



**BEFORE THE PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO ENERGY BUREAU**

RE: Regulation for Energy Efficiency and
Demand Response

CASE NO.: NEPR-MI-2019-0015

SUBJECT: Notice of Proposed
Regulation and Request for
Public Comments

**COMMENTS OF VEIC
ON REGULATION FOR ENERGY EFFICIENCY AND DEMAND RESPONSE**

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I. Introduction

In accordance with Section 2.2 of Act 38-2017, the Vermont Energy Investment Corporation (“VEIC”) hereby submits comments regarding Proposed Regulation NEPR-MI-2019-0015. VEIC, a third-party administrator (TPA) of leading energy efficiency and renewable energy programs, appreciates the opportunity to comment on the referenced proceeding on Puerto Rico’s plans to achieve its goal of thirty percent (30%) energy efficiency by 2040 through comprehensive energy efficiency (EE) and demand response (DR) programs. The Puerto Rico Energy Transformation and RELIEF Act and this Proposed Regulation create a crucial opportunity to create lasting change in the Puerto Rico’s energy system as well as direct customer benefits through a strong commitment to demand-side management.

Our comments are informed by VEIC’s long experience as a third-party administrator of clean energy programs. Founded in 1986, VEIC is a nonprofit clean energy organization with a mission to enhance the economic, environmental, and societal benefits of clean and efficient energy use for all people. VEIC employs more than 300 professionals and has offices in Burlington, Vermont; Columbus, Ohio; the District of Columbia; and Madison, Wisconsin. VEIC has completed projects advancing energy efficiency, clean transportation, and renewable energy in 38 states, 6 Canadian provinces, and 7 countries in Europe and Asia.

VEIC is nationally acclaimed for its success in creating, managing, and delivering Efficiency Vermont, the first third-party administered, statewide energy efficiency utility in the United States. That operation has won more than 50 national awards for excellence in efficiency program delivery since its inception in 2000. In addition, VEIC manages and implements two other comprehensive energy efficiency utilities: the District of Columbia Sustainability Energy Utility (DCSEU), which has significant low-income residential, small-business, and workforce and economic development performance targets; and Efficiency Smart, which serves 28



municipal electric utilities in Ohio and Delaware organized through their joint action agency, American Municipal Power.

The concept of a statewide “third-party administrator” of energy efficiency programs began in Vermont, through the influence of VEIC’s founders, Blair Hamilton and Beth Sachs, in the 1990s. Over the past two decades, VEIC has furthered the field by demonstrating the scope of a successful third-party administrator model for clean energy programs. We successfully transform markets by strategically engaging the supply chain, serving as a neutral advisor to customers, and designing innovative financing mechanisms to overcome market barriers. These strategies have since been replicated and expanded throughout the industry.

VEIC also operates a consulting division with clients from utilities, state and local governments, and foundations across the United States and Canada. In addition to program administration, our core competencies include energy policy and planning; design for clean energy programs, market delivery methods and financing; and measure characterization and cost-effectiveness screening. VEIC’s nonprofit status is grounded in a deep commitment to serving and prioritizing clean-energy services to low-income people, disadvantaged communities, and underserved markets. This commitment helps these groups access clean energy and energy efficiency technologies and services—a specific objective for energy efficiency programming in Puerto Rico.

With this filing, VEIC offers comments related to the Proposed Regulation, ranging from specific sections of the Regulation to general program design features it respectfully suggests the Public Service Regulatory Board and the Puerto Rico Energy Bureau consider before finalizing the Regulation. In making these comments, VEIC has drawn on its 33-year experience as a national leader in energy efficiency and demand response service delivery, and on its reading of the *Puerto Rico Integrated Resource Plan 2018-2019 (Rev. 2, June 7, 2019)*, of the Puerto Rico Electric Power Authority.

Our comments are specifically informed by VEIC’s direct experience rapidly standing up third-party administered energy efficiency programs in the Midwest, Vermont, and Washington, DC. The DCSEU in particular has much in common with Puerto Rico’s proposed approach, including a desire to use energy efficiency to strengthen the local economy, enhance equity, and support and expand the local energy efficiency workforce. VEIC’s comments incorporate our lessons learned on how best to set a TPA up for success, in both the start-up phase and the long-term.

II. High-Priority Comments on the Regulation

In general, the Proposed Regulation provides a strong foundation for energy efficiency and demand response in Puerto Rico. It includes many strong elements, such as the comprehensive portfolio, focus on underserved markets, and provisions regarding access to energy usage data. However, VEIC has identified a few aspects of the Regulation that should be modified to enable



the success of the TPA. This section provides VEIC’s comments on those aspects of the Regulation that are the highest priority for modification, based on our experience.

A. Fiscal Agency

Section 4.3 says that the “Energy Bureau shall establish and maintain a System Benefits Charge Account into which the TDP/SO makes monthly deposits” and “the Energy Bureau may issue a contract for accounting and other support services to maintain and manage the System Benefits Charge Account.” Although some energy efficiency programs have had to rely on a regulatory commission-managed or independent fiscal agent to authorize the disbursement of collected ratepayer funds from the utilities, a better practice would be to assign fiscal agency to the TPA itself, for several reasons:

- **Reduced default risk and improved cash flow.** Having the System Benefit Charge (SBC) go first to the Energy Bureau before the TPA is eventually paid causes a longer time lag between the time the SBC is collected and the time it reaches the TPA. This cash flow lag means that the TPA will need to borrow money to cover incentive payments and other program expenses before it is reimbursed. This raises the TPA’s default risk and creates cash flow challenges. Having the SBC funds go directly to the TPA eliminates a step and lowers the risk profile for prospective TPAs.
- **Cost savings.** If the Energy Bureau serves as the Fiscal Agent, the TPA – and ultimately Puerto Rico ratepayers – will incur borrowing costs to bridge the gap between submission of its invoice to the Energy Bureau and eventual reimbursements to the TPA. For example, VEIC currently incurs borrowing costs of between \$35,000 and \$40,000 per year to bridge the 30- to 60-day gap between the submission of invoices and the eventual reimbursements to Efficiency Vermont.¹ Vermont is currently in the process of designating Efficiency Vermont the fiscal agent; that change will take place by January 1, 2020. Additional cost savings could likely be realized by combining the TPA’s annual corporate Independent Audit with the Independent Audit of the funds under the management of the Fiscal Agent, as well as by avoiding payment of fees by the Energy Bureau to an outside accounting firm.
- **Safeguarding funds.** Fiscal agency in the hands of the TPA offers an additional safeguard to the use of ratepayer funds: It ensures that other branches of government cannot attempt to divert the SBC for other uses. Providing this safeguard within the Regulation will help prevent costly attempts to challenge the use of ratepayer funds for services outside the delivery of well-regulated, cost-effective energy efficiency and demand response services.

¹ Case No. 18-2867-INV, Efficiency Vermont’s Comments on the Hearing Officer’s Proposal for Decision, June 10, 2019.



The TPA will be well-equipped to serve as the Fiscal Agent, and will be subject to numerous other checks and balances to ensure the prudent use of ratepayer funds. For example, fund disbursement and uses will be reported to the Energy Bureau during the Program Implementation Period, and the evaluation, measurement, and verification (EM&V) activity ensures the cost-effectiveness of the delivered services. Both practices assure the TPA's responsibility in high-performance service delivery.

B. Start-up and Implementation Timeline

VEIC supports the concept of having an initial contracted period for planning and start-up prior to the start of the Program Implementation Period – the period in which the TPA is subject to performance-based goals and compensation – as described in Section 2.2 and 2.3. However, we recommend a longer timeline for both the start-up and implementation period: two years for the start-up period and three years for the implementation period, to start. Puerto Rico will be starting energy efficiency and demand response programs from scratch, and in the context of an electricity system in transition and still rebuilding from Hurricane Maria. A longer start-up period is warranted to allow the TPA sufficient time to learn about energy efficiency potential in different markets in Puerto Rico, develop the Three-Year plan, and engage local partners and vendors who will support implementation. A start-up period of two years would also reduce the TPA's risk, given the likelihood of delays early on that are outside of the TPA's control, by providing the TPA with sufficient time to plan and launch programs before being subject to performance goals. It will also improve outcomes for Puerto Rico residents, who will benefit from the launch of programs that are thoughtfully designed and supported with appropriate promotion, outreach, and engagement strategies.

After the initial 3-year Program Implementation Period, VEIC suggests that the implementation periods be extended to five years. This recommendation is based on our experience serving as a TPA in multiple jurisdictions. A longer implementation period provides the TPA with a longer planning horizon, which allows for greater efficiencies in working with vendors and partners, improved ability to transform markets over time, and better results from programs that engage the market in a sustained and consistent way. Efficiency Vermont originally started as a three-year contract with a potential term extension for an additional three years. It now operates as a long-term Energy Efficiency Utility franchise under an Order of Appointment from the Vermont Public Utility Commission. Similarly, the DCSEU started with a three-year contract, but the contract structure has now been extended to five years. While both Efficiency Vermont and DCSEU are still subject to regular performance reviews, the longer implementation timeframes enable long-term planning and investment in sustained strategies to transform markets. Given these considerations, VEIC suggests the following ten-year timeline for program start-up and implementation:



- Two-year Start-up Period, during which the TPA develops the Three-Year Plan and 20-year projected plan, engages local partners and vendors who will support implementation, and begins to launch programs.
- Three-year Initial Program Implementation Period, during which the TPA is subject to performance-based goals and compensation.
Five-year Program Implementation Periods going forward, informed by Five-Year Plans completed during the Planning Year (the year before the Program Implementation Period).

It is important to note that, if our proposal for a longer implementation period is accepted, the TPA would still complete annual planning as laid out in Section 3.4 of the Proposed Regulation, as well as annual reporting as described in Section 6.1. The Energy Bureau will therefore have ongoing opportunities to review TPA performance and make course corrections.

C. Link Between Budgets and Goals

VEIC recommends clarifying the process for setting the budget, particularly during the first Five-Year performance period, as well as the link between the available budget and the performance goals. The Proposed Regulation says, in Section 3.1, that “the Energy Bureau shall establish by order the total amount of funding to be expended for EE and DR programs... no later than 330 days prior to the Program Implementation Period.”

It is critical to the success of the TPA that performance goals and funding levels are aligned and stable over the long-term. The Proposed Regulation, as written, creates some risks for the TPA. The Regulation sets a process, in Section 2.4, in which each TPA bidder includes in its RFP response the “structure, process, and amounts [it] seeks for performance-based compensation.” However, at the time of bidding, it is not clear that the prospective TPA will even know the available budget, let alone the program or action-based metrics (such as the amount of energy savings) that are achievable in Puerto Rico’s market. The TPA will not have sufficient information at the time of bidding to propose the exact structure and amounts for performance-based compensation.

We suggest modifying this provision to require TPA bidders to suggest a process and some illustrative performance metrics that it would consider for performance-based compensation. It will also be important to share with prospective bidders the estimated range of funding for EE and DR programs, to ensure that proposed strategies are reasonable given the available budget. We further suggest that it would be appropriate to reimburse the TPA on a time-and-materials or fixed fee basis for the two-year Start-up Period. The budget for the Start-up Period should be sufficient to cover significant executive and administrative travel and other start-up activity requiring the deep experience and leadership of the TPA’s senior advisors. Then, once the TPA has learned about energy efficiency potential in Puerto Rico and the Energy Bureau has



established the available funding amount, the TPA and the Energy Bureau can negotiate performance metrics and associated incentives as part of the three-year planning process.

It will also be important to create mechanisms to align funding levels with the 30% efficiency improvement by 2040 goal. If the level of funding for the Initial Program Implementation Period does not put Puerto Rico on a trajectory to meet the goal, then the TPA can provide the data and analytics to either establish a higher budget or a different ramp period through its 20-year forecast. For example, Efficiency Vermont's Demand Resource Planning (DRP) process does not fix the budget upfront, but rather starts with the goals and asks what budget level it will take to achieve the goals. In the first Efficiency Vermont DRP, VEIC developed three scenarios: how much savings we could deliver if our budget was flat, how much savings we could deliver if our budget increased by a modest percentage increase, and finally, how much it would cost to ramp up Efficiency Vermont's programs to achieve a target level of load reduction.

Ideally, the Energy Bureau will use the information that the TPA provides in the 20-year forecast to adjust the funding levels for the next Program Implementation Period. We suggest that the Proposed Regulation provide more detail on how the Energy Bureau will ensure that funding is sufficient, over time, to achieve the 2040 goal.

III. Other Comments on the Regulation

The previous section identified the issues that, in VEIC's view, are the highest priority to modify to support successful rollout and ongoing implementation of EE and DR in Puerto Rico. We have also identified a number of less critical concerns, which are discussed in this section.

A. Goals and metrics

The resolution starts with the statement that the main goal is to reduce costs and to provide stable and reliable service. Many EE programs are now informed by broader set of goals. We suggest that the goals include a) meeting environmental targets, and b) creating economic value and benefit for the Island.

We note that the cumulative annual goal of 30% by 2040 is a simple average of 1.5% per year. Given that population and consumption trends were downward even before Hurricane Maria, and are now even more so, it would be useful to clarify if and how the EE target will be adjusted to account for declines in baseline consumption.

We also suggest including greenhouse gas (GHG) reduction as a possible program-based metric in Section 2.4(B).

B. Planning Timeline

Overall, the planning timeline laid out in Article 3 is very tight:



- The draft Three-Year Plan is due 210 days prior to start of the Program Implementation Period, following establishment of the budget 330 days prior to the implementation period. Therefore, the TPA has 120 days to create a draft Three-Year Plan and 20-year forecast once the budget is set. This is an extremely aggressive timeline, particularly for the 20-year forecast. Efficiency Vermont’s DRP process allots six months for this step, and we suggest allowing at least six months here as well.
- The final Three-Year Plan is due to Energy Bureau 120 days prior to the Program Implementation Period. This allows 90 days for the TPA to facilitate an extensive stakeholder input process and document the feedback received, in addition to updating the plan. This is a tight schedule to achieve meaningful participation by stakeholders; we suggest allowing at least 120 days for this step.

If our recommendation to extend the start-up period to two years is accepted, then this would allow for a longer planning timeline. The planning schedule might then be as follows:

- 15 months prior to the Program Implementation Period: Energy Bureau sets the budget.
- 9 months prior to the Program Implementation Period: TPA presents draft Three-Year (or, in subsequent cycles, Five-Year) Plan to stakeholders.
- 4 months prior to the Program Implementation Period: TPA submits final Three-Year (or, in subsequent cycles, Five-Year) Plan to the Energy Bureau.

C. Cost-Effectiveness

VEIC supports the creation of a Puerto Rico Cost-Benefit Test, as proposed in Article 5. The proposal follows the best practices outlined in the National Standard Practice Manual.² We also support cost-effectiveness screening at the portfolio, sector, or program level, rather than the project or measure level, as well as the exclusion of low-income programs from needing to pass screening.

We support the tracking of net, rather than gross resource impacts. However, given that EE programs are just starting in Puerto Rico, and therefore free ridership is likely minimal, we advise against conducting resource-intensive net-to-gross studies in the early years of program implementation. We suggest instead that the evaluators and the TPA agree on free ridership and spillover assumptions upfront, prior to each Program Implementation Period, and apply those assumptions to its cost-effectiveness and energy impact calculations throughout the period.

D. Measurement, Evaluation, and Verification

Article 6 should be clarified with respect to the roles and processes for EM&V and Technical Reference Manual (TRM) development. Section 3.3 notes that “the Three-Year Plan must include a strategic plan to conduct EM&V activities through competitively procured independent

² National Standard Practice Manual, <https://nationalefficiencyscreening.org/national-standard-practice-manual/>.



evaluators under contract to the Energy Bureau.” It is unclear whether this strategic plan should be written by the TPA, the Energy Bureau, or the independent evaluator. The TPA will likely not be in a position to write this component of the plan, so it may be appropriate to develop an EM&V plan separately from the TPA-led Three- or Five-Year Plan.

Further, it would be preferable for the TPA rather than the Energy Bureau to contract directly with the independent evaluator(s). Particularly if the TPA is also the fiscal agent, this would allow for a more streamlined process and improved coordination between the TPA and evaluator on evaluation plans and market studies. It is also consistent with standard practice; most utility programs contract directly with their independent evaluator while still reporting findings to the regulators.

It is also unclear whether market baseline and potential studies will be available to the TPA to support program planning during the Start-up Period. If possible, it would be highly desirable to have a potential study completed before the start of the planning process.

The Proposed Regulation names the Energy Bureau responsible for maintaining the TRM, but is not clear on who develops the TRM in the first place. We suggest that the TPA create the TRM. This will be the most streamlined and cost-efficient process; TPAs such as VEIC have access to troves of measure characterization data and have developed TRMs in other regions. We also suggest an alternative process for TRM updates, rather than having the Energy Bureau initiate a public proceeding for TRM modifications. We recommend a predictable annual update process to add new measures on a regular basis. In support of the Energy Bureau’s goals, we further suggest setting up a Technical Advisory Committee (TAC) structure where technical experts, including representatives of the TPA, the Energy Bureau, and the independent evaluator, lead the TRM update and modification process. This can also be a useful venue to address evaluation recommendations and other technical issues. Many of the states where VEIC works use this type of TAC structure and process; examples include Illinois, Vermont, and Washington, DC.

E. TPA Responsibilities

Regarding the provision in Section 7.1 that the TPA Director shall reside in Puerto Rico, VEIC supports this requirement over the long-term. However, we suggest allowing for some flexibility during the Start-up Period while the TPA is ramping up and hiring staff. The residency requirement could take effect at the start of the first Program Implementation Period.

VEIC also notes the following specific issues with the language in Section 7:

- Section 7.1(A): requirement that the TPA “is an EPSC” and has “all the responsibilities under this and other regulations that applies to EPSCs” is extremely broad and likely inappropriate for every EPSC regulation. We suggest removing it or narrowing to which specific EPSC provisions apply (i.e. only those in sections X and Y of this regulation).



- Section 7.2(B): The restriction on using a TPA’s own staff to implement any programs should include a clearer definition for “implementing a program.” We suggest clarifying that foundational, cross-cutting support services such as marketing and customer support are appropriate for the TPA to implement, in addition to the exceptions outlined in the Regulation.
- Section 7.2(J)(2): We suggest adding to the list of criteria a subsection (f): Ability or willingness to meet contractual requirements. This would allow the TPA to more highly rate a response if they were willing to comply with all of the required terms, had correct insurance, etc.
- Section 7.2(J)(6): We suggest adding a sentence like “in the event that the TPA and the highest rated bidder or bidders are unable to reach final agreement on a written contract, the TPA may withdraw the contract award or awards and may make one or more contract awards to the next-highest rated proposal or proposals.”
- Section 7.2(J)(9): The requirement that contract must be executed after 14 calendar days from contract award is unclear (is it at least 14 days, or within 14 days?) and does not allow sufficient time to negotiate terms with the winning bidder. We suggest adding a qualifier of “or as soon as reasonably practicable, provided both parties are negotiating in good faith during this time” or equivalent.
- Section 7.2(J)(10): The requirement for director approval 7 days prior to contract effective date may create problems for contracts that need to commence quickly or have only slight modifications. We suggest removing the 7 day advance approval requirement, and simply leaving it as requiring director approval prior to execution.
- Section 7.2(J)(11): This conflicts with the immediately preceding subsection (10) – the Director needs to approve at least 7 days prior to the effective date, but then the date the director approves becomes the effective date. Suggest simply removing Subsection (11).
- Section 7.4(a): We suggest defining the “standard agreement form” as “a standard form of agreement developed by the TPA,” and also including an ability to negotiate with individual service providers so long as resulting agreements do not conflict with the regulation/contract governing the TPA.
- Section 7.4(b): We suggest allowing for use of MOUs as alternative agreements with third parties generally when the type of relationship being pursued does not easily fit within the standard forms of agreement maintained by the TPA, rather than being limited to agreements with government or quasi-governmental agencies.
- Section 7.7: The TPA will need an ability to license use of the trade name to service providers implementing the program on behalf of the TPA.
- Section 9.1(D)(2)(c): Note: there does not appear to be a subsection (a) or (b) here, so it is unclear if (c) stands alone. We suggest two modifications:
 - Clarifying that any third parties receiving this customer information must have agreed to similar confidentiality terms in an agreement with the TPA prior to sharing; and



- Excluding data that has been sufficiently aggregated or anonymized from the definition of “customer information” under this section.

F. Demand Response

Section 8 reads as a traditional “emergency” DR program that is separate and distinct from EE, but leading practitioners are learning that DSM programs that integrate EE and DR can go deeper and provide more grid value. This section should be reviewed to ensure that it is not contributing to silos between EE and DR programs. DR is evolving into broader demand flexibility, which should be fully integrated with core EE services.

This section is also somewhat confusing with respect to the roles of the TPA, the Electric Power Service Company (EPSC), the Transmission and Distribution Provider (TDP), the System Operator (SO), and the Provider of Last Resort. Given all these players, there is a high risk of customer and market confusion. We suggest that the TPA should be empowered to provide comprehensive “demand-side management services” in an integrated way, without EPSCs creating market confusion. Moreover, Sections 8.1 and 8.2 obligate the TPA to plan for this in a coordinated way with the TDP; this will be difficult enough without EPSCs trying to plan for duplicative programs.

Section 8.4 makes it clear that the intention is for the DR assets to be set up for dispatch by the TDP, yet the TPA is paying out customers for performance (or facilitating such compensation by the TDP/SO). One option would be for the TPA to conduct the dispatch on behalf of the TDP (at the TDP’s discretion) so that all of the customer-facing responsibility lives with the TPA.

G. Rate Design and Grid Planning

Article 10 does not provide for the TPA to have a role in rate design. To support a more integrated approach to EE and DR, the TPA should be involved in designing rate structures that promote and enable cost-effective EE and DR resources. We recommend a formal role for the TPA in the rate design process.

Articles 11 and 12 lay out of good process for the TPA and the TDP/SO to collaborate on resource and grid planning and identification of non-wires alternatives (NWAs). We suggest that the revised process for distribution system planning proposed by Pepco for use in Washington, DC is a good model on how a TPA and a TDP/SO should work iteratively and together in the identification of a) load influencing factors, b) locational constraints, c) DER options to meet locational constraints.³

³ DC MEDSIS Final Report, <https://dcpsec.org/PSCDC/media/PDFFiles/HotTopics/GridModernizationFinalReport.pdf>. See Pepco’s Proposal for District of Columbia Stakeholder-Informed Utility Distribution System Planning and NWA Consideration Process starting on pg. 358.



IV. Potential Additions to the Regulation

VEIC presents the following comments to encourage two new elements in the Regulation: one relating to clean transportation and one relating to responsibilities of the Government of Puerto Rico in supporting the implementation and funding of a TPA model for the delivery of energy efficiency and demand response services.

A. Responsibilities of the Government of Puerto Rico

VEIC suggests that the Energy Bureau consider adding an article, similar in spirit to Article 7 (Responsibilities of Third-Party Administrator) to clarify the type of support that the TPA can expect to garner from the Government of Puerto Rico. This will support a robust RFP response for the TPA as well as successful launch of the programs. Two key governmental responsibilities are: (1) marketing support of the TPA's services prior to the Program Implementation Period; and (2) ensuring that the TPA understands local regulations and market conditions relating to the local workforce relevant to TPA work on the Island.

There is an important opportunity for the Government of Puerto Rico to signal its support, in advance of program implementation (via marketing and public service announcements), for the EE and DR programs. Letting customers know that the program exists, that the Government of Puerto Rico supports it, that it is being supported by ratepayer dollars, and that it will bring benefits to the Island will all help the TPA to quickly establish a customer pipeline, once program implementation begins. Marketing the program and creating a toll-free number for essential information will help the TPA identify potential partners (for example, trade and professional associations) and customers (for example, large energy users). This work will also help build the database listed as a TPA responsibility described in Article 9.

The role and dynamics of Puerto Rico's workforce will be also be important for the TPA to understand, to inform program design. The TPA will, at a minimum, need to understand any constraints it might encounter with regard to labor unions, minimum employment rules, conditions, and wages. The Government can also provide valuable perspective on market conditions relating to industry partners (electricians, homebuilders, multifamily housing developers, etc.) and the supply chain. This will help the TPA avoid incorrect assumptions about worker availability and costs.

B. Transportation

The Proposed Regulation does not appear to reference transportation as a factor that can help Puerto Rico meet its statutory energy savings goal of 30 percent by 2040. VEIC suggests that it consider the role that clean transportation can play in reducing GHG emissions and managing peak demand. Particularly in the context of pursuing DR strategies, the Proposed Regulation could acknowledge opportunities to bundle EV charging loads as a demand response strategy.



Motor vehicle gasoline accounts for just over half of the Island’s total petroleum consumption. It is a significant contributor to GHG emissions, and a costly import.⁴ The number of electric vehicles (EVs) appears to be small. Until prices decrease or incentives and other local programs are available, it is unlikely they will reach high levels of penetration.

Public transportation (electric buses) also provides opportunities for electrification. The electrified rail transit system serving a 10-mile corridor near San Juan might offer leveraging potential similar to the work the DCSEU has done with the Washington Metro system.⁵

V. Conclusion

The Proposed Regulation creates a once-in-a-generation opportunity to shape Puerto Rico’s clean energy future through comprehensive EE and DR programs. VEIC appreciates this opportunity to comment. We look forward to engaging further and supporting achievement of Puerto Rico’s energy goals.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jim Madej", is positioned below the text "Respectfully submitted,".

Jim Madej
Chief Executive Officer

⁴ “Puerto Rico: Territory Profile and Energy Estimates.” 2019. U.S. Energy Information Administration. <https://www.eia.gov/state/data.php?sid=RQ#Consumption>.

⁵ “2025 Energy Action Plan,” n.d. Washington, DC: Washington Metropolitan Area Transit Authority. <https://www.wmata.com/initiatives/sustainability/#main-content>. And “DCSEU Applauds Metro’s Energy Action Plan, Continues Partnership to Help WMATA Use Less Energy.” 2019. Washington, DC: DCSEU. <https://www.dcseu.com/news-blog/news/dcseu-applauds-metro-s-energy-action-plan-continues-partnership-to-help-wmata-use-less-energy>.