



COMISIÓN DE ENERGÍA DE PUERTO RICO	
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To: Puerto Rico Energy Bureau  
From: Rocky Mountain Institute  
Date: March 31, 2019  
Subject: Public comment regarding Regulation on Wheeling  
Case No.: CEPR-MI-2018-0010

Rocky Mountain Institute offers the following comments in response to the Energy Bureau's Notice of Proposed Rulemaking and Request for Public Comments, issued March 1, 2019.

**Response to Question #7:** *The Energy Bureau envisions integrated resource planning to evolve to focus on both wholesale-level resources as well as distribution-level distributed energy resources. This would occur through a collaborative effort between the TDP and SO, as described in Article 7.05 of the proposed regulations. Are there any good examples of this process from other jurisdictions that Puerto Rico should consider?*

The Hawaiian Electric Companies' Integrated Grid Planning (IGP) Workplan, filed at the Hawaii PUC in Docket 2018-0165, outlines a comprehensive process for integrated electric planning and procurement. The IGP process seeks to harmonize resource, transmission, and distribution planning activities by evaluating the collective total system needs and coordinating solutions that provide the best value on a consolidated basis. IGP is different than traditional energy planning practices because it aims to create a marketplace for grid solutions that provides opportunities for both distributed energy resources and grid scale resources to provide energy and grid services. The intent is to consider the full suite of options in sourcing resources (e.g., energy, capacity services, ancillary, and transmission & distribution non-wires services), including RFIs, RFPs, programs and tariffs. As the Hawaii PUC noted in its Order No. 35569 opening the IGP docket, the IGP is both a product of the paradigm shift to more customer and DER-centric planning, and a potential model for others who engage with the challenges and opportunities in the transition to a clean energy future. We encourage the Energy Bureau to consider the experience from Hawaii's IGP effort in the evolution of integrated resource planning for Puerto Rico.

Links to cited documents:

- Hawaiian Electric (HECO) IGP Workplan:  
[https://www.hawaiianelectric.com/documents/clean\\_energy\\_hawaii/integrated\\_grid\\_planning/dkt\\_20180165\\_20181214\\_igp\\_workplan.pdf](https://www.hawaiianelectric.com/documents/clean_energy_hawaii/integrated_grid_planning/dkt_20180165_20181214_igp_workplan.pdf)
- Hawaii PUC Order No. 35569:  
<https://dms.puc.hawaii.gov/dms/DocumentViewer?pid=A1001001A18G12B05711C00464>

**Response to Question #12:** *Should the generation sources related to wheeling be limited to renewable sources?*

At minimum, power generated through wheeling arrangements should be subject to the Renewable Portfolio Standard (RPS) established in Puerto Rico law. Current law (Act 82 of 2010) established the RPS of 12% through 2019, 15% from 2020 to 2027, and 20% by 2035. As of March 29, 2019, pending legislation would establish that RPS as 20% by 2022, 40% by 2025, 60% by 2040, and 100% by 2050. PREB should establish clear guidelines that establish RPS compliance requirements for power produced and contracted by entities other than PREPA or its successor. In the context of this wheeling proposed rulemaking, that compliance obligation may fall to the Energy Service



Company. As a minimum requirement, that Energy Service Company should be required to meet the RPS on an annual basis, either with Renewable Energy Certificates (RECs) associated with the Energy Service Company's own energy supply or with RECs procured from other eligible sources in Puerto Rico.

**General comment on interaction between Retail Wheeling and Integrated Resource Plan dockets**

This wheeling rulemaking may materially affect the supply and demand of energy in Puerto Rico over the next 20 years in a manner not considered in PREPA's initial submission of its integrated resource plan, submitted on February 13, 2019 in docket CEPR-AP-2018-0001. In this proposed rulemaking, PREB states these regulations "should facilitate the introduction of competitive pressures into the generation sector" and that wheeling for industrial and large commercial customers may be introduced as soon as this year.

Recognizing the possibility that a substantial portion of industrial customers may choose to meet their energy needs by contracting with energy service companies once wheeling is available, PREPA's IRP must account for this risk of load defection from its system. Industrial load accounts for 10-15% of the gross demand forecast included in PREPA's initial IRP filing of February 13 (Exhibit 3-8), and the discussion of drivers of industrial demand in that document does not mention wheeling or industrial load defection. PREPA's IRP should account for this possibility, at least as a sensitivity analysis in which retail wheeling causes a reduction in gross demand for PREPA's service. In evaluating generation resource investment decisions, PREB should take into account the benefit of a plan that is flexible to load defection, to minimize the prospect of overbuilding PREPA-contracted generation which would increase the risk of underutilized or stranded assets and increase customer costs.

**Submitted by:**

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## Comment on Wheeling Proposed Rulemaking

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'Mike Hennen' via Comentarios

Sun, Mar 31, 2019 at 11:46

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Cc: Roy Torbert <rtorbert@rmi.org>

Greetings,

Attached is Rocky Mountain Institute's comment on the wheeling proposed rulemaking.

Regards,

**Mike Hennen**

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