

**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: Resolution and Order for Joint
Motion for Auhorization to Increase the
Default Enrolled Battery Capacity for Auto-
enrolled Customers in the CBES Program.

RESOLUTION AND ORDER

I. Introduction and Background

On March 2, 2026, LUMA¹ filed a *Motion to Submit the Three-Year EE and DR Plan* ("March 2 Motion"), in which LUMA submitted its Three-Year Plan for Energy Efficiency and Demand Response covering the two-year period from July 1, 2026 through June 30, 2028, which includes continuation of the Customer Battery Energy Sharing ("CBES") Program through June 30, 2028.

On March 4, 2026, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order initiating the review of the 2026-2028 Three-Year Improvement Plan ("TYP") and establishing a procedural calendar for this proceeding. The Energy Bureau scheduled a technical workshop and established deadlines for stakeholders to submit comments and reply comments.

On March 26, 2026, the Energy Bureau held a virtual technical workshop. LUMA presented its TYP and answered questions from the Energy Bureau and stakeholders.

On April 1, 2026, Sunrun Inc., Tesla Inc., and SunStrong Management LLC (jointly "the Aggregators") filed a document titled *Joint Motion for Authorization of Additional Auto-enrollment of Batteries in the Customer Battery Energy Sharing Program for the Summer 2026 Season* ("April 1 Motion"), seeking to allow thousands of additional customers with batteries to participate in the CBES Program.

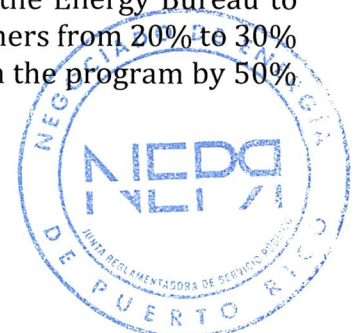
On April 10, 2026, the Energy Bureau issued a Resolution and Order ("April 10 Order") approving the auto-enrollment of customers in the CBES program for the summer of 2026. The Energy Bureau deferred consideration of the use of auto-enrollment for the 2027 and 2028 summers to its review of the Three-Year Plan.

On April 20, 2026, LUMA submitted a *Motion to Comply with Resolution and Order of March 24, 2026* ("April 20 Response"). LUMA submitted as Exhibit 1 its responses to the March 24th ROIs, as Exhibit 2 a proposal for performance incentive metrics and associated targets in alignment with Section 4.02(D)(6) of the EE Regulation, and as Exhibit 3 a proposed plan to achieve the goal of 30% energy savings by 2040 in alignment with Section 4.02(B) of the EE Regulation.

On May 29, 2026, the Energy Bureau issued a Resolution and Order ("May 29 Order"), in which it temporarily approved the implementation of LUMA's TYP focusing on maintaining program continuity and ensuring a smooth transition into FY27 while the Energy Bureau completes its review and issuance of a final order for the approval of the TYP.

On June 8, 2026, the Aggregators filed a document titled *Joint Motion for Auhorization to Increase the Default Enrolled Battery Capacity for Auto-enrolled Customers in the CBES Program* ("June 8 Motion"), through which the Aggregators request the Energy Bureau to increase the default enrolled battery capacity for auto-enrolled customers from 20% to 30% of the nameplate storage capacity to increase the available capacity in the program by 50%.

¹ LUMA Energy LLC and LUMA Energy ServCo LLC (jointly referred as, "LUMA").



while having minimal impacts on the resilience capabilities of the battery in case of an outage.

II. Discussion and Conclusion

Given the critical condition of Puerto Rico's electric system and the urgency of addressing an estimated 700-850MW of the generation shortfall, the Energy Bureau ordered the Puerto Rico Electric Power Authority ("PREPA") through a Resolution and Order issued on March 19, 2025 ("March 19 Resolution")², to appear before the Public-Private Partnerships Authority ("P3A") and initiate the process for the acquisition of up to 800 MW of temporary generation. Two final agreements to add 800MW of additional emergency temporary base generation for interconnection between Aguirre and Costa Sur still need to be executed by PREPA.

JAB
On December 5, 2025, LUMA filed to the Energy Bureau the document titled *Motion to Submit LUMA's Fiscal Year 2026 Resource Adequacy Study and Request for Confidential Treatment* ("December 5 Motion"), in which LUMA presents their Fiscal Year 2026 Resource Adequacy Study.³ LUMA's study concluded that power generation resources interconnected to Puerto Rico's electric grid are still inadequate to provide electricity service at the degree of expected reliability for U.S. electric utilities and that load-shedding events can be expected to occur due to the inadequate resources.

It has been established that the CBES Program can provide extra generation capacity for the grid and reduce demand during specific windows of time. In their study, LUMA mentions that the expansion of the CBES Program in July 2025 allowed for the provision of approximately 50 MW of VPP supply to the Puerto Rico grid for over 3 hours during the evenings.⁴

ADU
The Aggregators, through the June 8 Motion, state that updating the default enrolled battery capacity from 20% to 30% would turn the CBES Program into approximately 120+ MW resource for 2026, which more than doubles the program's capacity compared to 2025. The Aggregators indicate that this change in default enrolled battery capacity is expected to have a minimal impact on the customers' 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.

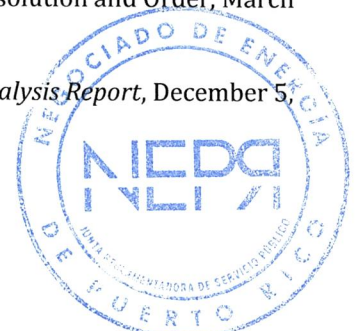
ADU
The Aggregators indicate that allowing for additional capacity in the CBES Program is one of the few immediate actions that can address the persistent generation shortfall. The Energy Bureau agrees that immediate action is needed to address the generation shortfall, particularly since, as of recently, the system has been experiencing load-shedding events due to a recent forced outage at AES Unit 1 and a planned outage at San Juan Unit 6, affecting the generation capacity reserves needed to meet peak demand during the upcoming critical months in Puerto Rico.

Per the analysis uttered by the Aggregators, the sensitivity analyses in LUMA's Adequacy Analysis Report for Fiscal Year 2026 provide 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 S01 battery energy storage projects totaling 188 MW of capacity, a size which an expanded CBES Program could potentially achieve. The LOLE under the Base Case, of LUMA's analysis, was 36.9 events, but with the addition of the ASAP BESS

² Case No. NEPR-MI-2024-0005, In Re: *Electric System Priority Stabilization Plan*, Resolution and Order, March 19, 2025.

ADU
³ Case No. NEPR-MI-2022-0002, *Puerto Rico Electrical System Resource Adequacy Analysis Report*, December 5, 2025.

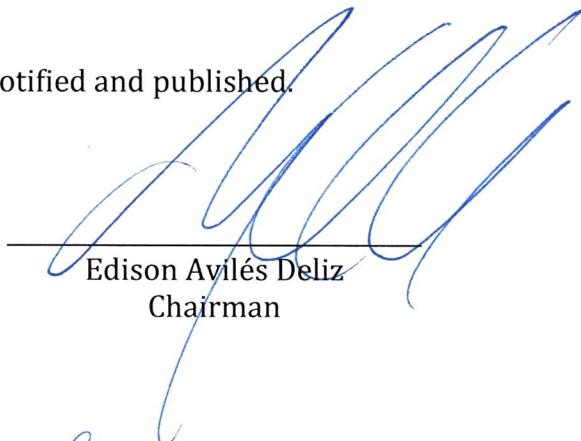
⁴ *Id.*, p. 33



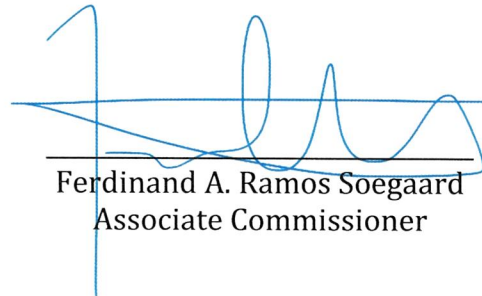
projects (SO1 only) the LOLE dropped to 20.5 events.⁵ The LOLH under the Base Case was 196.3 hours, which was reduced to 119.1 hours with the addition of the ASAP BESS SO1 projects.⁶ The Aggregators state that although the comparison is not perfect, it can help to demonstrate the value that can be provided by increasing the use of the existing battery capacity sited at homes across the island.

Given the current situation where generation capacity is constrained, the daily reserve capacity is uncertain and the possibility of load-shedding events is extremely high, the Energy Bureau **APPROVES** an increase from 20% to 30% to the default enrolled battery capacity for new and existing auto-enrolled customers of the CBES program.

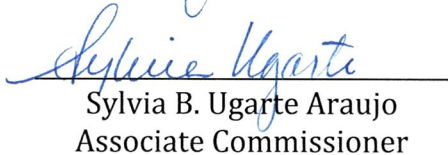
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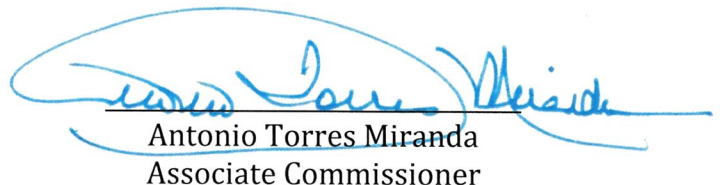
Edison Avilés Deliz
Chairman



Ferdinand A. Ramos Soegaard
Associate Commissioner



Sylvia B. Ugarte Araujo
Associate Commissioner



Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on June 12, 2026. Associate Commissioner Lillian Mateo Santos did not intervene. I also certify that on June 12, 2026, I have proceeded with the filing of the Resolution and Order and a copy of this Resolution and Order was notified by electronic mail to
RegulatoryPREBorders@lumapr.com; katuska.bolanos-lugo@us.dlapiper.com;
margarita.mercado@us.dlapiper.com; laura.rozas@us.dlapiper.com;
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info@sesapr.org; cfl@mcvpr.com; mqs@mcvpr.com; apc@mcvpr.com.

For the record, I sign this in San Juan, Puerto Rico, today June 12, 2026.



Sonia Seda Gaztambide
Clerk



⁵ *Id.*, p. 54.

⁶ *Id.*, p. 57.