposed net to gross ratios for TYP programs

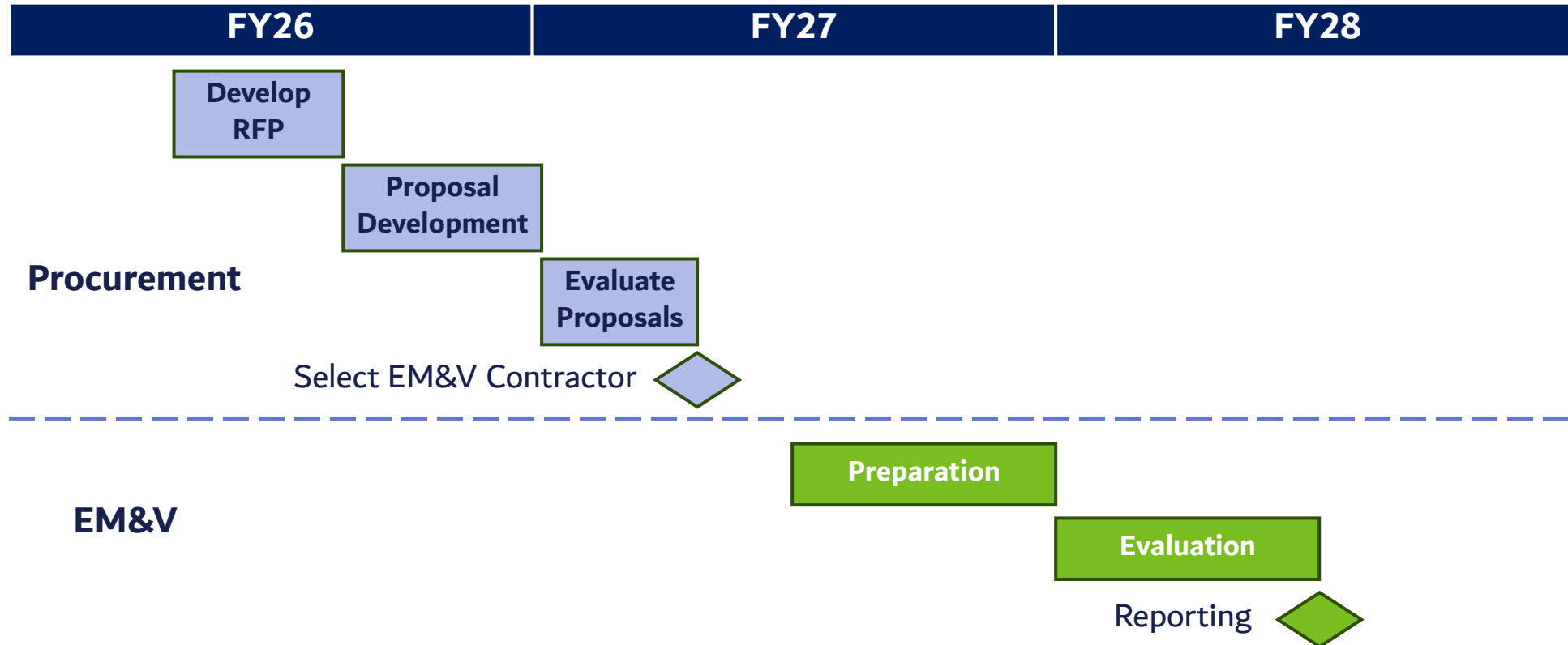
Program	NTG*
In Store Discounts	0.85
Residential Rebates	0.70
Residential Kits	0.95
Business Rebates	0.85
Streetlighting Conversion	0.85

*NTG for future plans will be informed by EMV from this TYP



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Evaluation, Measurement, and Verification (EM&V) Schedule



Summary



Summary

1. The portfolio focuses on **tried-and-true programs** and reflects **real local experience** from 20+ months of Transition Period Plan implementation.
2. The proposed FY2027–FY2028 portfolio is projected to
 - Deliver approximately **55,925 MWh** in first-year electricity savings
 - Provide approximately **\$61 million** in benefits for an investment of **\$31.2 million**
 - Achieve a benefit-cost ratio of approximately **1.82**
3. TYP will build a **solid foundation** for achievement of the 2040 targets.



Questions

