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Received:

Aug 24, 2026

10:58 AM

GOVERNMENT OF PUERTO RICO
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:** 2026-2028 EE and DR Three Year Plan Requirements of Information

MOTION IN COMPLIANCE WITH AUGUST 10 RESOLUTION AND ORDER

TO THE HONORABLE ENERGY BUREAU:

COMES NOW, SunStrong Management LLC (“SunStrong”), represented by the undersigned legal counsel, and respectfully submits the following:

I. Introduction

On March 2, 2026, LUMA Energy LLC and LUMA Energy ServCo LLC (jointly referred as, "LUMA") submitted its Three-Year Plan for Energy Efficiency and Demand Response ("TYP"). Shortly thereafter, the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a Resolution and Order initiating the current proceeding for the review of the 2026-2028 TYP.

On April 8, 2026, SunStrong submitted a motion titled *Sunstrong's Comments Regarding CBES Program Administration and Recommended Safeguards for the 2026-2028 EE and DR Plan* (the “April 8 Motion”). These comments arose from an August 2025 incident where SunStrong reached its contracted CBES program price ceiling without prior notice, which resulted in non-payment for a portion of the associated compensation.

Subsequently, on August 10, 2026, the Energy Bureau issued a Resolution and Order ("August 10 R&O") directing both LUMA and SunStrong to respond to the Requirements of Information ("ROIs") enumerated in Attachment A of said order. In strict compliance with the August 10 R&O, SunStrong hereby respectfully submits its formal responses to the designated requests.

II. SunStrong's response to the Energy Bureau's ROI

1. ***What portion of compensation did LUMA not pay SunStrong for events in August 2025? As part of the response, provide:***
    a. ***The amount of kWh SunStrong provided for August 2025 events.***
    b. ***The dollar amount SunStrong expected from LUMA for August 2025 performance.***
    c. ***The dollar amount SunStrong received from LUMA for August 2025 performance.***

During the July 1, 2025 to September 30, 2025 performance period, SunStrong provided 2,404,530.30 kWh. At $1.25 per kWh, SunStrong expected compensation of $3,005,662.87. LUMA paid $2,659,462.81, leaving $346,200.06 identified as an "Adjustment as Contract Balance," which SunStrong has not received.

To SunStrong's knowledge, the nonpayment was based on LUMA's position that the contract ceiling had been exceeded, and not on any finding that the underlying dispatch performance was invalid.

2. ***Have SunStrong and LUMA resolved this matter from August 2025? If so, please summarize the outcome. If not, please provide a status update on discussions and expected next steps.***

No. The historical nonpayment issue remains unresolved. SunStrong and LUMA have discussed both the outstanding dispute and, more importantly, operational measures to prevent a recurrence. SunStrong understands that the next step is to develop a formal standard operating procedure ("SOP") for contract-cap tracking, forecasting, amendment timing, and escalation. Such an SOP would address SunStrong's April 8 Motion concern that aggregators lack the visibility and tools needed to manage contract-ceiling exposure in real time.

Separately, SunStrong recently received a countersigned contract amendment from LUMA increasing the applicable ceiling from $9 million to $13.763 million. As a practical matter, the amendment improves near-term program continuity, but it does not by itself resolve the prior unpaid amount or eliminate the need for a more durable process.

SunStrong expects the next steps to include: (a) identifying designated representatives from LUMA to develop the SOP; and (b) addressing how future ceiling increases will be triggered with adequate lead time based on realistic event forecasts and current program conditions.

3. ***How did SunStrong address the unpaid compensation from August 2025? Did SunStrong adjust the incentives it paid to participating customers, or had SunStrong already paid customers for their participation before LUMA notified SunStrong it would not be compensated?***

SunStrong addressed the unpaid compensation by prorating customer incentive payments for the relevant quarterly payment period based on the compensation actually received compared to the amount expected. In other words, SunStrong distributed the available compensation proportionally rather than withholding payment entirely from any group of customers.

SunStrong used this approach to preserve fairness across participating customers and avoid assigning the full impact of the disputed shortfall to any particular customer group. To date, SunStrong has not received any customer claims or complaints alleging underpayment related to this issue. However, the absence of complaints should not be viewed as diminishing the significance of the underlying problem; instead, it reflects SunStrong's efforts to manage the matter in a way that minimized customer disruption and supported continued program participation.

This issue reinforces the need for the safeguards SunStrong requested in its April 8 Motion. Participating customers should not be affected by administrative uncertainty over contract-cap monitoring or the timing of necessary amendments.

4. ***Has SunStrong run into any similar situations where the contracted price ceiling was an issue with LUMA and CBES payments outside of August 2025?***

Yes. After the historical nonpayment issue, SunStrong again approached the then-applicable $9 million contract ceiling and faced renewed uncertainty over whether continued full participation could cause the ceiling to be exceeded before an amendment was executed. SunStrong monitored that risk internally and, before the recent amendment was countersigned, understood that only limited runway remained under the prior cap. As a result, SunStrong had to consider whether participation might need to be curtailed or paused to avoid repeating the same issue.

That concern was addressed in the near term when LUMA countersigned an amendment increasing the ceiling to $13.763 million. SunStrong appreciates LUMA's recent efforts to advance that amendment. However, the experience confirms that the issue extends beyond the historical unpaid balance. Without a more reliable process for forecasting event volume and increasing the ceiling with sufficient lead time, the same problem may recur.

SunStrong previously informed the Energy Bureau that the current program structure gives LUMA control over dispatch, validation, and payment decisions, while aggregators lack corresponding real-time visibility into contract-ceiling exposure. The recurrence of this concern confirms that the issue is structural rather than isolated.

5. ***How does the new $9 million contracted price ceiling impact SunStrong's concerns with LUMA's implementation of the CBES program?***

The contracted price ceiling materially affects SunStrong's implementation concerns because it creates a mismatch between who controls event calls and who bears the payment risk once the ceiling is approached. While LUMA retains sole authority over program operations, dispatch calls, validation, and settlement metrics, SunStrong bears the resource-intensive responsibilities of customer enrollment, field execution, and incentive administration. Without real-time visibility into remaining contract capacity, SunStrong is forced to deploy critical grid resources during emergency events without any guarantee of compensation. This structural uncertainty creates severe financial risk for aggregators, complicates consumer payout management, and may force aggregators to consider reducing participation during periods of peak grid stress, ultimately undermining the long-term scalability of the program.

These issues align with the broader concerns SunStrong identified in the April 8, Motion, which detailed how aggregators lack the practical tools to monitor, anticipate, or mitigate contract-cap exposure while fulfilling LUMA's dispatch directives. To resolve these operational constraints and enhance program delivery, SunStrong advocates for the adoption of structured safeguards such as: (a) routine cap monitoring and reporting processes; (b) establishing consistent updates on event forecasts and budgetary assumptions; (c) implementing proactive amendment triggers before remaining capacity drops past a set threshold; and (d) expanding the overall ceiling to establish a durable operational runway that avoids frequent emergency interventions.

6. ***Can SunStrong estimate its progress towards the contracted price ceiling? If not, what information does SunStrong not currently have access to that would allow it to track its progress?***

SunStrong can approximate its progress toward the contracted price ceiling using internal event-level tracking and post-event reports to approximate the rate at which compensation is accruing, but these directional estimates cannot substitute for the definitive validation and settlement data that govern actual cap consumption.

Prospectively managing this exposure remains difficult because SunStrong lacks timely and reliable access to critical metrics, including: (a) final settled event data and the resulting revenue that ultimately govern contract-cap consumption; (b) current remaining balance under the applicable contract ceiling as maintained by LUMA; (c) updated event forecasts, including the second-half / year-end event forecast that would inform expected contracted revenue burn rate and participation runway; and (d) the assumptions used by LUMA to set or revise the ceiling amount, including how the most recent increase was sized.

The absence of this information limits SunStrong’s ability to manage ceiling exposure prospectively. As SunStrong previously informed the Energy Bureau, the current structure leaves aggregators without practical real-time tools to monitor or mitigate that exposure.

This vulnerability is compounded by significant discrepancies in program forecasting. For example, SunStrong understands that a recent forecast from LUMA's System Operations team projected only six Q3 events (comprising two in July and four in August, with none scheduled for September). However, actual dispatch activity materially exceeded that projection, reaching thirteen events in July and five in the first half of August alone. Furthermore, SunStrong has yet to receive an updated forecast for the remainder of the year. When forecasts materially understate likely event volume, ceiling increases based on those forecasts are likely to be too conservative and can recreate the same operational risk. SunStrong maintains that formalized information-sharing protocols and automated amendment triggers are essential to program stability.

WHEREFORE, SunStrong Management LLC respectfully requests that the Honorable Energy Bureau take notice of the foregoing responses to the ROI and deem SunStrong it in compliance with the August 10 R&O.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, on August 20, 2026.

WE HEREBY CERTIFY that this motion was filed using the Energy Bureau's electronic filing system and that electronic copies of this motion will be notified to RegulatoryPREBorders@lumapr.com; katiuska.bolanos-lugo@us.dlapiper.com; margarita.mercado@us.dlapiper.com; laura.rozas@us.dlapiper.com; alexis.rivera@prepa.pr.gov; nzayas@gmlex.net; mvalle@gmlex.net; rcruzfranqui@gmlex.net; hrivera@jrsp.pr.gov; javrua@sesapr.org; mrios@arroyorioslaw.com; jordgraham@tesla.com; forest@cleanenergy.org; dadavlieu@gmai.com; pjcleanenergy@gmail.com; agraitfe@agraitlawpr.com; jpouroman@outlook.com; info@sesapr.org.

McCONNELL VALDÉS LLC
Counsel for SunStrong Management LLC
PO Box 364225
San Juan, Puerto Rico 00936-4225
270 Muñoz Rivera Avenue

San Juan, Puerto Rico 00918
www.mcvpr.com

André J. Palerm Colón
PR Supreme Court ID No. 21196
Tel. (787) 250-5636
apc@mcvpr.com