

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

**IN RE: REGULATION FOR ENERGY  
EFFICIENCY AND DEMAND RESPONSE**

**CASE NO.:** NEPR-MI-2019-0015

**SUBJECT:** Notice of Proposed Regulation  
& Request for Public Comments.

**To the Honorable Energy Bureau:**

Comes now Sunrun, to submit our reply comments regarding the above captioned matter.

**Reply Comments by Sunrun to Draft Energy Efficiency/Demand Response Regulation**

**I. Specific Reply Comments**

1. Sunrun is supportive of the comments filed by Rocky Mountain Institute (RMI), and more specifically RMI comments 3 to 7. Concretely: 3. PREB should support the role of DR by establishing a target and incorporating it into a performance incentive structure for any TPA; 4. EE and DR programs should be incorporated in both for the IRP and for transmission and distribution infrastructure planning, and allow independent market players to offer bundles of EE and DR alongside packaged together with resources like solar PV and battery storage; 5. Distributed battery storage programs are valuable to the grid and to customers, but are not highlighted in this proposed regulation. Distributed storage provides multiple values simultaneously, for instance offering energy resilience to an individual customer while offering capacity and frequency regulation to the grid operator. Well-designed programs compensate customers for the value their resources deliver to the grid, lowering the cost of batteries for customers and making them more accessible; 6. As currently written, the proposed regulation does not clarify the respective roles of PREPA and the TPA in supporting distributed battery storage; the regulation could be clearer that distributed battery programs are within the scope of the TPA. It appears there may be multiple potential paths for distributed battery storage to support Puerto Rico's electric grid, either through TPA programs or through responses to PREPA RFPs. A third potential path could emerge if customers are offered time-varying pricing in their electricity rates and use battery storage to manage these costs. PREB can clarify that these are all acceptable; 7. The proposed regulation may inadvertently exclude valuable DR services. DR (including battery energy storage) is capable of providing many services, including frequency response, regulation, and ramping. PREB should expand its proposed regulation so that the TPA will provide such services to the grid operator through DR; 8. The proposed regulation asks bidders for the TPA role to propose their own performance-based compensation structures and amounts. PREB should provide clear priorities and guidelines for such compensation, or even propose a desired compensation structure for

bidder to respond to.)

2. On RMI comment 11 on the “System Benefits Charge”, we take the opportunity to clarify that the SBC cannot not be assessed on gross consumption or it will run against legislated public policy goals. PREB should clarify that a more rational net consumption fee applies, or a low alternative flat fee on all ratepayers.

3. Sunrun also opines on several VEICs comments. On Comment F. (Demand Response), agree that DSM programs that integrate EE and DR go deeper and provide more grid value. DR is clearly evolving into broader demand flexibility, fully integrated to core EE services. As we mentioned in our initial comments, EE should be rebranded and conceived as “Energy Optimization” (EO) programs, not just efficiency. Likewise, DR should be termed “Demand Flexibility” (DF), and both EO and DF fall within the larger DSM world. Again, in this connection, all policies, programs and incentives must be aligned to strengthen a customer’s connection to the grid, and contribute to make it better and cleaner, as technology quickly moves to enable customers to simply begin unplugging from it.

4. On additional VEIC section A. (Responsibilities of the Government of Puerto Rico)- in terms of program marketing, there should not be a prohibition of companies joining a governmental EE/DR campaign and companies should also be allowed to establish their own messaging that aligns with program goals. Also, on additional VEIC section B. (Transportation), agree that on role that EVs play in reducing GHG emissions and managing peak demand, as well as other energy services. Corresponding incentives/compensation should flow to prosumers for all the energy/grid services they provide, including those provided by their EV batteries.

Sunrun again commends PREB for its continued leadership in Puerto Rico’s pro-renewables path and also thanks this Honorable Bureau for this valuable opportunity to comment on filings by other stakeholders.

In San Juan, Puerto Rico, on 21 October 2019.

**Respectfully submitted,**  
[signed/ Javier Rúa-Jovet]

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