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

IN RE: ENERGY EFFICIENCY AND DEMAND RESPONSE THREE YEAR PLAN	**CASE NO.:** NEPR-MI-2026-0002 **SUBJECT:** Increasing the default enrolled battery capacity for auto-enrolled customers in the Customer Battery Energy Sharing Program

JOINT MOTION FOR AUTHORIZATION TO INCREASE THE DEFAULT ENROLLED BATTERY CAPACITY FOR AUTO-ENROLLED CUSTOMERS IN THE CUSTOMER BATTERY ENERGY SHARING PROGRAM

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME NOW Sunrun Inc. ("Sunrun") and **SunStrong Management LLC** ("SunStrong"), through their undersigned legal counsel, and **Tesla, Inc.** ("Tesla") (collectively referred to as the **"Joint Aggregators"**) respectfully submit this motion requesting the following:

I. INTRODUCTION

The Joint Aggregators represent the primary providers of networked residential battery storage in Puerto Rico that are participating in the Customer Battery Energy Sharing Program ("CBES Program") to provide critical energy capacity for the island. We appreciate the actions that the Energy Bureau of the Public Service Regulatory Board of Puerto Rico ("Energy Bureau") has taken to grow and improve the CBES Program in response to the generation shortfall that exists during high-demand periods throughout

the year. The CBES Program is one of the only tools available to provide new capacity during peak periods in the near-term.

In this motion, the Joint Aggregators respectfully request the Energy Bureau to increase the default enrolled battery capacity for auto-enrolled customers from 20% to 30% of the nameplate capacity, which will effectively increase the capacity available in the program by 50% while having minimal impacts on the resilience capabilities of the battery in case of an outage.

Granting this request is in the public interest as it will substantially increase the dispatchable capacity of the CBES Program and make it even more effective at avoiding and reducing load shed events over the next few years. The continuously increasing capacity of behind-the-meter batteries across the island is a powerful and effective resource that can and should be utilized to make the system more reliable and resilient.

In support of this motion, the Joint Aggregators provide as follows:

II. RELEVANT PROCEDURAL HISTORY

1. On January 31, 2025, LUMA filed a *Motion to Submit Revised Energy Efficiency and Demand Response Transition Period Plan* and a *Motion to Submit Permanent Customer Battery Energy Sharing Program Proposal In Compliance With Resolutions and Orders of October 23, 2024 and December 5, 2024* which included a proposed program structure for the CBES program which would begin July 1, 2025 and run for three years.

2. On April 3, 2025, the Energy Bureau issued a *Resolution and Order* that partially approved the CBES Program proposal and established a schedule for further consideration of certain program elements.
3. On April 24, 2025, the Energy Bureau held a Technical Conference where LUMA presented proposals to address projected generation shortfalls during the summer 2025. LUMA stated that they expected over 90 generation shortfall events and that they were considering an expansion of the CBES Program.
4. On April 30, 2025, the Energy Bureau issued a *Resolution and Order* that required LUMA to file additional information regarding the summer emergency demand response proposals including the expansion of the CBES Program.
5. On May 20, 2025, the Energy Bureau issued a *Resolution and Order* conditionally approving the expanded "CBES+ Program," specifically approving Scenario B which included use of auto-enrollment customers. Scenario B envisioned reaching an enrollment level of approximately 60,000 customers.
6. On May 29, 2025, the Energy Bureau issued a *Resolution and Order* approving Scenario B of the CBES+ Program and the remaining unapproved portions of the permanent CBES Program proposal which included implementation of a DERMS platform. The Energy Bureau ordered LUMA to not cease or curtail dispatch during grid emergencies or artificially constrain the program size if it would result in avoided outages for non-participating customers.
7. On March 2, 2026, LUMA filed its Three-Year Plan for the permanent energy efficiency and demand response programs for FY2027 and FY 2028, which includes continuation of the CBES Program through June 30, 2028.

8. On April 1, 2026, Sunrun Inc., Tesla Inc., and SunStrong Management LLC filed a *Joint Motion for Authorization of Additional Auto-enrollment of Batteries in the Customer Battery Energy Sharing Program for the Summer 2026 Season*, seeking to allow thousands of additional customers with batteries to participate in the CBES Program.
9. On April 10, 2026, the Energy Bureau issued a *Resolution and Order* approving the use of auto-enrollment for the 2026 summer season in order to increase program capacity while maintaining important customer protections. The Energy Bureau deferred consideration of the use of auto-enrollment for the 2027 and 2028 summers to its review of the Three-Year Plan.
10. On May 29, 2026 the Energy Bureau issued a *Resolution and Order* temporarily approving the implementation of the Three-Year Plan in order to ensure program continuity while the Energy Bureau completes its review and issuance of a final order. This *Resolution and Order* requires PREPA to transfer EE rider funds to LUMA on a monthly basis in order to ensure funding is available for the programs included in the Three-Year Plan.

III. BASIS FOR THE MOTION

Increasing Default Enrolled Battery Capacity

The Joint Aggregators **respectfully request the Energy Bureau to approve an increase in the default enrolled battery capacity for both new and existing auto-enrolled customers from 20% to 30%**. This increase in enrolled battery capacity would be consistent across all aggregators who use auto-enrollment. As is the case today,

customers will continue to maintain their ability to either increase or decrease their own enrolled battery capacity or to opt-out of the CBES Program altogether.

Importantly, this change in default enrolled battery capacity is expected to have a minimal impact on the customer's ability to meet their needs during an outage. Whether a customer has 80% or 70% battery capacity remaining at the start of an outage does not materially change their ability to ride through most outages. As noted previously, if a customer does experience more frequent or prolonged outages and wants to reduce his enrolled battery capacity, he is able to make that change. The Joint Aggregators' experience with the CBES Program and the auto-enrolled cohort has shown that very few customers choose to opt-out of the program and we would not expect that to change with increasing the default enrolled battery capacity threshold.

With the Energy Bureau's April 10 *Order and Resolution* expanding the CBES Program through the continued use of auto-enrollment, the Program is poised to better serve its purpose of helping prevent and minimize load shed events. Updating the default enrolled battery capacity from 20% to 30% would turn the CBES Program into an approximately 120+ MW resource for 2026, more than doubling the program's capacity compared to 2025. Assuming the Energy Bureau grants the Joint Aggregators' request by June 15, there should be enough time to notify customers and make this capacity available by July 1.

Allowing for additional CBES Program capacity is one of the few near-term actions that can be taken to address the persistent generation shortfall. On February 10, 2026, Secretary of Energy Chris Wright renewed the Federal Power Act Section 202(c) order

stating that emergency conditions continue to exist in Puerto Rico due to a shortage of generation.[1] The order finds that forced outage rates remain high and that the system remains at risk as it prepares for peak demand season this summer due to conventional generation units still under repair. The risk of storms or excessive heat are also risks that could further increase the possibility of generation shortfalls.

As the Joint Aggregators highlighted in our April 1 Motion, it is prudent to continue to increase the enrolled capacity in the CBES Program so that it can be available as an emergency resource even if it is ultimately not needed. The CBES Program only pays participants if the resource is called upon, protecting ratepayers from paying for services that are not provided. A constrained CBES Program may result in unnecessary outages on the island. If the Energy Bureau approves the requested increase in the default enrolled battery capacity, the CBES Program would be approaching a 4-hour duration capacity equivalent to that of a peak power plant.

The value provided by a resource of this size is significant. The sensitivity analyses included in LUMA's *Puerto Rico Electrical System Resource Adequacy Analysis Report* for Fiscal Year 2026 provides a useful comparison of what adding a battery resource of approximately 120 MW or greater can do in terms of reducing Loss of Load Events ("LOLE") and Loss of Load Hours ("LOLH"). One of the sensitivity analyses looked at the impact of adding the ASAP SO1 battery energy storage projects totaling 188 MW of capacity, a size which an expanded CBES Program would be nearing. The Base Case

[1] The Federal Power Act Section 202(c) emergency orders were originally issued on May 16, 2025, and extended on August 14, 2025, November 12, 2025, and most recently on February 10, 2026. These orders on generation and transmission measures are available at https://www.energy.gov/ceser/federal-power-act-section-202c-puerto-rico-electric-power-authority-prepa.

was 36.9 LOLE, but with the addition of the ASAP BESS projects (SO1 only) the LOLE dropped to 20.5.[2] The LOLH under the Base Case was 196.3 hours, which was reduced to 119.1 hours with the addition of the ASAP BESS SO1 projects.[3] While this is not a perfect comparison, it helps to demonstrate the value that can be provided by increasing the use of the substantial existing battery capacity sited at homes across the island.

While the resource adequacy report for fiscal year 2027 is not yet available, it is clear that the generation challenges facing Puerto Rico still exist and that the CBES Program will continue to provide critical emergency capacity for several more years. Modestly increasing the default enrolled battery capacity for auto-enrolled customers is a simple and effective way to increase program capacity, which will help improve the effectiveness of the program while maintaining important customer protections. The Joint Aggregators urge the Energy Bureau to swiftly approve this request.

IV. REQUEST FOR RELIEF

WHEREFORE, the Joint Aggregators respectfully request that the Energy Bureau **APPROVE** increasing the default enrolled battery capacity for new and existing auto-enrolled customers from 20% to 30%.

Respectfully submitted,

In San Juan, Puerto Rico, June 8, 2026.

SUNRUN INC. AND SUNSTRONG MANAGEMENT LLC

McCONNELL VALDÉS LLC

[2] *Puerto Rico Electrical System Resource Adequacy Analysis Report: Fiscal Year 2026,* LUMA, December 5, 2025, NEPR-MI-2022-0002, pg. 54.

[3] *Id*, pg. 57.

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