

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

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IN RE: ENERGY EFFICIENCY AND DEMAND RESPONSE THREE YEAR PLAN	CASE NO.: NEPR-MI-2026-0002 SUBJECT: LUMA's EE and DR Three-Year Plan
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**INSTITUTO DE COMPETITIVIDAD Y SOSTENIBILIDAD ECONÓMICA'S
FIRST COMMENTS TO 2026-2028 THREE-YEAR EE AND DR PLAN**

TO THE HONORABLE ENERGY BUREAU:

Comes now the **Institute of Competitiveness and Economic Sustainability ("ICSE" as its Spanish acronym)**, represented by the undersigned, respectfully states and prays:

1. LUMA has submitted the 2026-2028 Energy Efficiency and Demand Response Three-Year Plan (the "Proposed Plan").

2. Energy efficiency ("EE") advances principles of equity, quality, and economic and environmental cost reduction, including savings on customer bills. ICSE recognizes that the scope of this proceeding is limited to LUMA's EE efforts; however, such scope should not be interpreted as limiting broader efforts that may and should be developed under the Bureau's authority. Given that LUMA operates as an agent of PREPA, ICSE is concerned that the Proposed Plan is unduly limited, particularly insofar as EE programs are conceived primarily as "customer programs" rather than as mechanisms to foster investment, coordination, and systemic transformation.

3. ICSE further notes that the Proposed Plan appears to treat EE and DR as isolated activities, rather than as integral components of the electric system. EE and DR are not merely transactional interactions between LUMA and consumers, but core elements of the policy framework established under Acts 57-2014 and 17-2019.

4. It seems the Proposed Plan assumes that the whole of promoting the public policy on EE is at the hands of LUMA. As an example, it proposes to develop EE programs for government agencies as its beneficiaries. Even though this may seem like a prudent activity given the public sector's high consumption, it may prove problematic to the extent that it clashes with Act 57-2014 that specifically delegates the responsibility to develop governmental EE programs to the Department of Economic Development ("DDEC"). See Article 3.1., 22 L.P.R.A § 1052 (*"The Energy Public Policy Program [...] is hereby created as part of the Department of Economic Development and Commerce, which shall be responsible for developing and promulgating the energy public policy of the Government of Puerto Rico."*).

5. This approach risks creating unnecessary duplication of efforts. It may also generate institutional friction regarding the proper implementation of state energy policy. Moreover, it raises the concern that ratepayers may ultimately bear the cost of promoting the same public policy twice—once in their capacity as taxpayers and again as LUMA customers.

6. Lastly, the Bureau must evaluate LUMA's practical ability to coordinate and collaborate with the Government of Puerto Rico. It is no secret that the Executive Branch has expressed its intent to terminate LUMA's contract (and acted on this intent). In that

context, from a business acquisition perspective, it is reasonable to question how much of the proposed program costs would be incurred by LUMA merely to secure participation from government entities.

7. Before burdening ratepayers with financing these initiatives, LUMA must demonstrate its ability to effectively engage the Government of Puerto Rico and secure its participation in the proposed programs. Otherwise, from a public policy standpoint, it would be more reasonable to prioritize and scale programs focused on private-sector participation.

8. ICSE has previously urged the Bureau to develop EE and DR programs in coordination with other governmental and administrative entities. Other agencies are well-positioned to advance EE within their respective areas of authority under the Bureau's guidance. A centralized, top-down model—where EE is driven primarily or exclusively by PREPA and LUMA—risks displacing both private-sector initiatives and existing governmental efforts with independent legal and regulatory mandates that directly or indirectly promote energy efficiency. ICSE's position is that leadership in advancing EE policy should reside with the Bureau, not with a regulated entity

9. ICSE reiterates that EE and DR are not LUMA initiatives, but rather components of Puerto Rico's mandated public energy policy. In light of LUMA's ongoing institutional tensions with the Government of Puerto Rico, the Bureau should reinforce the public policy nature of these programs and avoid framing them as utility-driven initiatives.

10. It is also concerning that LUMA's Proposed Plan presents certain initiatives under its TPP as "success stories," when in reality they reflect limited participation. For

example, approximately 37,000 participants are projected for both FY 2027 and FY 2028, out of over 1.5 million PREPA customer accounts. Similarly, participation among commercial enterprises remains minimal.

WHEREFORE, ICSE respectfully requests that the Bureau:

(1) Decline to approve the Proposed Plan as submitted, on the grounds that it is unduly utility-centric, fails to adequately reflect the statutory framework governing energy efficiency under Acts 57-2014 and 17-2019, and raises significant concerns regarding duplication of governmental functions and unnecessary ratepayer burdens;

(2) Require LUMA to submit a revised Plan that:

(a) includes a demonstrated and credible showing of its ability to secure participation from governmental entities, rather than assuming such participation;

(b) prioritizes market-based and private-sector participation mechanisms, instead of limiting EE/DR implementation to utility-administered programs;

(c) clearly establishes that ratepayer funds will not be used to duplicate existing governmental responsibilities or public policy initiatives; and

(d) reflects a program design consistent with the statutory role of non-utility governmental entities, including DDEC, in the development and implementation of energy efficiency policy.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, April 7, 2026.

FERNANDO E. AGRAIT LAW OFFICE
EDIFICIO CENTRO DE SEGUROS
OFICINA 414
701 AVENIDA PONCE DE LEON
SAN JUAN, PUERTO RICO 00907
Tel:(787) 725-3390-3391
Fax: (787) 724-0353

/s/ LCDO. FERNANDO E. AGRAIT
T.S. Núm. 3772
Email: agraitfe@agraitlawpr.com

/s/ LCDO. JOSÉ POU ROMÁN
T.S. Núm. 23,523
Email: jpouroman@outlook.com