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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:** Urgent Request for Immediate Action on Program Funding and Contract-Ceiling Authority

SUNSTRONG MANAGEMENT LLC'S URGENT MOTION REQUESTING EXPEDITED INTERIM RELIEF

TO THE HONORABLE ENERGY BUREAU:

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

I. INTRODUCTION

SunStrong respectfully submits this Urgent Motion requesting action by the Puerto Rico Energy Bureau of the Public Service Regulatory Board ("Energy Bureau" or "PREB") to prevent the imminent interruption of SunStrong's participation in the Customer Battery Energy Sharing ("CBES") Program, implemented under the Battery Emergency Demand Response Program ("BEDRP") pursuant to the Transition Period Plan ("TPP"). Due to the extraordinary frequency of recent CBES dispatch events, SunStrong is rapidly approaching the authorized funding ceiling under its existing agreement with LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, "LUMA"). Absent a contractual amendment, SunStrong may be forced to temporarily suspend participation in future CBES events, notwithstanding its continued operational readiness and willingness to provide critical grid support.

As of the date of this filing, SunStrong estimates that its remaining contractual capacity is sufficient to support only two (2) additional CBES events. LUMA dispatched the CBES Program for eight (8) consecutive days through October 20, with another event anticipated today, October 21, 2026. At the current dispatch frequency, SunStrong could exhaust its remaining contractual authorization within days. An interruption under these circumstances would deprive LUMA's System Operations of an available demand-response resource during a period of sustained reliance on the Program, potentially increasing operational and system reliability risks.

The impending interruption is not attributable to any deficiency in SunStrong's operational capacity or willingness to continue participating. Rather, it arises from the existing contractual funding framework, under which individual aggregator agreements are subject to predetermined funding ceilings. Although funds may remain available within the overall approved program budget, SunStrong understands that LUMA may require further regulatory authorization to reallocate those funds or amend an individual aggregator's contractual ceiling. This distinction between aggregate budget authority and individual contractual allocations creates a risk that otherwise available resources will be excluded from dispatch despite the potential availability of approved program funds.

SunStrong requests immediate regulatory clarification and, as necessary, limited interim authority to permit LUMA to amend SunStrong's contractual ceiling, subject to applicable budgetary controls and contractual requirements. SunStrong further requests an expedited process to establish the funding available for continued participation and appropriate safeguards to prevent recurrence. Given the limited number of events remaining under SunStrong's existing authorization, ordinary regulatory timelines may not provide effective relief before an interruption occurs.

II. BACKGROUND

On September 21, 2026, LUMA requested that SunStrong estimate the number of additional CBES events it could support before reaching its existing contractual ceiling. SunStrong responded that its remaining contractual capacity would support approximately twelve (12) to fourteen (14) additional events.

Since that communication, nine (9) events have been called, and as of this date, SunStrong estimates that its existing contractual authorization is sufficient to support only two (2) additional events. Compounding this urgency, LUMA has dispatched the CBES Program for eight (8) consecutive days through October 20, with an additional event anticipated today, October 21, 2026. At the current rate of dispatch, SunStrong could exhaust its remaining contractual capacity within days, placing its continued participation in the Program at imminent risk. The loss of an available demand-response resource during a sustained period of dispatches may create operational and reliability risks for LUMA System Operations.

This circumstance is not unprecedented. On April 8, 2026, SunStrong submitted comments to the Energy Bureau addressing CBES Program administration and recommending

safeguards in response to a 2025 incident in which SunStrong reached its contractual program ceiling without sufficient advance notice. SunStrong subsequently informed the Energy Bureau that LUMA had countersigned an amendment increasing its contractual ceiling from $9 million to $13.763 million. Although the amendment provided additional near-term operating capacity, it did not resolve the previously outstanding compensation issue or establish a durable mechanism to avoid similar circumstances in the future.

Subsequent experience confirms that the problem remains unresolved. Despite the prior increase, SunStrong is once again very close to its contractual ceiling and faces the prospect of suspending participation to avoid performance beyond its authorized compensation limit. The recurrence underscores the need for a mechanism that accounts for actual dispatch frequency, provides timely notice of approaching contractual limits, and facilitates amendments before continued participation is jeopardized.

In its October 6, 2026 response to the Energy Bureau's September 22, 2026 Requirements of Information, LUMA requested approximately $10.18 million in additional CBES funding for Fiscal Year 2027, including approximately $6.34 million to address a projected shortfall in incentive payments and $3.8 million to support the participation of two additional aggregators. LUMA also acknowledged the risk that existing aggregators could reach their contractual limits and be unable to continue participating without additional funding authorization, thereby reducing the capacity available to support system reliability.

SunStrong's present circumstances illustrate the immediate operational consequences of this funding and contractual framework.

III. REGULATORY INTERVENTION IS NECESSARY TO ADDRESS THE CONTRACTUAL FUNDING CONSTRAINT

A. Aggregate Program Budget Authority and Individual Contractual Ceilings Should Be Addressed Separately

The aggregate CBES Program budget and the funding ceiling established under an individual aggregator agreement serve distinct purposes. The former establishes the overall amount authorized for program expenditures, while the latter defines the funding allocation and corresponding contractual limit applicable to a particular aggregator. Accordingly, an aggregator may reach its individual contractual ceiling even when funds remain available within the aggregate approved program budget.

Based on available information, SunStrong understands that LUMA currently lacks, or considers itself to lack, sufficient authority to reallocate available program funds among aggregators and amend their contractual ceilings without additional authorization from the Energy Bureau. Consequently, an administrative allocation may prevent the continued dispatch of an otherwise available resource, even where an increase in the aggregate program budget may not be necessary.

SunStrong respectfully submits that these issues should be addressed independently. To the extent uncommitted funds remain available within the approved aggregate program budget, the Energy Bureau should authorize or clarify LUMA's authority to reallocate such funds and amend individual aggregator agreements, provided that the resulting obligations remain within the aggregate authorized budget and satisfy applicable contractual and regulatory requirements. Such relief would promote the efficient use of previously authorized funds while preserving the Energy Bureau's oversight of program expenditures.

If sufficient approved funds are unavailable, the Energy Bureau should expeditiously consider the additional funding requested by LUMA on October 6, 2026, or otherwise authorize an appropriate interim funding mechanism to prevent the interruption of available demand-response capacity, subject to such conditions as the Energy Bureau deems necessary.

This approach would allow the Energy Bureau to address the immediate threat to program continuity without necessarily awaiting final resolution of the Program's broader funding requirements. It would also preserve the distinction between reallocating funds within an existing authorization and approving expenditures that require an increase in the aggregate program budget.

B. Immediate Reporting and an Expedited Contract Amendment Process Are Necessary

As mentioned by SunStrong in previous filings to the Energy Bureau, without timely and reliable information regarding contractual cap consumption, SunStrong risks receiving dispatch instructions when sufficient compensation authority may no longer be available. Accordingly, SunStrong requests that the Energy Bureau direct LUMA to submit, within one (1) business day of the Energy Bureau's order, a report identifying: (a) The total currently approved CBES Program budget; (b) the amounts paid, accrued, committed, or reserved under the Program; (c) the amount of approved program funding presently available for reallocation; (d) each aggregator's current contractual ceiling and estimated remaining capacity, subject to appropriate confidential treatment; (e) whether LUMA considers itself authorized to reallocate available approved program

funds and amend individual contractual ceilings without additional Energy Bureau approval, and, if not, the specific authority it considers necessary; and (f) the earliest date by which LUMA can tender and execute an amendment to SunStrong's existing agreement.

SunStrong further requests that the Energy Bureau direct LUMA to confer immediately with SunStrong to determine the appropriate increase to its contractual ceiling and promptly tender the corresponding amendment, subject to SunStrong's consent and applicable contractual requirements. To the extent sufficient funding is available within the approved aggregate program budget, the Energy Bureau should authorize the necessary reallocation and corresponding contractual amendment without requiring an increase in that budget.

If LUMA's October 6, 2026 response provides a procedurally sufficient basis for approval of additional program funding, SunStrong respectfully requests that the Energy Bureau consider and resolve that request on an expedited basis. Alternatively, if a separate motion or petition is required, Sunstrong moves the Energy Bureau to direct LUMA to submit the appropriate request, together with the necessary supporting information, within one (1) business day. In either event, the procedural posture of LUMA's funding request should not prevent the Energy Bureau from considering interim measures necessary to preserve available demand-response capacity.

The recurring nature of this issue demonstrates that isolated contractual amendments, although necessary to preserve short-term operating capacity, do not adequately address the underlying deficiencies in monitoring, forecasting, notification, and amendment timing. SunStrong previously raised these concerns in its April 8, 2026 comments, and the present circumstances further underscore the need for a durable administrative framework.

WHEREFORE, SunStrong respectfully requests that the Energy Bureau:

1. **TAKE NOTICE** of the foregoing and grant this Motion urgent consideration in light of the imminent risk of interruption to SunStrong's participation in the CBES Program and the potential consequences for the availability of demand-response resources supporting Puerto Rico's electric system;
2. **ISSUE AN EXPEDITED ORDER** authorizing or clarifying LUMA's authority to reallocate available, uncommitted funds within the existing approved aggregate CBES Program budget to increase SunStrong's individual contractual ceiling, without exceeding the aggregate budget authorized by the Energy Bureau and subject to applicable contractual and regulatory requirements;

3. **IN THE ALTERNATIVE**, should sufficient approved program funds be unavailable or additional budgetary authorization be required, expeditiously consider and resolve LUMA's October 6, 2026 request for additional CBES funding, or grant such limited interim authorization as may be appropriate to enable the timely amendment of SunStrong's agreement and prevent an interruption in its participation pending final resolution of the broader funding request;
4. **ORDER LUMA**, within one (1) business day of the Energy Bureau's order, to submit a report identifying: (a) the total approved CBES Program budget; (b) the amounts paid, accrued, committed, or reserved under the Program; (c) the amount of approved funding available for reallocation; (d) each aggregator's current contractual ceiling and estimated remaining capacity, subject to appropriate confidential treatment; (e) whether LUMA considers additional regulatory authorization necessary to reallocate approved funds and amend individual contractual ceilings, including the basis for that position; and (f) the earliest date by which LUMA can tender and execute an amendment to SunStrong's existing agreement;
5. **DIRECT LUMA** to confer immediately with SunStrong to determine the additional contractual authorization necessary to maintain its participation in the CBES Program and to promptly undertake the steps required to tender and execute the corresponding amendment;
6. **DIRECT LUMA**, should its October 6, 2026 response not constitute a procedurally sufficient request for additional budget authorization, to submit the appropriate motion or petition, together with the necessary supporting information, within one (1) business day, without delaying consideration of the interim relief requested herein;
7. **ORDER LUMA** to submit, within a reasonable period established by the Energy Bureau, a proposed procedure for monitoring aggregate program expenditures and individual contractual ceilings, providing timely notice of approaching funding limits, facilitating the reallocation of available approved funds and expedited contractual amendments, and establishing appropriate safeguards to ensure that dispatch instructions are aligned with available compensation authority and that duly authorized and validated performance is compensated in accordance with applicable requirements; and
8. **GRANT** such other and further relief as the Energy Bureau deems just, reasonable, and appropriate to prevent an avoidable interruption in SunStrong's participation, preserve available demand-response capacity, and ensure the continued operation of the CBES Program consistent with applicable budgetary and regulatory requirements.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, on October 21, 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.

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