

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

NEPR Received: Dec 30, 2020 9:09 PM
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IN RE: REVIEW OF THE PUERTO RICO
ELECTRIC POWER AUTHORITY
INTEGRATED RESOURCE PLAN

CASE NO.: CEPR-AP-2018-0001

SUBJECT:
Demand Response Status Report
Presentation

**MOTION TO SUBMIT DEMAND RESPONSE STATUS REPORT IN COMPLIANCE
WITH THE FINAL RESOLUTION ON RECONSIDERATIONS**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW the Puerto Rico Electric Power Authority through the undersigned legal representation and respectfully sets forth and prays as follows:

On December 2, 2020, the Energy Bureau of the Puerto Rico Service Regulatory Board (“Energy Bureau”) issued the *Final Resolution on Reconsiderations*¹ in which it directed the Puerto Rico Power Electric Authority (PREPA) to file, on or before December 30, 2020

a comprehensive status report on its efforts to undertake an aggressive and expeditious negotiation, coordination, and scheduling process with high demand industrial and commercial clients regarding demand response during the peak demand season of 2020. The status report must also include lessons learned and PREPA’s plans for how to best engage with these customers and develop the potential demand response resource for the summer of 2021 and other future periods of high load.²

WHEREFORE, in compliance with the Order, PREPA hereby submits the Demand Response Status Presentation. Exhibit A.

RESPECTFULLY SUBMITTED.

¹ *Final Resolution on Reconsiderations* dated December 2, 2020 (the “Order”).

² *Id* at page 6; 34.

In San Juan, Puerto Rico, this 30th day of December 2020.

s/ Katuska Bolaños Lugo

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CERTIFICATE OF SERVICE

It is hereby certified that, on this same date I have filed the above motion using the Energy Bureau's Electronic Filing System, at the following address: <http://radicacion.energia.pr.gov> and that a courtesy copy of the filing was sent via e-mail to: sierra@arctas.com; tonytorres2366@gmail.com; cfl@mcvpr.com; gnr@mcvpr.com; info@liga.coop; amaneser2020@gmail.com; hrivera@oipc.pr.gov; jrivera@cnslpr.com; carlos.reyes@ecoelectrica.com; ccf@tcmrslaw.com; manuelgabrielfernandez@gmail.com; acarbo@edf.org; pedrosaade5@gmail.com; rmurthy@earthjustice.org; rstgo2@gmail.com; larroyo@earthjustice.org; jluebkmann@earthjustice.org; acasellas@amgprlaw.com; loliver@amgprlaw.com; epo@amgprlaw.com; robert.berezin@weil.com; marcia.goldstein@weil.com; jonathan.polkes@weil.com; gregory.silbert@weil.com; agraitfe@agraitlawpr.com; maortiz@lvprlaw.com; rnegron@dnlawpr.com; castrodiappalaw@gmail.com; voxpathulix@gmail.com; paul.demoudt@shell.com; javier.ruajovet@sunrun.com; escott@ferraiuoli.com; SProctor@huntonak.com; GiaCribbs@huntonak.com; mgrpcorp@gmail.com; aconer.pr@gmail.com; axel.colon@aes.com; rtorbert@rmi.org; apagan@mpmlawpr.com; sboxerman@sidley.com; bmundel@sidley.com.

In San Juan, Puerto Rico, this 30th day of December 2020.

s/ Katuska Bolaños Lugo
Katuska Bolaños Lugo

Exhibit A

**DEMAND RESPONSE STATUS
REPORT
DECEMBER 30, 2020**



**In re: Review of the Puerto Rico
Electric Power Authority
Integrated Resource Plan
Case. No. CEPR-AP-2018-0001**

Case No. NEPR-AP-2020-0001

On May 22nd, 2020 the Energy Bureau directed PREPA to begin an aggressive and expeditious process of negotiation, coordination and programming, with the objective of establishing demand response agreements (demand side management) with industrial and commercial clients of high demand, in order to mitigate the adverse effects that their demand may cause during the peak demand season for the year 2020. The Energy Bureau also directed PREPA to a focus on a goal of no less than 250 MW demand reduction from industrial and commercial clients from Puerto Rico's private sector .



- In compliance with the Order, PREPA put together a team of officials from diverse directorates, including the following:
 - Operations
 - Customer Service
 - Wholesale Customers Division ("Wholesale Accounts").
 - Planning and Environmental Protection
 - Legal Affairs Directorate



Demand Response Efforts

- PREPA officials held various meetings with the Puerto Rico Industrial Associations representatives, as well as with representatives from the Pharmaceutical Industry Association (PIA).
- Based on information identified through PREPA's records, PREPA's officials compiled a list of the top 55 private sector industrial and commercial customers with the highest demand. The compiled list served as a databank to initiate communications with the purpose of inquiring each clients' own generation capacity and to ask their availability to participate in a demand response program.



Demand Response Efforts

- On July 3, 2020, the Customer Service Wholesale Division engineers were tasked with the responsibility of contacting the top 55 clients through telephone calls to inquire the clients' availability to disconnect their load or part of it from PREPA's electrical system.
- Customers contact information had not been updated in PREPA's Customer Care and Billing system (CC&B).
- In consequence, the initial contact to many customers was made through a main telephone switchboard. PREPA required the contact information of the company's main officers that would have decisional power in order to direct PREPA's requests for information.
- In the event a customer did not reply to PREPA's telephone calls or after failed attempts they were then contacted through e-mails. In several cases PREPA's officials needed to send follow up communications.



Demand Response Efforts

- On July 6, 2020, the identified information was used to send certified letters to the top 55 high demand clients. The letters were signed by the former Chief Executive Officer of the Authority, Eng. Jose. F. Ortíz. The letters included the request for contact information to initiate communications with customers. It also included a request for information in the form of these three questions:
 1. Do you have your own generation facilities that allow you to cover your total energy demand when disconnected from the PREPA's electrical system?
 2. How much own generation capacity do you have?
 3. For how long can you keep that capacity available, without having to connect to PREPA's electrical system?



Demand Response - Findings

- The certified letters sent by PREPA to all 55 top demand clients went unanswered.
- Those who already had cogeneration facilities expressed they would have no problem disconnecting from PREPA's electrical system, as needed.
- Those with emergency generators only expressed the following concerns:
 - High cost of producing energy with emergency generators.
 - The emergency generation would not cover the client's full load demand.
 - Exposure to fines by the Puerto Rico's Environmental Quality Board. (*Junta de Calidad Ambiental*) for operating emergency generation without the corresponding permits.
- It was difficult to contact clients' representatives due to the positions they occupy in their respective work areas, for example, Plant Managers, Operations, etc.



Demand Response - Findings

- PIA indicated that they have problems to reduce load immediately since this depends on the process that they are executing in each plant at the moment.
- It is apparent to PREPA's officials that customers expect some sort of incentive, as well as guidelines and sufficient notice to participate in any Demand Response Program.



Demand Response - Findings

Illustrative Table of Information Gathered by PREPA's Demand Response Efforts

- Demand Response Availability:

SYSTEM TYPE	STATUS	INFORMED EQUIPMENT SIZE MW	NUMBER OF CLIENTS	AVERAGE MW (FY 2020)
Cogeneration	In service	43.50	4	80.75
Congenerator	Under evaluation	16.60	9	96.16
Emergency Generation	In Service	111.35	21	115.37
No equipment			21	168.90
Total		171	55	461



Technical Aspects for Demand Response Management

- PREPA does not currently have the infrastructure to be able to predict in advance how much capacity it would need from a demand response program. When PREPA encounters a generation deficiency, it acts reactively and begins a scheduled demand shift with previously established rotations of one or two hours. On the other hand, when PREPA schedules to take generation units off line for maintenance or for repairs, part of the planning involves preparing to meet the demand and have the necessary reserves to meet the energy needs of the system.



PREPA's Recommendations

- Maintain an updated database of the identified clients as they undergo personnel changes.
- Work with PREPA's technical districts to establish a direct relationship with these clients, if it does not exist already.
- Establish a program designating which PREPA directorate would be responsible in originating communication with customers when demand reduction is needed.
- Create a collaboration committee among all the directorships involved, to establish guidelines on how demand response will work, if implemented.
- This type of customer contact activity must be carried out with sufficient preparation time.



PREPA's Recommendations

- PREPA recommends the Energy Bureau to complete the regulation process to implement the demand response program, in such a way that the customers themselves make comments and attend public hearings to find out what would encourage them to participate in a demand response program.
- Other jurisdictions, according to the United States Department of Energy, engage customers to participate in demand response efforts by offering time-based rates such as time-of-use pricing, critical peak pricing, variable peak pricing, real time pricing, and critical peak rebates.

