



Comments on CASE NUM.: CEPR-MI-2018-0001

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Genmoji's comments on REGULATION ON MICROGRID DEVELOPMENT, CASE NUM.: CEPR-MI-2018-0001:

<http://energia.pr.gov/wp-content/uploads/2018/01/Resolution-Official-translation-CEPR-MI-2018-0001.pdf>

1. On section II, *Public Comments in response to the November 10 Resolution,*

Point B. Recovery of Costs Associated with Development and Operation

"With regards to the recovery of the costs associated with the development of a microgrid, the New York State Smart Grid Consortium ("NYSSGC") emphasized the need for a rate and cost recovery structure that is sustainable in the long-term and encourages investment in the deployment of said technology. Enlace Latino de Acción Climática, The Williamsburg Bridge, Inc. and the Environmental Dialogue Committee, Inc., ("ELAC") commented that, in principle, the cost per kilowatt-hour ("kWh") of the energy produced by a microgrid should be capped at the cost per kWh billed by PREPA. Finally, NRG commented that service rates should be negotiated between the owner of the microgrid and the customer, and that the rate structure should include capital recovery, in such a way that the investors can adjust the risk of their investments. "

We strongly disagree with this argument as it is counterproductive to keep pricing practices that perpetuate the current high pricing structures typical of an energy monopoly such as PREPA. If anything, the commission should promote more competition from around the world to ensure pricing structures more in line with economic development needs of the island, understanding that the main obstacle for real economic development in Puerto Rico IS THE CURRENT HIGH COST OF ENERGY.

2. On Section II, *Public Comments in response to the November 10 Resolution,*

C. Microgrid Location

"The majority of commenters concurred that the location of a microgrid depends on (i) the vulnerability of the communities and the ability or lack thereof of PREPA to respond to service outages, or (ii) a variety of metrics including demographic data and load profile. In particular, the PRMA suggested prioritizing the development of microgrids in the northern portion of the Island in order to mitigate the dependence of

generation plants located in the southern portion of the Island. NYSSGC suggested the following metrics as useful in determining the location of a microgrid: (i) load, (ii) demography, (iii) potential of resources, and (iv) scenarios of penetration of distributed energy resources, among others. Finally, ELAC emphasized that the development of the microgrid should give priority to the most remote communities that would be the last ones to be reconnected to the electrical system."

Despite the great energy need and dire reconnection forecasts that many remote and northern Puerto Rico areas suffer from today, Microgrid Locations should not be limited solely to these, as, again, as in our last point, this would restrict the ability of other areas in the island already with legacy energy services, to compete for economic development projects based on their desirability in terms of energy reliance, energy cost, and environmental impact amongst other factors.

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