

## Accelerated Storage Addition Program

On March 5, 2025, the Puerto Rico Energy Bureau (PREB or Energy Bureau) issued a Resolution and Order in Docket No. NEPR-MI-2024-0002,<sup>1</sup> approving for LUMA to utilize the Purchased Power Charge Adjustment (PPCA) rider as a cost recovery mechanism for costs associated with the implementation of the Accelerated Storage Addition Program (ASAP) through December 2025.<sup>2</sup> Furthermore, the Energy Bureau mandated that LUMA provide justification<sup>3</sup> for the expenses it proposes to recover through the proposed PPCA factor in its quarterly filing on March 17, 2025, as well as in future quarterly factor submissions, based on the Optimistic Case<sup>4</sup> expenses related to the ASAP Implementation.<sup>5</sup>

ASAP is a novel initiative, supported by the Energy Bureau, which was not originally included or considered in LUMA's Operation and Maintenance (O&M) Budget. This initiative draws on industry practices from other regions in the mainland United States, particularly California and Texas.<sup>6</sup> Due to the absence of experienced personnel in Puerto Rico to develop the ASAP framework and limited resources within LUMA, the initial design, contract formulation, financial modeling, and analytical strategies were executed by legal and external consultants with relevant expertise.

On December 22, 2025, LUMA requested an extension to use the remaining balance of the 2025 ASAP budget into calendar year 2026 due to unexpected delays that slowed progress on several key activities planned for 2025.<sup>7</sup> These delays prevented the completion of Phase 1 System Impact Studies, Phase 2 Facility and System Impact Studies, and the finalization of documents required for the Standard Offer Agreements.<sup>8</sup> On January 14, 2026, the Energy Bureau authorized LUMA to use the remaining balance of the approved 2025 ASAP budget during 2026 and continue reporting incurred and forecasted costs in the quarterly PPCA filings through December 31, 2026.<sup>9</sup> The Energy Bureau reiterated that only "Optimistic Case" forward-looking expenses will be approved and emphasized that LUMA must justify all ASAP expenses submitted for recovery through the PPCA.<sup>10</sup>

On March 27, 2026, the Energy Bureau approved previously incurred ASAP Implementation costs of [REDACTED] for expenditures from December 1, 2025, to February 28, 2026, as well as projected

<sup>1</sup> IN RE: LUMA's Accelerated Storage Addition Program, Docket No. NEPR-MI-2024-0002.

<sup>2</sup> Pages 2-3 of Resolution and Order of March 5, 2025, Docket No. NEPR-MI-2024-0002.

<sup>3</sup> In footnote No. 13, PREB emphasizes that the related expenditures must be accompanied by detailed narrative explanations, work papers, and documentation (e.g., invoices and related supporting documentation).

<sup>4</sup> Table 3 Expected Monthly Expenditure by Category of Exhibit 3 "ASAP Program Update" of February 28, 2025, LUMA's Motion to Submit ASAP Program Implementation Plan and Associated Documents, Request for Approval of ASAP Cost Recovery Mechanism, and Request for Confidential Treatment, Docket No. NEPR-MI-2024-0002.

<sup>5</sup> Page 3 of Resolution and Order of March 5, 2025, Docket No. NEPR-MI-2024-0002.

<sup>6</sup> See e.g., [California Public Utilities Commission. \(n.d.\). Energy storage. https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/energy-storage](https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/energy-storage) See e.g., [California Public Utilities Commission. \(n.d.\). Energy storage. https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/energy-storage](https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/energy-storage)

<sup>7</sup> Pages 2, 17-19 of LUMA's *Motion to Request Extension of ASAP Budget to Calendar Year 2026 of December 22, 2025*, Docket No. NEPR-MI-2024-0002.

<sup>8</sup> *Id.*, page 18.

<sup>9</sup> Page 2 of Resolution and Order of January 14, 2026, Docket No. NEPR-MI-2024-0002.

<sup>10</sup> *Id.*

## Exhibit 1

expenses from April 1, 2026, to June 30, 2026, amounting to [REDACTED], which pertain to legal and consulting fees directly associated with the ASAP implementation during the specified periods.<sup>11</sup>

### ASAP INVOICE ACTUALS IMPLEMENTATION PROGRAM COSTS

Since the last update, from March 1, 2025, to May 31, 2026, LUMA spent [REDACTED]<sup>12</sup> on consultants and legal services for the ongoing development of the ASAP Program. Activities since the last update have remained focused on advancing all Standard Offer (SO) participants through the regulatory approval process, these include SO1 Phase 1 and SO1 Phase 2 participants.

To date, ten SO1 agreements have been approved by the Energy Bureau, totaling 594.4 MW of battery energy storage systems (BESS). From September to November 2025, LUMA submitted two SO1 Phase 1 Agreements and four SO1 Phase 2 Agreements to the Puerto Rico Electric Power Authority (PREPA) for approval; PREPA's Governing Board approved them on February 19, 2026, and submitted them to the Financial Oversight and Management Board for Puerto Rico (FOMB) for their respective review and approval. On May 8, 2026, after various requests for information (RFI) between FOMB, LUMA, and the participants, FOMB conditionally approved the six SO Agreements. Subsequently, five of the ten participants submitted the required Signing Conditions and are awaiting execution by PREPA. On April 7, 2026, one of the ten participants completed execution of the SO. Consultants continue to assist LUMA with PREPA, FOMB, and developer follow-ups regarding outstanding SO agreement items and addressing related concerns to support timely approval and execution.

ASAP activity slowed significantly for about four weeks between March and April due to issues related to LUMA's cash constraints. After the issues were resolved, conversations with ASAP participants recovered their normal pace in order to obtain their corresponding feedback to the previously distributed Large Generator Interconnection Agreement (LGIA) draft and Agreed Operating Procedures (AOP). Additional delays were experienced due to some participants' late delivery of signing conditions and responses to RFIs. Continued collaboration with SO1 participants is focused on resolving outstanding AOP items and further refining select procedures, with only a limited number of procedures still requiring finalization. While consultants address the remaining outstanding items with SO1 Phase 1 participants, they initiated an internal review of the latest draft of the AOP (v4) in January, which is still ongoing pending feedback from various internal teams. Following this review and once all feedback is incorporated into the latest AOP draft, legal professionals will perform an additional review. Consultants coordinate these reviews of the AOP and LGIA with the legal consultants to ensure compliance with the SO.

Facility studies have been completed for all points of interconnection (POI) of facilities participating in SO1 Phase 1. The engineering firm has provided the final facility studies results. The engineering firm has received the necessary information from SO1 participants to begin system impact studies and confirmed a preliminary study was completed in February. The first cluster study report of the SO1 Phase 1 system impact studies was completed in April, resulting in various items that need corrections by the participants. The consultants are facilitating communications, required meetings, and RFIs to complete the requested

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<sup>11</sup> Resolution and Order, In Re: Tarifa Permanente de la Autoridad de Energía Eléctrica, Docket No. NEPR-MI-2020-0001.

<sup>12</sup> Note that this figure differs from the "FAC-PPAC Reconciliation Mar-Apr-May 2026 \_Values.xlsx" because LUMA's monthly financial closings follow a different schedule. ASAP costs are reported with a one-month delay, which affects the timing of the amounts shown.

LUMA'S ASAP IMPLEMENTATION COSTS

Exhibit 1

corrections. Additionally, engineering models have been collected from SO1 Phase 2 participants, and the team has started conversations with internal LUMA teams to coordinate the next series of facility and system impact studies.

The team continues to prepare and submit various status reports to ensure key stakeholders, both internal and external (e.g., with interested and committed developers and regulatory agencies), remain informed and aligned on critical updates.

Table 0-1. ASAP Invoice Actuals Program Implementation Costs<sup>13</sup>

Actual Costs per Month	Legal	Consultants	Total
Expended through December 31, 2024			
January 2025			
February 2025			
March 2025			
April 2025			
May 2025 <sup>15</sup>			
June 2025			
July 2025			
August 2025			
September 2025			
October 2025			
November 2025			
December 2025			
January 2026			
February 2026			
March 2026			
April 2026			
May 2026			

<sup>13</sup> For a background on the ASAP Program Implementation Plan and cost recovery mechanism, see *Motion to Submit Proposed Standard Offer Phase 2 Agreement in Compliance with Resolution and Order of December 4, 2024, and Request for Confidentiality* filed on December 19, 2024, pp. 10-11; *Informative Motion and to Submit Estimate of Costs for ASAP in Compliance with Resolution and Order of January 14, 2025, and Request for Confidential Treatment* filed on January 31, 2025, pp. 11-12 and Exhibit 1; and *Motion to Submit ASAP Program Implementation Plan and Associated Documents, Request for Approval of ASAP Cost Recovery Mechanism, and Request for Confidential Treatment* filed on February 28, 2025, pp. 11-15 and Exhibit 3.

<sup>14</sup> The March 2025 legal expense reflects a credit that was received in March due to an adjustment of the previous invoices.

<sup>15</sup> As previously noted, due to the timing of LUMA's monthly financial closings, ASAP Program costs are reported with a one-month delay.



## Exhibit 1

### ASAP FORECAST IMPLEMENTATION PROGRAM COSTS

#### *June 2026 (Current Month)*

In June, LUMA will work closely with SO1 Phase 1 developers to request and coordinate any modifications needed to their engineering models based on the results of the first cluster System Impact Study. In parallel, LUMA will request and review the PSSE models and Interconnection Application Forms submitted by SO1 Phase 2 developers. Throughout the month, LUMA expects to complete its internal review of the AOP and advance it to legal review, while also supporting legal review of LGIA feedback provided by developers. Additionally, LUMA will continue supporting signing-conditions follow-up for developers who have obtained all necessary regulatory approvals and will monitor the conditions precedent for executed SOs.

#### *July 2026*

In July, LUMA will continue providing support to participants, PREPA, and FOMB as they work toward completing signing conditions, executing SOs, and fulfilling the requirements needed to reach Closing Date. LUMA will also coordinate the commencement of SO1 Phase 2 engineering studies and continue progressing the AOP through legal review. During this period, LUMA will incorporate LGIA feedback received from developers and issue updated versions accordingly. Additionally, LUMA will submit the ASAP progress report under docket NEPR-MI-2024-0002.

#### *August 2026*

In August, LUMA will continue supporting participants, PREPA, and FOMB as they work to finalize signing conditions, execute SOs, and meet the conditions precedent required to achieve Closing Date. Work on SO1 Phase 2 engineering studies will continue to advance during this month. LUMA also expects to finalize the AOP legal review and issue an updated version to developers.

#### *September 2026*

In September, LUMA will maintain its support for participants, PREPA, and FOMB as they move toward completing signing conditions, executing SOs, and satisfying all conditions precedent for Closing Date. LUMA will continue progressing SO1 Phase 2 engineering studies through the required analyses. During this month, LUMA also plans to finalize the AOP legal review and provide developers with the updated documentation.

# Exhibit 1

Table 0-2. ASAP Forecast Program Implementation Costs

Forecast Cost per Month	Legal	Consultant <sup>16</sup>	Total
June			
July			
August			
September			

<sup>16</sup> This column includes the line items "Consultant," "Other," and "Contingency" in Table 3 of the Exhibit 3 submitted with LUMA's Motion to Submit ASAP Program Implementation Plan and Associated Documents, Request for Approval of ASAP Cost Recovery Mechanism, and Request for Confidential Treatment, Docket No. NEPR-MI-2024-0002 on February 28, 2025.