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

IN RE: ENERGY EFFICIENCY AND DEMAND RESPONSE TRANSITION PERIOD PLAN	**CASE NO.:** NEPR-MI-2022-0001 **SUBJECT:** Informative Motion on Reallocation of Funding within EE Program Portfolio Budget

INFORMATIVE MOTION ON REALLOCATION OF FUNDING WITHIN EE PROGRAM PORTFOLIO BUDGET

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:

I. Introduction

As the system operator, LUMA is responsible for facilitating the implementation of Puerto Rico's public energy policy, including key customer initiatives such as Energy Efficiency ("EE") and Demand Response ("DR") Programs, which are required by law and mandated by the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau"). Since 2023, LUMA has been implementing a Transition Period Plan containing various quick-start or pilot EE and DR programs ("TPP") setting the stage for the design and implementation of more permanent programs.

With this motion, LUMA respectfully informs the Energy Bureau of a reallocation of funds within the previously approved Fiscal Year ("FY") 2026 EE portfolio budget in order to maximize energy efficiency program savings for the fiscal year. As described below, the pause of certain EE programs during the first and second quarters of FY 2026, together with the time required to reactivate them, has left certain program budget amounts unspent. As permitted under Energy Bureau directives, and as set forth more fully below, LUMA is addressing this situation through a reallocation within the approved FY 2026 EE portfolio budget that neither increases the overall budget nor requires additional EE Rider funding.

II. Relevant Procedural Background

1. On January 31, 2025, LUMA filed a proposed revised TPP ("Proposed Revised TPP").[1]

2. On June 26, 2025, the Energy Bureau issued a Resolution and Order ("June 26th Order") directing LUMA to file an amended EE program for FY 2026 in accordance with specified requirements.[2] The Energy Bureau determined that "a budget of approximately $19.1 million is appropriate for FY 2026 […] to achieve approximately 0.27 percent first year savings (43,000 MWh)", emphasizing that "this budget and increased savings can also be achieved without changing the current value of the EE Rider".[3] The Energy Bureau then directed LUMA to calculate the final FY 2026 budget by determining its FY 2025 carryover amount and adding the expected EE Rider revenue at the rider's then current value and to include that specific budget and revenue calculation within the updated TPP.[4] The Bureau also imposed specific caps on certain administrative and educational program budgets and provided non-binding assumptions of

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[1] *See Motion to Submit Revised Energy Efficiency and Demand Response Transition Period Plan and request for Modification of Deadlines Relating to Three-Year Energy Efficiency and Demand Response Plan* and its *Exhibit 1*.
[2] *See* June 26th Order, pp. 3-4.
[3] *See id.*, p. 3.
[4] *See id*.

resource program budgets to model the savings target, while indicating that "LUMA retains flexibility to allocate its budget among its proposed EE resource acquisition programs".[5]

3. On July 22, 2025, LUMA filed its amended EE program plan as part of its Proposed Revised TPP for implementation in FY 2026 ("Amended EE Program Plan").[6] LUMA proposed a total EE portfolio budget of $16,187,656 for FY2026 with proposed allocations for resource acquisition programs and capped budgets for the administrative/educational programs.[7] LUMA estimated this budget would yield energy savings of approximately 32,375–32,376 MWh in FY 2026, a target of about 0.2% of FY 2026 sales.[8]

4. On August 19, 2025, the Energy Bureau issued a Resolution and Order ("August 19th Order") approving the Amended EE Program Plan for implementation in FY 2026.[9]

III. Reallocation within EE Portfolio Budget

5. LUMA respectfully informs that given the pause in EE programs resulting from the funding constraints described in the Consolidated TPP and DR Administrative Costs Quarterly Report ("TPP Report") for the first quarter ("Q") of FY 2026[10] and the Q2 FY26 TPP Report[11] and the time that it took to reactivate these programs as described in its *Informative Motion Regarding Compliance with January 23, 2026 Resolution and Order* filed on January 30, 2026[12] and the Q3 FY26 TPP Report[13], amounts budgeted for the Residential Rebates Program have not been fully

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[5] *See id*., p.3.
[6] *See Motion to Submit Amended Energy Efficiency Program Plan in Compliance with Resolution and Order of June 26, 2025*.
[7] *See id*., Exhibit1, p. 10.
[8] *See id*., pp. 6 and 8.
[9] *See* August 19th Order, p.3.
[10] *See Motion to Submit FY26 Q1 Consolidated Transition Period Plan and Demand Response Administrative Cost Quarterly Report*. Exhibit 1, p. 8.
[11] *See Motion to Submit FY2026 Q2 Consolidated Transition Period Plan and Demand Response Administrative Cost Quarterly Report*, Exhibit 1, p. 35.
[12] *See* pages 3-4 of this Motion.
[13] *See Motion to Submit FY2026 Q3 Consolidated Transition Period Plan and Demand Response Administrative Cost Quarterly Report*, Exhibit 1, pp. 8 and 13.

spent as of this date. As a result, without reallocating available funds to programs with greater near-term implementation potential, estimated savings for FY 2026 may not be fully realized. To address this situation and maximize program savings, LUMA hereby informs the Energy Bureau that, as allowed under the June 26th Order, it is reallocating the amount of $1.8 million within the FY 2026 EE portfolio budget to the continued implementation of the Residential EE Kits Program. The $1.8 million would shift from the Residential Rebates Program budget to the Residential EE Kits budget. The Residential EE Kits Program has demonstrated strong customer demand and has significantly exceeded original energy savings projections, making it the most effective recipient of available FY 2026 funds. This funding will support the purchase and distribution of approximately 28,000 additional Residential EE Kits before the end of FY 2026, along with associated program administration costs. The proposed reallocation does not increase the overall approved FY 2026 EE portfolio budget and does not require additional EE Rider funding.

6. In conjunction with the budget shift, LUMA also proposes to realign energy savings targets among EE programs to reflect current implementation conditions while maintaining the overall FY2026 savings target of 32,375 MWh.

7. LUMA will provide detailed information and results in its upcoming FY 2026 Q4 report.

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the foregoing.

RESPECTFULLY SUBMITTED.

In Guaynabo, Puerto Rico, this 26th day of June 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 hrivera@jrsp.pr.gov; nzayas@gmlex.net; mvalle@gmlex.net; rcruzfranqui@gmlex.net; javrua@sesapr.org; mrios@arroyorioslaw.com; jordgraham@tesla.com; forest@cleanenergy.org;

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