

COMMONWEALTH OF PUERTO RICO
PUERTO RICO ENERGY COMMISSION

IN RE: PROPOSED REGULATION ON

INTEGRATED RESOURCE PLAN

CASE NO. CEPR-MI-2018-0005

Supplemental Comments of Puerto Rico Solar Energy Industries Association

The Puerto Rico Solar Energy Industries Associated (PR-SEIA) thanks the Commission for this opportunity to comment on the proposed IRP rules. PR-SEIA files these supplemental comments to its original April 9, 2018 comments on the matter. In these supplemental comments, PR-SEIA adds to its original comments on the IRP regulations and also response to some of Puerto Rico Electric Power Authority's (PREPA) comments submitted on March 12, 2018.

Additional Comments on the IRP Regulations

Section 2.03(C). PR-SEIA notes that the historic energy and peak demand data will be heavily impacted by the sustained outages caused by Hurricane Maria. To the extent that historic data is used to inform future load forecasts, we suggest that language be added to direct PREPA to develop a methodology to adjust for these impacts.

Comments on PREPA's March 12, 2018 Comments.

PREPA Section II(C) at 5. PREPA raises concerns over the definition of "Intervenor" in IRP Regulation Section 1.08(B)(21) and Section 3.03. It states that a "commercial interest" intervenor and a "public advocacy" intervenor may have different motivations and that the Commission should distinguish between types of intervenors to potential limit the availability of confidential or proprietary information.

PR-SEIA urges the Commission not to limit the ability to fully participate in the IRP proceeding of any party, such as renewable energy developers, who might develop assets that could delay or avoid the need for traditional utility assets that PREPA would construct. Intervenor status should be able to conduct a thorough review of the IRP, including access to the use of confidential information with proper safeguards. Confidentiality and non-disclosure protective agreements are frequently used to dictate the availability and use of confidential information (such as restricting its use to only experts developing testimony in the current proceeding) and require the information to be destroyed or returned at the end of the case. Failure to follow abide by these legally binding documents could expose an intervenor to legal repercussions, which is a substantial deterrent of misuse.

PREPA Section II(F) at 7. PR-SEIA understands PREPA’s hesitation to providing access to models that are used in the IRP. However, it is critical that this concern not be used as a way to block reasonable discovery and analysis of intervenors. The ability of intervenors to validate PREPA’s modeling results and to modify and expand on the embedded assumptions is a crucial component of filing meaningful testimony in IRP proceedings.

PR-SEIA urges the Commission to require PREPA to work with its software vendors to provide access to these models without having to separately purchase a license (which for some models can cost tens of thousands of dollars and will be cost-prohibitive for intervenors) or being restricted to supervised access at PREPA’s facilities. This request has been accommodated in other proceedings, including in DTE Electric Company’s IRP heard in case number U-18419 in front of the Michigan Public Service Commission.¹

PREPA Section II(G) at 8. PREPA states that IRP Regulation 2.03(F)(3)(c) (“The IRP shall consider all available cost-effective efficiency and demand response measures and programs.”) is “overly broad, and not possible.”

PR-SEIA strongly disagrees with this statement. It is common practice for utilities to develop potential studies for demand-side resources such as energy efficiency (EE) and demand response (DR). In these studies, a cost-effectiveness test is established, and the total quantity of EE and DR that falls within this cost-effectiveness cutoff is identified. The U.S. Department of Energy maintains a list of 83 EE and DR potential studies that have been conducted in the past decade.²

PREPA also questions the value of IRP Regulation 2.03(F)(3)(e), suggesting that savings of 2% could be “counterproductive”, lead to a “death spiral” and be “overkill” in some circumstances. While this could be true if 2% in energy savings cannot be achieved in a cost-effective manner, there is no situation in which cost-effective EE increases the costs of providing utility service to PREPA’s customers. By definition, cost-effective EE resources are less expensive than the traditional manner of meeting incremental load. Even if demand is “substantially dropping”, if the remaining load can be met less expensively by EE resources, it will reduce the cost to all customers of serving the remaining load.

PR-SEIA urges the Commission to continue to focus on maximizing cost-effective demand-side resources to meet future energy and demand needs.

PREPA Section II(G) at 8-9. PREPA raises a general concern about several regulations in IRP Regulation 2.03(J) pertaining to transmission and distribution system planning. PR-SEIA interprets IRP regulation 2.03(J) to produce information regarding the current and future ability of the transmission and distribution system to accommodate new renewable generation, distributed generation, microgrids, and increased penetration of electric vehicles. In the regulations, PREPA is to produce studies similar to a Hosting Capacity Analysis (HCA)³. While HCAs are typically performed at the distribution system, understanding where constraints exist on the transmission system that might prevent interconnection of new renewable generation or microgrids is critical, particularly for an isolated grid such as PREPA’s.

¹ Available at <https://mi-psc.force.com/s/global-search/18419?casenum=18419>

² <https://www.energy.gov/eere/slsc/energy-efficiency-potential-studies-catalog>

³ See for instance http://dpv.epri.com/hosting_capacity_method.html discussing different methods and <https://www.pepco.com/MyAccount/MyService/Pages/MD/HostingCapacityMap.aspx> for an example of a HCA.

PREPA raises the same concern with the regulation aimed at the distribution system. As with the transmission system, the ability to understand constraints that may prevent interconnection of distributed generation and increasing penetration of electric vehicles is crucial. PR-SEIA is sympathetic to the complexity of some of these analyses and understands that if PREPA currently does not have the tools in place to perform these analyses that it might take time to develop. If this is the case, the Commission could phase in the reporting requirements in this section over one or more IRP periods. However, we recommend that the Commission retain the thrust of this regulation to ensure that this information – which is only available from PREPA – is made generally and publicly available.

PREPA Section II(M) at 11. PR-SEIA agrees with PREPA about being able to file testimony without manually signing each page, which would necessitate the documents to be rescanned and OCR'ed. Given IRP Regulation 1.13(B) requires the IRP to include a searchable PDF format (including workpapers in their native format), PR-SEIA recommends the Commission clarify that testimony does not need to be hand-signed.

PREPA Section II(O) at 11. PREPA suggests that the IRP Regulations contain a section on discovery that requires “all intervenor discovery to be reasonably calculated to elicit or identify relevant and admissible evidence that is sufficiently and fairly related to the IRP.” PREPA continues to suggest “the party requesting discovery holds the burden of proof to establish the relevance of such discovery request.”

While PR-SEIA agrees that the first condition is reasonable, it does not agree that the burden of proof should be on the party requesting discovery. In fact, the opposite should be the case: unless PREPA can demonstrate that a discovery request will not reasonably lead to relevant and admissible evidence, it should be required to answer the discovery request. Making the requesting party responsible for proving this for each and every discovery request would be overly-burdensome to intervenors and could be misused by PREPA to impermissibly discourage discovery.

PREPA should have the right to object to a discovery request, and intervenors should have the right to petition the Commission to rule on the issue, but the standard procedure should be that PREPA answers all discovery responses unless it has specific cause to object.

PREPA Section III. PR-SEIA agrees with PREPA that ideally, EE and DR evaluation, measurement, and verification (EM&V) should be performed by an impartial third-party. This is common practice in other jurisdictions, and it affords both PREPA and its customers comfort that the evaluation is independent. However, it is appropriate for PREPA to prepare a report on the performance of the EE and DR programs on a regular basis even if EM&V is handed by a third-party.

As for the management of the programs themselves, different jurisdictions handle the matter differently. In some states, such as Maryland, the utilities⁴ are responsible for implementing EE and DR programs. In other states, such as Vermont, a third-party administrator⁵ runs state-wide programs. PR-SEIA does not take a position on which structure the Commission should utilize, but reiterates that it should aggressively pursue all cost-effective EE and DR.

⁴ See for example Baltimore Gas and Electric's program at <https://bgesmartenergy.com/>

⁵ <https://www.encyvermont.com/>

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