

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

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IN RE: REGULATION FOR ENERGY
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CASE NO. NEPR-MI-2021-0005

SUBJECT: IEEFA COMMENTS ON
PROPOSED REGULATION

**Institute for Energy Economics and Financial Analysis (IEEFA) Comments
on Proposed Energy Efficiency Regulation**

**HONORABLE CHAIRMAN AVILES AND COMMISSIONERS OF THE PUERTO
RICO ENERGY BUREAU:**

The Institute for Energy Economics and Financial Analysis (IEEFA) appreciates the opportunity to provide these comments on the Energy Bureau's proposed energy efficiency regulation. The regulation is an important step forward in achieving a clean, affordable and resilient energy future for Puerto Rico.

Among the regulation's strengths are that it contains a plan to start programs and generate more data to identify areas of potential savings, it encourages savings that are long-lasting and durable, and calls for cost-effectiveness testing that is tailored to Puerto Rico.

We wanted to offer a few comments on the regulation related to the means for achieving the target and on reporting.

First, we understand that the robustness of the target likely necessitates the inclusion of some amount of naturally occurring savings as a means of compliance. However, unless LUMA can actually document that it has influenced those savings, e.g. through promoting increased compliance with building codes, naturally occurring savings should not count towards any performance incentive for LUMA. We are very concerned that LUMA's February 25, 2021 proposed performance metrics (in Case No. NEPR-AP-2020-0025) do not include any incentive for LUMA to meet the Commonwealth's energy efficiency targets (nor its renewable energy targets), and we urge the Bureau to require that these be included in LUMA's performance metrics.

Second, it is not clear that the allowed means of compliance would permit energy efficiency in PREPA or LUMA facilities to count towards the goal. We don't think that plant improvements such as heat rate improvements ought to count; rather we are referring to building and appliance related savings within PREPA or LUMA facilities. If those facilities don't fall under the purview of the PEPP, there could be a lost opportunity to improve PREPA's or LUMA's own use.

Finally, because aggressive and comprehensive action on energy efficiency is such an important component of energy resiliency, we would like to see the Bureau make clear that the Three-Year Plan, the Annual Updates, and other filings should be public information and to require LUMA to use uniform reporting. The Bureau could, for example, require the use of this tool created by Lawrence Berkeley National Laboratory: <https://emp.lbl.gov/publications/flexible-and-consistent-reporting>. Uniform and public reporting will facilitate work on this topic by multiple stakeholders as well as provide high quality information to policymakers.

IEEFA is appreciative of the work and creativity that went into drafting this regulation, which we hope will finally allow Puerto Rico to join the ranks of jurisdictions with robust, effective efficiency programs.

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