



Technical Conference: Avoided Cost Study for Energy Efficiency and Data Request

Docket NEPR MI-2021-0009

November 18, 2021





Agenda

- Context for avoided cost study for energy efficiency
- Study approach comparison (Marginal Cost Study vs. Avoided Cost Study)
- Review data requests
 - Is each request clear?
 - What responsive data can LUMA provide?
 - When can LUMA file the responses?
- Next steps



Context

- PR Test framework workshop process is complete
- Energy Bureau expects to issue a draft PR Test framework for stakeholder comments
- During the workshops, stakeholders discussed which avoided costs to prioritize for quantification
 - Synapse also briefly discussed the ongoing avoided cost study, particularly as relates to avoided energy costs, and the need for data to conduct modeling
- The final EE regulation (to be released soon) also requires the Energy Bureau to conduct the avoided cost study



Context (cont'd)

- Avoided energy cost is likely to be the largest single value for energy efficiency and is the focus of the data requests
- Synapse is using the tools and approach used in the 2021 New England Avoided Energy Supply Component (AESC) study
 - EnCompass capacity expansion and dispatch model
 - Require load and generation cost data to complete the modeling



Study Approach Comparison

Marginal cost studies and avoided cost studies are different types of studies and serve different purposes

Study	Marginal Cost Study	Avoided Cost Study
Purpose	Rate design	EE/DR program design and evaluation
Study Period	Nearer-term (e.g., today through 2024)	Longer-term (covers the full lifetime of measures installed – e.g., 20 years)
Cases or Scenarios	Expected load	Load without projected EE savings
Granularity of Results	No time variation	Time variation (by time of day, season, year)



Data Request: Question 1

Please provide total hourly (8,760) consumption data at a PREPA-wide level from January 2017 to April 2021. If possible, please break this data out by customer class (residential, commercial, etc.).

- If PREPA-wide level hourly data does not exist for this entire period, please provide the data for the period for which it is available.
- If PREPA-wide hourly data does not exist, please provide the level of hourly data that is available (e.g., substation, circuit, etc.) and describe how this data should be used to derive PREPA-wide hourly load estimates.



Data Request: Question 2

In reference to the confidential workpapers named “PREPA Fuel Forecast 06032019_FINAL_with formulas.xlsx” provided by PREPA in case no. CEPR-AP-2018-0001, please provide the most updated fuel price forecasts for AES coal plants between 2021 - 2038. Please indicate the units for the fuel price forecasts.

- If the entire period is not available, please provide data for the years that are available.



Data Request: Question 3

In reference to the confidential workpapers named “PREPA Fuel Forecast 06032019_FINAL_with formulas.xlsx” provided by PREPA in case no. CEPR-AP-2018-0001, please answer the following questions:

1. Excluding the New Fortress Energy contract that pertains to the San Juan plants and the renewed Gas Sales and Purchase Agreement (GSPA) that pertains to Costa Sur and EcoElectrica, please confirm that the forecasting methodology and adders used for delivered fuel prices at all plants are still applicable. If there are any differences, please provide the most recent update to this referenced spreadsheet to reflect the new adders and forecasting methodologies.
2. On tab “No.6 Regression” of this spreadsheet, please provide the data source for NY Spot No. 6 0.5% (dollars per gallon). The current data source on this tab links to the NY Harbor Ultra-Low Sulfur No 2 Diesel Spot Price and does not match the values provided in column E of this tab.



Data Request: Question 3 (cont'd)

In reference to the confidential workpapers named “PREPA Fuel Forecast 06032019_FINAL_with formulas.xlsx” provided by PREPA in case no. CEPR-AP-2018-0001, please answer the following questions:

3. Please also indicate if the adders in the referenced fuel forecast workpaper are consistent with the current contractual agreement for No. 6 residual fuel oil purchases, namely, the extended Fuel Oil Purchase Contract with Freepoint and any other applicable contracts with other suppliers. If not, please provide any updated adders to reflect recent contractual agreements for No.6 fuel oil.
4. Please also indicate if the adders in the referenced fuel forecast workpaper are consistent with the current contractual agreement for diesel, namely, the Puma Energy Caribe LLC, and/or any other applicable contracts with other suppliers. if not, please provide any updated adders to reflect recent contractual agreements for diesel.



Data Request: Question 4

Please provide the following ancillary service information:

- Historical Regulation Up/Down requirements for PREPA's system for 2020.
- Forecasted Regulation Up/Down requirements for PREPA's system for years 2021- 2038. If data does not exist for the entire period, please provide data for the period for which it is available.
- Please provide a description of how the regulation up/down requirements are derived/established. If these values are derived formulaically, provide any relevant worksheets with formulae intact.
- In reference to regulation up/down, please provide variation in requirements due to seasonality or other expected differences in the pattern of regulation up/down requirements across the year.



Data Request: Question 5

Please provide the following operating reserve information:

- Historical Operating Reserve requirements for PREPA's system for 2020.
- Forecasted Operating Reserve requirements for PREPA's system for years 2021- 2038. If data does not exist for the entire period, please provide data for the period for which it is available.
- Please provide a description of how the operating reserve requirements are derived/established. If these values are derived formulaically, provide any relevant worksheets with formulae intact.
- In reference to operating reserves, please provide variation in requirements due to seasonality or other expected differences in the pattern of operating reserve across the year.



Next Steps

- PREB plans to issue an order memorializing the results of this Technical Conference
 - To include request for responses to data requests in line with the timeframes discussed today

- Once responses are received, Synapse to continue with avoided cost study
 - Will present draft results for stakeholder review and input in early 2022
 - Aiming to have final values available for application in the spring