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

IN RE: WHEELING IMPLEMENTATION	**CASE NO.:** NEPR-MI-2023-0001 **SUBJECT:** LUMA's Wheeling Implementation Report for Fiscal Year 2026

MOTION TO SUBMIT LUMA'S WHEELING IMPLEMENTATION REPORT FOR FISCAL YEAR 2026

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME NOW LUMA Energy, LLC and **LUMA Energy ServCo, LLC** (jointly referred to as "LUMA"), through the undersigned counsel, and respectfully state and request the following:

1. On January 22, 2024, after several procedural developments elapsed during the year 2023, the Honorable Energy Bureau ("Energy Bureau") issued a Resolution and Order ("January 22nd Order") whereby, among multiple considerations, it ordered LUMA to submit Annual Wheeling Reports that showed "the progress of system improvements to the Energy Management System and modeling of OSI-PI data." *See* January 22nd Order, p. 11.

2. On April 24, 2024, the Energy Bureau issued a Resolution and Order ("April 24th Order") whereby, among several considerations, it ordered LUMA to submit annual filings within one hundred and twenty (120) days of the end of each fiscal year - through the end of fiscal year 2029 - containing "the magnitude and percentage of excess production by [Retail Electricity Suppliers ("RES")] (beyond the loss-adjusted customer load), the amount of net compensation provided to RES for this excess energy, and the excess-production-weighted average marginal cost of the excess energy." *See* April 24th Order, p. 4. The Energy Bureau also reserved its right to review the data filed each year. *See id*.

3. In compliance with the annual reporting requirements set forth in the January 22nd and April 24th Orders, LUMA respectfully submits Wheeling Annual Report FY2026 as Exhibit 1 to the present Motion.

4. As explained in Exhibit 1, the Retail Wheeling Program was not operational during Fiscal Year 2026 and, therefore, the operational data requested in the April 24th Order does not currently exist. LUMA will submit such data once the interim wheeling program is approved and operational. *See* Exhibit 1, p. 7.

WHEREFORE, LUMA respectfully requests that the Honorable Energy Bureau **take notice** of the above; **accept** Exhibit 1 of this Motion; and **deem** LUMA in compliance with the reporting requirements set forth in the January 22nd and April 24th Orders.

RESPECTFULLY SUBMITTED.

In Guaynabo, Puerto Rico, on the 27th day of October 2026.

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CERTIFICATE OF SERVICE

I hereby certify that on the 28th day of October 2026, I filed the foregoing motion with the Clerk of the Puerto Rico Energy Bureau through the Energy Bureau's electronic filing system. I further certify that on the same date I served a true and correct copy of the foregoing filing upon all parties of record in this proceeding via electronic mail, in accordance with the applicable rules and regulations, including:

The Puerto Rico Electric Power Authority, through
alexis.rivera@prepa.pr.gov;

The Independent Consumer Protection Office, through
contratistas@jrsp.pr.gov;
hrivera@jrsp.pr.gov; and

The following stakeholders:
Phoebus Fund PR, LLC: akennedy@phoebusfund.com;
Circon Energy, LLC: tbrown@circonenergy.com;
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In Guaynabo, Puerto Rico, on the 27th day of October 2026.

/s/ Margarita Mercado Echegaray
Margarita Mercado Echegaray

Exhibit 1

Exhibit 1

Wheeling Annual Report

FY2026

October 28, 2026

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1.0 Introduction

As part of the Government of Puerto Rico's ongoing efforts to transform the energy system into an open and competitive market, Act 57-2014[1], as amended, grants the Puerto Rico Energy Bureau (PREB or Energy Bureau) the authority to adopt regulations related to energy wheeling, establish wheeling rates, and oversee the unbundling of rates for the Puerto Rico Electric Power Authority (PREPA).

Wheeling refers to the mechanism by which a Retail Electricity Supplier (RES) delivers electricity generated by one or more Independent Power Producers (IPPs) to a Wheeling Customer through the existing electric power grid.[2]

In its Resolution and Order issued on April 24, 2024, (April 24 Resolution and Order) the Energy Bureau ordered LUMA to submit an annual filing, within 120 days of the end of each fiscal year for the next five years, detailing the following:

1. The magnitude and percentage of excess production by RES is beyond the loss-adjusted customer load.

2. The amount of net compensation provided to RES for this excess energy.

3. The excess-production-weighted average marginal cost of the excess energy. [3]

In addition, in its Final Resolution and Order of January 22, 2024, the Energy Bureau directed LUMA to report in its Annual Wheeling Reports on the progress of system improvements to the Energy Management System, (EMS) and the modeling of Operational System Intelligence – Plant Information. (OSI-PI) data.[4]

In compliance with these orders and as part of the Wheeling Implementation docket, LUMA hereby submits this Wheeling Annual Report for Fiscal Year 2026 (FY2026).

1.1 Status of Wheeling Implementation

As reported in LUMA's Wheeling Implementation Report for Fiscal Year 2025, pre-implementation activities under the Retail Wheeling Program were suspended following the reallocation of program funds to the Distribution Pole and Conductor Repair Program to address urgent public safety concerns.[5] That suspension remained in effect at the beginning of FY2026, and program activities remained paused through the majority of the fiscal year.

On April 15, 2026, the Energy Bureau issued its Final Resolution and Order on Electricity Rates in Case No. NEPR-AP-2023-0003 (April 15 Final Resolution and Order). With respect to the Retail Wheeling

[1] Art. 6.30 of Act 57 of May 14, 2014, as amended, known as the "Puerto Rico Energy Transformation and RELIEF Act".

[2] Section 1.9(28) of Regulation 9374 of April 20, 2022, known as the "Regulation on Electric Energy Wheeling".

[3] Resolution and Order of April 24, 2024, and page 20 of Final Resolution and Order dated January 22, 2024, Case No. NEPR-MI-2023-0001.

[4] Final Resolution and Order dated January 22, 2024, Case No. NEPR-MI-2023-0001, page 11.

[5] Wheeling Implementation Annual Report dated October 28, 2025, Case No. NEPR-MI-2023-0001, pages 3-4.

Program (project code PBCS4), the Energy Bureau declined LUMA's proposed multi-year Optimal Budget through FY2029, finding the request premature and based on a preliminary Class 5 cost estimate.[6] The Energy Bureau likewise declined to adopt the Constrained Budget alternative, which would have paused implementation, noting that LUMA is required by law to implement wheeling. The Energy Bureau instead approved a staged capital allocation for PBCS4 of $0 in FY2026, $3,073,641 in FY2027, and $3,073,641 in FY2028, and deferred FY2029 funding pending completion of a competitive request for proposals (RFP) and the submission of updated, competitively derived cost estimates and an implementation schedule through the annual budget process.[7]

In the same order, the Energy Bureau stated that the deployment schedules for enabling technologies, including the Energy Management System (EMS), Advanced Metering Infrastructure (AMI), and meter data management, should not stall the wheeling program, and ordered LUMA to make a compliance filing in Case No. NEPR-MI-2023-0001 containing a proposal to enroll wheeling customers with currently available systems and data within six months of the order.[8] LUMA, in compliance with the Energy Bureaus order on October 14, 2026, filed its proposal to enroll wheeling customers with available system and data.[9] The filed wheeling proposal constitutes a compliance filing specific to the implementation of an interim solution to enroll wheeling customers, as directed by the Energy Bureau, and is separate and distinct from this Annual Report. As a result, LUMA here notifies the Energy Bureau of key milestones achieved on FY2026.[10]

During FY2026, LUMA advanced the following activities:

- Re-engaged internal stakeholders and subject matter experts across information technology, operations, customer experience, operational technology, and corporate security and compliance to align on the April 15 Final Resolution and Order.
- Reviewed previously developed business and technical requirements to evaluate their applicability to an interim solution.
- Defined an interim approach for enrolling eligible wheeling customers using existing systems and data, including an assessment of which program components could be retained, simplified, or deferred, and where defined manual steps could stand in for automation in an interim solution.
- Engaged on an evaluation on how the proposed interim approach for enrolling eligible wheeling customers, data, and controls could carry forward into a future automated solution, limiting duplicated effort and stranded investment.

[6] Chapter Three, Page 141 of 341, LUMA-Specific Costs of Final Resolution and Order on Electricity Rates dated April 15, 2026, Case No. NEPR-AP-2023-0003.

[7] Chapter Three, Page 142 of 341, LUMA-Specific Costs of Final Resolution and Order on Electricity Rates dated April 15, 2026, Case No. NEPR-AP-2023-0003.

[8] *Id*.

[9] On October 14, 2026, LUMA filed before the Energy Bureau the "Retail Wheeling Interim Solution Proposal".

[10] Please note that the Compliance Filing dated October 14, 2026, pertains to FY2027. It is included in this FY2026 Annual Report solely to provide the most recent and up-to-date information.

- Initiated planning for the development of the interim enrollment proposal required by October 14, 2026.
- Provided LUMA management with a status update covering program progress, and the proposed minimum viable approach.

Wheeling Program Staffing

The Wheeling Program Manager position, for which recruitment was initiated and reported in prior fiscal years, remained unfilled during FY2026.[11] This role is responsible for leading and coordinating the multi-disciplinary activities required to implement wheeling in Puerto Rico, including project planning, resource allocation, and organizational readiness in support of the Wheeling Services Agreement. As of October 2026, LUMA has formally completed the hiring and assignment of a Program Manager for the Wheeling Program.[12]

1.2 Status of EMS Upgrade and OSI-PI Data

The Critical EMS Upgrades program, part of LUMA's System Remediation Plan, replaces obsolete and unsupported energy management systems. The new EMS was placed into service in April 2026.[13] Key activities in FY2026 included:

- Completing remote terminal unit point-to-point testing, integration of the primary and backup systems, and failover testing between the two sites.
- Completing site acceptance testing and operator training and operating the new EMS alongside the legacy system before cutover.
- Completing the cutover, with the primary system at the La Torre Control Center and the backup system at the Santurce Complex and beginning integration with Genera.

LUMA continues to move the new EMS toward its final configuration. Progress on OSI-PI data and its use in marginal cost estimation is addressed in Section 2.0.

1.3 Status of Related Grid Modernization Programs

The April 15 Final Resolution and Order also referenced Advance Metering Infrastructure (AMI) and meter data management. These programs, and the Advanced Distribution Management System (ADMS), are scoped and scheduled for their core operational purposes, and none was procured with retail wheeling functions. During FY2026:

[11] Recently LUMA has hired a Program Manager for the Wheeling Implementation Program.

[12] Although associated with FY2027, this clarification is provided to reflect that the staffing action was recently executed and is current as of the date referenced.

[13] For more information, please refer to LUMA's Quarterly Report for the Fourth Quarter of Fiscal Year 2026, filed on August 14, 2026, in Case No. NEPR-MI-2020-0019.

- **AMI:** LUMA continued its federally funded AMI deployment, installing approximately 190,000 smart meters with supporting network devices, and integrating the AMI systems with its customer information system.
- **Meter data management:** LUMA completed business process design for its meter data management system, and implementation continues.
- **ADMS:** LUMA developed ADMS requirements and initiated a competitive procurement process.

2.0 Marginal Cost Estimations

Once the wheeling program is implemented, LUMA will be required to estimate hourly marginal costs for every hour of each completed calendar month. To prepare for this process, LUMA has previously conducted test cases to evaluate the necessary data inputs and sources required to facilitate these calculations.

Ideally, LUMA would have access to all these inputs, such as historical hourly generation output, fuel type, and hourly fuel consumption by unit, via the Plant Information (PI) System, to which LUMA received access in August 2023 from the Puerto Rico Electric Power Authority (PREPA). However, as noted by PREPA in its March 31, 2023, Motion[14], and as LUMA concurs, there are significant deficiencies and inaccuracies in the PI data.

While the PI System provides hourly generation output by unit, it does not include hourly fuel type or hourly fuel consumption. Currently, Genera PR, LLC (Genera) reports daily fuel consumption for some generation sites and monthly data for others. This level of granularity is insufficient, as using daily or monthly consumption data results in less accurate estimates of hourly marginal costs. Furthermore, LUMA has continued to face challenges in obtaining timely and consistent data submissions from Genera, and this condition did not materially change during FY2026.

During FY2026, LUMA placed its new EMS into service and began integrating it with Genera (Section 1.2). With the new EMS in service, hourly load and generation data from the EMS and its operational data historian are expected to support the marginal cost calculation, supplementing the PI data. Hourly fuel consumption by unit, however, continues to depend on data from Genera.

Other essential inputs, such as delivered fuel costs by unit, can be estimated in the near-term using data from quarterly Fuel Charge Adjustment (FCA) rider filings. However, more granular data (e.g., hourly) will be required to improve the accuracy of cost estimates for all thermal generation units.

The hourly marginal cost is a direct input to the approved energy imbalance charge methodologies and therefore determines the amounts settled between LUMA and a participating RES. Access to validated hourly fuel consumption data is accordingly a prerequisite for defensible marginal cost calculations under any implementation approach, including an interim solution that relies on currently available systems and data. LUMA therefore requires the full commitment of Genera to provide the requisite data in a timely and consistent manner. This collaboration is essential to enable LUMA to perform the necessary analyses and fulfill its regulatory obligations under the wheeling program.

[14] PREPA's Motion dated March 31, 2023, Docket No. NEPR-MI-2023-0001.

3.0 Operational Reporting

In the April 24, 2024, Resolution and Order, the Energy Bureau ordered LUMA to submit an annual filing, within 120 days of the end of each fiscal year, reporting the magnitude and percentage of excess production by RES, the net compensation provided to RES for that excess energy, and the excess-production-weighted average marginal cost of that energy.[15]

The Retail Wheeling Program was not operational during FY2026.

LUMA will report this information, as required by the Energy Bureau, once the interim wheeling program is approved and operational.

[15] Id, footnote 3, page 4.