

NEPR

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May 24th, 2021

Mr. Edison Avilés-Deliz
Chairman
Puerto Rico Energy Bureau
World Plaza Building
268 Ave. Muñoz Rivera
Nivel Plaza Suite 202
Hato Rey, PR 00918

RE: LUMA Initial Budgets and Related Terms of Service, Docket Number: NEPR-MI-2021-0004; Budget Item Suggested by SESA

Dear Chairman Avilés-Deliz:

The Puerto Rico Solar Energy Industries Association Corp., d/b/a/ Solar and Energy Storage Association of Puerto Rico (hereinafter, "SESA") is a non-for-profit association that represents Puerto Rico's solar and energy storage industries. SESA advocates for solar and storage technologies as a central solution to the energy needs of Puerto Rico and promotes and seeks implementation of public policy that benefits the growth of these industries. SESA brings awareness and understanding of these technologies to both government policymakers and the public and facilitates collectively beneficial collaboration and good business practices within the industry.

SESA comes before the Puerto Rico Energy Bureau (hereinafter, PREB or the Energy Bureau) humbly suggesting language to be included in LUMA's initial budget (July 1st 2021 - June 30th 2022). It is SESA's firm view that the budget item herein suggested is critical to enable the implementation of Puerto Rico's binding renewables and storage deployment minimum thresholds, as set in Act 17 of 2019, and as restated and ratified directly via this Honorable Bureau's watershed Final Resolution and Order ("IRP Order") in case No. CEPR-2018-0001 regarding the Integrated Resource Plan ("IRP") of the Puerto Rico Electric Power Authority ("PREPA").

Conceptually, our request highlights the urgent need for a comprehensive study, performed quickly, which paints a clear pathway for the sequence of events needed to upgrade the power grid in order to accommodate the massive, transformation amount of renewables required to come online – 3,750MW of new renewables by 2025 – in a way that also maximizes demand response, energy efficiency, and other modern clean energy technologies. The presence of such a study, conducted in an open-source manner, would serve as a necessary guiding light

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for all governmental agencies likely to be involved in this effort, including PREPA, the Energy Bureau, the Public Energy Policy Office, Vivienda, HUD, FEMA, DOE, and the P3 Authority, among others. This study would also clear up concerns expressed in the record¹ and help correct stated timelines that seem unaligned with Act 17/2019/IRP binding renewables goals, as well as PREB regulations in force, or to be in force, such as those on Demand Response and on Energy Efficiency.² In sum, development of such a study in an open-source manner, with results informed by and available to stakeholders and the general public would, in our view, only serve to help the public interest.

The Budget Item suggested by SESA is as follows:

Amount: \$500,000.

Description: By September 1st 2021, contract with an independent 3rd party firm to conduct a comprehensive integrated analysis of any modifications needed to existing assets in order to facilitate integration of renewable energy as required by the IRP. Such analyses shall have the following characteristics:

1. Open-source data & model.
2. Performed within a total of three (3) months from date of contracting to presentation of Final Report.
3. Final Report shall be publicly posted by January 1st, 2022. Final Report provided to PREPA, LUMA and PREB by December 1st 2021.
4. Within the first month of contracting, the 3rd party firm shall hold two (2) technical workshops which will be open to public view and stakeholder participation, upon request to PREB. The purpose of these workshops will be to ensure that the 3rd party consultant has all available input needed from the utility (PREPA), the grid operator (LUMA), and any other sources needed in order for this study to be conducted quickly and accurately.

¹ For example, the LUMA *Generation Team Operations Dispatch Assessment* of Nov 2020, included in their *Motion for Compliance of Resolution* of April 13, 2021, expresses that: "Resource Adequacy - Note PREPA was unable to provide hourly data which is important for modeling renewable integration." (Attachment 1) & that "Increased solar penetration will cause more ramping which will further degrade plant condition and increase reliability risks... Solar curtailments could increase as reliability risks deteriorates". (Attachment 2), <https://energia.pr.gov/wp-content/uploads/sites/7/2021/04/5D-2RFI-LUMA-MI-21-0004-210405-PREB-005d-Attachment-2.pdf>

² For example, the *Petition for Approval of Initial Budgets and Related Terms of Service Subject: Request for Examination and Approval of Initial Budgets and Related Terms of Service* of February 24th, 2021 (*Petition*), expresses that "1. Depending on the outcomes of the key FY2022 program planning activities and subsequent completion of various regulatory proceedings to secure funding, start the launch of energy efficiency, DR and small-scale renewable programs 2. Implement procurement processes for utility- scale solar [...]" [Activities beyond FY2022 (p. 99 of filing / p. 56 of presentation attached to *Petition*)]. <https://energia.pr.gov/wp-content/uploads/sites/7/2021/03/Petition-for-Approval-of-Initial-Budgets-and-Related-Terms-of-Services-3.pdf>

5. Must include analyses of all available data pertaining to the current state of the transmission, distribution, and all associated components of the existing power grid.
6. Must include integration of the best available weather data pertaining to insolation, wind, and other climate related factors related to rapid integration of renewable energy.
7. Must include analyses of capacity of existing power generation to facilitate rapid renewable energy and storage integration.
8. Must include recommendations of specific upgrades to existing power grid and existing power generation, prioritized in order of importance and urgency.

Cordially,

[Signed]

PJ Wilson
Presidente, SESA-PR
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