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

IN RE: LUMA'S ACCELERATED STORAGE ADDITION PROGRAM	**CASE NO.:** NEPR-MI-2024-0002 **SUBJECT**: Order to Show Cause and Provide Information pertaining to *Motion to Submit ASAP Quarterly Report for First Quarter of Fiscal Year 2026-2027 and Request for Confidential Treatment*, filed by LUMA Energy, LLC and LUMA Energy ServCo, LLC.

ORDER TO SHOW CAUSE

I. Procedural Background

On April 26, 2024, LUMA Energy, LLC and LUMA Energy ServCo, LLC (collectively, "LUMA") submitted its proposed *Accelerated Storage Addition Program* ("ASAP") to the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau"). LUMA proposed deploying battery energy storage systems ("BESS") at existing independent power producer facilities to improve reliability and reduce load shedding on an accelerated basis. LUMA represented that Phase 1 would not require network upgrades or interconnection costs and that certain participants anticipated commercial operation in less than twelve months. On December 20, 2024, and January 14, 2025, the Energy Bureau approved the original four Phase 1 Standard Offer Agreements ("SO Agreements").

On July 9, 2025, the Energy Bureau issued an Order to Show Cause concerning Phase 1 interconnection costs. After LUMA submitted estimated SO1 interconnection study costs of $1,325,500, the Energy Bureau determined that those costs contradicted LUMA's prior representations and stated that it would not approve interconnection-related costs associated with SO1 projects. The Energy Bureau directed LUMA to show cause why it should not impose a $100,000 administrative fine for willful noncompliance and/or misrepresentation of material facts and deviation from its directives, and disallow the identified costs.

Separately, the Energy Bureau required the Puerto Rico Electric Power Authority ("PREPA") and the original four developers—EcoEléctrica, San Fermín Battery Project LLC, Infinigen Horizon ASAP LLC, and Infinigen Oriana ASAP LLC—to explain delays in executing the approved SO Agreements. On September 19, 2025, the Energy Bureau ordered PREPA and those developers to show cause why a $10,000 administrative fine should not be imposed for failure to execute the agreements. That Order recognized that execution remained contingent upon PREPA's actions and the developers' satisfaction of the contractual Signing Conditions.

On October 30, 2026, LUMA filed a document titled *Motion to Submit ASAP Quarterly Report for First Quarter of Fiscal Year 2026-2027 and Request for Confidential Treatment* ("Quarterly Report"). LUMA reported that ten[1] SO1 Agreements, representing 594.4 MW of four-hour-equivalent BESS capacity, had received approval from the Energy Bureau, PREPA, and the Financial Oversight and Management Board for Puerto Rico. Six agreements had been executed, while four remained pending completion of the applicable signing requirements.

Regarding interconnection, LUMA reported that it had provided preliminary Large Generator Interconnection Agreements ("LGIAs") to all SO1 participants during the first calendar quarter of 2026. One participant had signed its LGIA, while discussions and reviews continued for the remaining participants concerning site-specific requirements and associated costs. LUMA stated that execution of the ASAP LGIA forms part of the conditions

[1] Six additional SO Agreements were approved by the Energy Bureau during August, September, and November 2025.

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precedent under the SO Agreement but did not identify the participant that had signed or provide a project-specific account of the outstanding issues and responsible parties.

In Section 2.2 of the Quarterly Report, LUMA identified delays associated with participants' outstanding signing requirements and incomplete technical submissions. Separately, in Section 2.2(3), LUMA acknowledged that the unavailability of specialized third-party support services contributed to an approximately eight-week extension of selected activities, including development of Agreed Operating Procedures, responses to requests for information, engineering studies, and other program support functions.

Table 3 of the Quarterly Report lists the completion of conditions precedent and closing dates by reference to the 180-day period following execution of each SO Agreement. For EcoEléctrica, the table identifies October 2, 2026, without expressly confirming whether closing occurred. The table further identifies engineering, procurement, and construction as not started for all ten SO1 projects and projects initial synchronization on December 1, 2027, and commercial operation on December 31, 2027. The report characterizes the estimated dates as preliminary and notes that commercial operation may occur before December 31, 2027.

II. Conclusion

The Energy Bureau is concerned that the December 31, 2027 projected commercial operation date **does not adequately reflect the accelerated deployment contemplated under ASAP.** On April 2024, LUMA originally represented that Phase 1 projects could proceed without network upgrades or interconnection costs and that certain participants anticipated achieving commercial operation **in less than twelve months**. The Quarterly Report now identifies the same December 2027 commercial operation date for all ten SO1 projects without sufficiently explaining the circumstances supporting that date for each project.

Although the program has expanded, that expansion does not, by itself, explain the implementation timeline for the originally approved Phase 1 projects. Likewise, the Quarterly Report does not establish whether individual projects could enter commercial operation earlier or identify the measures necessary to expedite their completion.

The Energy Bureau is further concerned by LUMA's acknowledgment that the unavailability of specialized third-party support services contributed to an approximately **eight-week extension** of selected activities. The Quarterly Report does not sufficiently identify the affected projects, explain whether those delays were avoidable, or demonstrate their effect on project completion dates.

Outstanding interconnection agreements also require clarification. LUMA reports that one participant has signed its LGIA, while discussions and reviews continue for other participants. However, the report does not identify that participant, distinguish its signature from execution by all required parties, or specify the unresolved matters and responsible parties for each remaining agreement.

The Energy Bureau **ORDERS** LUMA to submit the following within **ten (10) days** of notification of this Resolution and Order.

1. **Project schedules.** With PREPA and each developer, identify the earliest reasonably achievable commercial operation date for each SO1 project. Compare original and current schedules, explaining material changes, causes, and responsible parties. Show the critical path from outstanding contractual requirements through commissioning. Identify work that can overlap, projects that can advance independently, and acceleration measures. Distinguish proposed dates from confirmed dates, identify disagreements, and document why any project retaining a December 2027 date cannot reasonably operate sooner.

2. **Reported delays.** For Quarterly Report Section 2.2(3), identify the unavailable specialized services, reasons, affected projects and activities, and original and revised completion dates. Explain the eight-week estimate, any overlap, and any critical-path

impact. Document efforts to secure, retain, or replace support and prevent further delays.

3. **Interconnection agreements.** For each SO1 project, give the dates of LGIA draft, comment, information, and revision exchanges. List unresolved issues, who must act next, the expected signing date, and effects on closing and operation. Identify the participant reported to have signed and give each required signatory's signing date, as applicable.

4. **Closing conditions.** For each executed SO Agreement, provide a table of closing conditions showing the closing deadline and each outstanding condition's contractual basis, status, responsible party, and completion date. Document deadline extensions, waivers, or changes. Confirm whether EcoEléctrica closed on October 2, 2026 (Table 3, row 1.10). Provide proof if it did. Otherwise, identify outstanding conditions, causes of delay, responsible parties, and the revised closing date.

5. **Evidence and corrective action.** Support the submission with contemporaneous records, including correspondence, information requests, and contractual milestones. For delays attributed to others, identify the outstanding action and LUMA's request and follow-up dates. List corrective actions within LUMA's control and their deadlines.

The Energy Bureau further **ORDERS** LUMA **TO SHOW CAUSE, within the same ten-day period,** why the Energy Bureau should not impose an administrative fine of **one hundred twenty-five thousand dollars ($125,000)** for its failure to comply with the Energy Bureau directives in connection with the implementation delays described above.

Once the Energy Bureau establishes a binding commercial operation date for a project, failure to achieve that date due to LUMA's noncompliance with its corresponding obligations shall subject LUMA to an administrative fine of **ten thousand dollars ($10,000) per day for each day of noncompliance**, beginning on the day following the established deadline and continuing until compliance is achieved, subject to notice, an opportunity to be heard, and the applicable requirements and limitations of Article 6.36 of Act 57-2014,[2] as amended.

Consistent with Article 6.36(c), any fine ultimately imposed shall be paid from LUMA's own funds, treated as a Disallowed Cost, and shall not be recovered through customer rates or any other source that impacts consumers.

Be it notified and published.

Edison Avilés Deliz
Chairman

Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

Omar M Rodríguez González
Associate Commissioner

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[2] *Puerto Rico Energy Transformation and RELIEF Act*, as amended ("Act 57-2014").

CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on November 10, 2026. Associate Commissioner Ferdinand A. Ramos Soegaard dissented without a written opinion. I also certify that on November 10, 2026, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau and notified a copy of it by electronic mail to RegulatoryPREBorders@lumapr.com; katiuska.bolanos-lugo@us.dlapiper.com; Emmanuel.porrogonzalez@us.dlapiper.com laura.rozas@us.dlapiper.com; yahaira.delarosa@us.dlapiper.com; margarita.mercado@us.dlapiper.com; javier.vazquez@oneillborges.com; oramos@pmalaw.com; Antonio.collazo@oneillborges.com; mgarcia@pmalaw.com; alexis.rivera@prepa.pr.gov; nzayas@gmlex.net; rcruzfranqui@gmlex.net; mvalle@gmlex.net; apc@mcvpr.com; cfl@mcvpr.com.

For the record, I sign this in San Juan, Puerto Rico, on November 10, 2026.

Sonia Seda Gaztambide
Clerk

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