

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

**IN RE:** DEMAND RESPONSE PLAN REVIEW,  
IMPLEMENTATION AND MONITORING

**CASE NO.:** NEPR-MI-2021-0006

**SUBJECT:** Technical Conference on Three-Year Demand Response Plan, Questions to the Puerto Rico Electric Power Authority.

**RESOLUTION AND ORDER**

On March 24, 2021, the Puerto Rico Electric Power Authority ("PREPA") filed before the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") a document titled *Motion to Request a Pre-Filing Technical Conference Regarding PREPA's Three Year Demand Response Plan* ("Motion"). Through its Motion, PREPA stated that Regulation 9246<sup>1</sup> directs PREPA to, among other things, file a Three-Year Plan on Demand Response ("DR"), identifying the proposed DR programs goals with its associated budget, for review and approval of the Energy Bureau.

PREPA informed that it began a process of Request for Proposals ("RFP") to execute a contract for professional services to retain an advisor that could provide expertise in demand response matters. PREPA retained the services of Guidehouse Inc. under a contract executed on January 29, 2021. Through its Motion, PREPA states that Guidehouse has held several meetings with officials from PREPA and LUMA<sup>2</sup> to align the requirements and approach needed to develop the Three-Year DR Plan. Based on an assessment of Regulation 9246, Guidehouse provided a plan with a phased approach and proposed outline for the Three-Year DR Plan.<sup>3</sup> PREPA requested the Energy Bureau to schedule a pre-filing technical conference to clarify questions regarding the Three-Year DR Plan, its contents, the DR baseline and potential studies.

Upon review of PREPA's Motion, the Energy Bureau considers that the issues raised by PREPA and Guidehouse should be thoroughly discussed. However, the Energy Bureau is concerned that the information presented as part of the Motion contains no information about the timeline or approach for starting DR programs on a pilot or quick-start basis. Therefore, to begin the discussion related to the Three-Year DR Plan, the Energy Bureau **ORDERS** PREPA and LUMA to, **on or before April 23, 2021**, provide responses to the questions included as Attachment A to this Resolution and Order.

<sup>1</sup> Regulation for Demand Response, December 21, 2020.

<sup>2</sup> LUMA Energy, LLC and LUMA Energy ServCo, LLC, collectively "LUMA".

<sup>3</sup> Exhibit A, Motion.



The Energy Bureau **ORDERS** PREPA and LUMA to attend a virtual Technical Conference to be held on **Tuesday, April 27, 2021, at 1:00 p.m.** <sup>4</sup> The Energy Bureau includes as Attachment B to this Resolution and Order the Agenda for the Technical Conference. PREPA and LUMA shall ensure that all personnel with knowledge on developing the Three-Year DR Plan attends the Technical Conference.

Be it notified and published.



Edison Avilés Deliz  
Chairman



Ángel R. Rivera de la Cruz  
Associate Commissioner



Lillian Mateo Santos  
Associate Commissioner



Ferdinand A. Ramos Soegaard  
Associate Commissioner



Sylvia B. Ugarte Araujo  
Associate Commissioner



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<sup>4</sup> The Energy Bureau will provide the access information to the Technical Conference in a timely manner. The Technical Conference will be streamed live via the Energy Bureau's YouTube Channel in both, the English and Spanish languages.

## CERTIFICATION

I hereby certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on April 21, 2021. I also certify that on April 21, 2021 a copy of this Resolution and Order was notified by electronic mail to the following: astrid.rodriguez@prepa.com, fabiola.rosa@prepa.com, marisol.pomales@prepa.com, vilmarie.fontanet@prepa.com, jorge.ruiz@prepa.com; mario.hurtado@lumamc.com; wayne.stensby@lumamc.com; ashley.engbloom@lumamc.com; Legal@lumamc.com. I also certify that today, April 21, 2021, I have proceeded with the filing of the Resolution and Order issued by the Puerto Rico Energy Bureau.

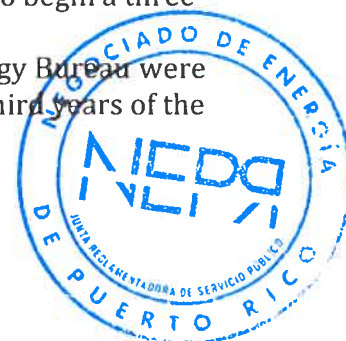
I sign this in San Juan, Puerto Rico, today April 21, 2021.

  
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Sonia Seda Gaztambide  
Clerk



**Attachment A**  
**Questions for PREPA and LUMA**

- 1) What is PREPA's current thinking regarding how it will promptly capture the value of the existing distributed battery energy storage resource?
  - a. Does PREPA intend to capture storage value via DR programs?
  - b. Does PREPA know which customers have BESS resources?
  - c. Does PREPA expect this resource to be reflected as a virtual power plant (VPP) resource via its current procurement solicitation?
- 2) The Guidehouse proposal, included as Exhibit A to the Motion, does not identify a timeframe for the launch of DR programs, whether as pilots, quick start programs, or full-fledged programs.
  - a. What is PREPA's current expectation regarding when it will launch any DR programs?
  - b. What is LUMA's current expectation regarding DR programs? Will LUMA continue programs that PREPA launches before the transition? When will LUMA launch DR programs if PREPA has not launched them by the time of the transition?
  - c. What specific steps must be completed before pilot or quick-start DR programs could be launched? What steps could be completed in parallel while pilot or quick-start DR programs are in operation?
- 3) Please describe how PREPA, LUMA, and Guidehouse plan to handle the PREPA to LUMA transition regarding DR.
  - a. Does Guidehouse's contract transition to LUMA?
- 4) Please describe in more detail the stakeholder engagement that PREPA/Guidehouse and LUMA believe are appropriate at different stages of DR program development and implementation.
- 5) The Energy Bureau has published a Proposed Regulation for Energy Efficiency ("EE") that contains a Three-year EE planning obligation. The Energy Bureau's goal is to align the schedules for the three-year plans between EE and DR. Due to the financial implications, the Energy Bureau considers that the three-year plans should be aligned with fiscal years (*i.e.* July 1 to June 30).
  - a. What would be required regarding DR planning and analysis to begin a three-year DR period on July 1, 2022?
  - b. Would those requirements be changed in any way if the Energy Bureau were to explicitly allow for a revised plan to cover the second and third years of the Three-year plan?



- 6) The Energy Bureau intends to conduct an EE and DR market baseline study between summer 2021 and spring 2022. Guidehouse suggests it would undertake a similar DR study by the fall of 2021, to inform the Three-year DR plan to be filed in 2022. The Energy Bureau sees value in both a faster study (as proposed by Guidehouse), to inform initial program planning, and a more comprehensive study (that could support program refinement and expansion beyond early pilots/quick start programs).
- a. Could Guidehouse provide more detail regarding its proposed DR study? Could Guidehouse collect limited information regarding EE as part of its research?
  - b. What steps are required to ensure that data collected during PREPA/Guidehouse's study is shared with the Energy Bureau's selected baseline study consultant, to avoid duplication and increase consistency between the studies?
  - c. How will PREPA incorporate the results of the Guidehouse DR baseline/potential study into its programs/timing?



## **Attachment B**

### **Agenda for Technical Conference**

- 1) Introduction
- 2) Brief presentation by PREPA/Guidehouse on the current status of DR planning.
  - a. Discussion of responses to Energy Bureau's questions of Attachment A and any updates to proposed approach resulting from consideration of the Energy Bureau's questions.
- 3) Supplemental presentation from LUMA regarding responses to the Energy Bureau's questions of Attachment A relevant to LUMA.
- 4) Discussion of Initial Steps
  - a. Development of initial DR portfolio
  - b. Launch of DR pilots/quick start programs
    - i. Role of DR in harnessing benefits of battery energy storage systems
    - ii. Implementation assistance
- 5) Discussion of Further Steps
  - a. Market baseline study
  - b. Calendar for 3-year planning cycle
    - i. Coordination with EE schedule
- 6) Follow-up/next steps

