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Puerto Rico Energy Commission
Seaborne Building
268 Ave. Muñoz Rivera
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Hato Rey, PR 00918

Re: Proposed Regulation on Microgrid Development in Puerto Rico
(CEPR-MI-2018- 001)

Dear Commissioners,

On behalf of the [U.S. Green Building Council \(USGBC\)](http://www.usgbc.org), a non-profit organization with over 12,000 member companies nationwide, and our strong Puerto Rico-based community, we are pleased to provide our comments in response to the Commission's notice for the proposed rulemaking on the matter of a regulation on Microgrid Development for Puerto Rico dated January 3, 2018.

USGBC is perhaps best known as the developer of the Leadership in Energy and Environmental Design (LEED) green building rating system, administered by USGBC and our sister organization, Green Business Certification, Inc. (GBCI). LEED is the industry standard in green building and is demonstrated to reduce energy consumption and related costs for business owners and operators. Throughout recent years, USGBC expanded its leadership with several additional rating systems, including [Performance Excellence in Electricity Renewal \(PEER\)](http://www.usgbc.org), to bring cohesion and comprehension to the world of sustainable building and communities. PEER is a rating system for power systems, designed to help provide sustainable and dependable power for consumers while lowering electricity costs at the same time.

USGBC appreciates the opportunity to participate in the process as the Puerto Rico Energy Commission works to encourage develop microgrids as a means to harness distributed generation and energy storage to strengthen the resiliency of the island's power system, empower customers, and increase reliance on renewable and highly-efficient resources, with the goal of a resilient, modern, and agile system.

Recommendations

With the proposed rules, the Commission seeks to provide a framework of requirements to facilitate investment in microgrids that meet the goals of the community. Among other things, the proposed rules establish minimum technical requirements, a process for registration and Commission determination for microgrid applications, and annual reporting. As the Commission finalizes and implements the rules, we offer several recommendations.



First, the Commission should consider developing and applying a standard set of criteria that evaluates a microgrid proposal as well as to verify the ultimate ongoing performance of the operation of a microgrid. As the proposed rules recognize, each microgrid project may have multiple stakeholders; the effectiveness of the microgrid in meeting community objectives will depend in part on aligning and holding accountable these stakeholders at all stages of the development process, and through operations.

Second, in developing criteria as well as application and reporting options for microgrids, we recommend the Commission consider the metrics incorporated in the third party rating system PEER. PEER was developed with industry expertise over many years and can help regulators, governments, and consumers navigate complex project proposals by establishing a common language, terminology, and metrics for power grid performance. The rating system provides a guide for developers and operators; and the third-party certification process provides verification and assurance of operations performance.

Third, we note that with its microgrid regulation, the Commission seeks to foster innovation and to capitalize on new technology and industry trends. To this end, we recommend the Commission consider PEER certification in its approach to compliance with technical and operations requirements. Specifically, the Commission could recognize and incorporate PEER certification into application and compliance reporting processes. Alternately, the Commission could pilot test PEER through several projects to evaluate its use and benefits for the Commission and stakeholders.

PEER as a Tool to Assure Performance and Promote Transparency

PEER provides a robust standard for sustainability, reliability, resiliency, operations, and safety. It is the standard for excellence in power system design, operation, and governance and can drive accountability in every phase of the process of microgrid development. Very simply, PEER translates the big goals of grid modernization into tangible metric-based objectives and a credit-based rating system. PEER certified projects must reduce capital waste, reduce energy waste, lower emissions, improve reliability, and eliminate interruptions.

Governments are starting to apply PEER to their grids and microgrid projects to protect their investments and provide public assurance of priority outcomes. For example, the Montgomery County Emergency Operations Center in Maryland became the first municipally sponsored microgrid to certify to PEER, ensuring that the facility can remain operational in the event of catastrophic disaster.



How PEER Works

PEER takes a comprehensive look at power system performance by setting standards, benchmarking against up to 68 sustainable performance criteria and evaluating performance across four outcome categories to address a wide range of customer concerns and design requirements:

- 1) Reliability and resiliency;
- 2) Energy efficiency and environment;
- 3) Operations, safety, and maintenance; and
- 4) Grid services.

Each category includes a set of prerequisites – requirements that must be fulfilled in order to qualify for certification – and credits with which project teams earn points. The PEER criteria are designed to reward implementation of industry best practices and encourage the adoption of new, innovative strategies. A PEER certified project is awarded individual credits based on the power system design, the particular types of capabilities that are incorporated in that system, and performance based outcomes. Projects that meet all prerequisites and achieve the required number of points are awarded PEER certification in recognition of outstanding performance. Microgrid developers and system operators can also use the system and PEER score to benchmark their designs or operations and identify needed improvement.

We appreciate the opportunity to submit the following comments for the commission's consideration. Please contact Jesus Garay, Chair of the USGBC Caribbean (MLAB) (jesus.a.garay@gmail.com, (787) 344-9956) if we can be of further assistance.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Gunby".

Jennifer Gunby
Manager, State & Local Advocacy
U.S. Green Building Council

A handwritten signature in cursive script that reads "Shelby Buso".

Shelby Buso
Director, USGBC Caribbean Community
U.S. Green Building Council

A handwritten signature in cursive script that reads "Jesus A. Garay".

Jesus A. Garay
Chair, USGBC Caribbean Market Leadership Advisory Board (MLAB)
Director of Business Development
Envision Energy, Corp