

GOBIERNO DE PUERTO RICO
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO
NEGOCIADO DE ENERGÍA DE PUERTO RICO

NEPR

Received:

Mar 7, 2022

4:47 PM

IN RE: PUERTO RICO TEST FOR
DEMAND RESPONSE AND
ENERGY EFFICIENCY

NÚM.: NEPR-MI-2021-0009

ASUNTO: COMENTARIOS DE LA
OFICINA
INDEPENDIENTE DE
PROTECCIÓN AL
CONSUMIDOR

COMENTARIOS DE LA OFICINA INDEPENDIENTE
DE PROTECCIÓN AL CONSUMIDOR (OIPC) A LOS ANEJOS A Y B DE LA
RESOLUCIÓN Y ORDEN DEL 7 DE FEBRERO DE 2022

AL HONORABLE NEGOCIADO:

Comparece la Oficina Independiente de Protección al Consumidor de la Junta Reglamentadora de Servicio Público (en adelante, "OIPC"), por conducto de los abogados que suscriben, quienes con el debido respeto **EXPONEN, ALEGAN** y **SOLICITAN:**

I. TRASFONDO

1. Con fecha del 7 de febrero de 2022, el Negociado de Energía de Puerto Rico de la Junta Reglamentadora de Servicio Público (en adelante, "Negociado"), emitió una Resolución y Orden concediéndole a las partes interesadas hasta el 7 de marzo de 2022, para que sometieran sus comentarios a los Anejos A y B de dicha Resolución.

LEGITIMACIÓN ACTIVA DE LA OIPC

2. La *Ley de Transformación y ALIVIO Energético*, Ley 57-2014, según enmendada, establece:

“Artículo 6.42- Poderes y Deberes de la OIPC

La Oficina tendrá los siguientes poderes y deberes:

(a) ...

(b) Evaluar el impacto que tienen las tarifas, la política pública y cualquier otro asunto que pueda afectar a los clientes de servicio eléctrico, telecomunicaciones y transporte en Puerto Rico;

(c) Ser defensora y portavoz de los intereses de los clientes en todos los asuntos que estén ante el Negociado de Energía, el Negociado de Telecomunicaciones y el Negociado de Transporte y otros Servicios Públicos, o que estén siendo trabajados por el Programa de Política Pública Energética adscrito al Departamento de Desarrollo Económico, relacionados con las tarifas y cargos de servicio eléctrico, calidad del servicio eléctrico, los servicios de las compañías de servicio eléctrico a sus clientes, planificación de recursos, política pública y cualquier otro asunto de interés del cliente;

(...)

(f) Efectuar recomendaciones independientes ante los Negociados sobre tarifas, facturas, política pública y cualquier otro asunto que pueda afectar a los clientes de estos servicios en Puerto Rico;

(...)

(h) Participar o comparecer como parte interventora en cualquier acción, ante cualquier agencia gubernamental del Gobierno de Puerto Rico o del Gobierno Federal con jurisdicción, relacionada con tarifas, facturas, política pública o a

cualquier otro asunto que pueda afectar a los consumidores y/o clientes de servicio eléctrico, de telecomunicaciones y de transporte;

(...)

(m) Revisar y someter comentarios sobre cualquier legislación y reglamentación propuesta que afecte a los clientes de servicio eléctrico, telecomunicaciones y transporte.”

3. De igual forma, la OIPC está facultada a “[a]sistir, asesorar y cooperar con las agencias estatales y federales para proteger y promover los intereses de los clientes de los servicios eléctricos, telecomunicaciones y transporte”, según establecido en el inciso (p) de la propia Ley.

4. Por consiguiente, la OIPC tiene la facultad y el deber legal de someter comentarios en beneficio de los consumidores del servicio eléctrico.

II. COMENTARIOS:

5. Según requerido por este Honorable Negociado en su Resolución y Orden del 7 de febrero de 2022, juntamente con esta moción se incluyen los comentarios de la OIPC con relación a los Anejos A y B.

RESPETUOSAMENTE SOMETIDO, en San Juan de Puerto Rico a 7 de marzo de 2022.

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Attachment A: Proposed Puerto Rico Benefit-Cost Test Framework

I. Definitions:

- a. A definition should be included for Off-Grid Distributed Energy Resources since “Distributed Energy Resource” includes only those resources that are connected to the grid. A few examples of those resources are, solar water heaters, which have energy generator and energy storage means built in; off grid lighting system; water pumping; duct or room ventilators; and any other off-grid system or appliance base on renewable energy.

- b. Regarding definition number 6:

“ 6) Social Cost of Carbon" or "SCC" means a value in dollars (\$) that attempts to monetize the current and future damages resulting from CO2 emissions.”

How does this definition relates to the term “renewable energy credits” and to PREB’s proposed regulation on REC’s entitled, “*Reglamento de Certificados de Energia Renovable y Cumplimiento con la Cartera de Energia Renovable de Puerto Rico*”?

II. Proposed Puerto Rico Benefit-Cost Test Impacts

Category	Impact	Description
Utility System Impacts		
Generation	Energy Generation	The production or procurement of energy (i.e.,kWh) from generation resources on behalf of customers. Includes the costs associated with the fuel cost and variable operations and maintenance costs. These costs can vary by season and time of day.
	Capacity	The generation capacity (i.e., kW) required to meet the forecasted system peak load.

	Environmental Compliance	Compliance costs associated with environmental regulations; net of those already embedded in Energy Generation.
	Renewable Portfolio Standard Compliance	Compliance cost associated with Puerto Rico's renewable portfolio standard as defined by the Puerto Rico Energy Public Policy Act.
	Ancillary Services We suggest a revision on the description of ancillary services to include a category on transmission since these tasks are shared by Generation and Transmission in order to maintain service. The O&M impact should be also included as described in Distribution Cost impacts.	Services required to maintain electric grid stability and power quality (e.g., frequency regulation, voltage regulation, spinning reserves, and operating reserves).
Transmission	Transmission Capacity	Maintaining the availability of the transmission system to transport electricity safely and reliably. Locational transmission values should be used when feasible.
	Transmission System Losses	Electricity lost through the transmissionsystem.
Distribution	Distribution Costs	Maintaining the availability of the distribution system to transport electricity safely and reliably. Includes capacity, O&M, voltage. Locational values should be used whenfeasible.
	Distribution System Losses	Electricity lost through the distributionsystem.
General	Program Incentives We suggest changing this term to <u>Utility Provided Program Incentives</u> or (UPPI) in order to specify	Financial support provided to host customers (participants) or other market actors. May include rebates, upstream payments, interest rate buy-down.

	that these incentives come from the utility.	
	Program Administration Costs	Costs incurred by PREPA related to the design, implementation, and evaluation DER programs. May include payments to trade allies, technical training, marketing, and payments to third-party consultants.
	Program Administrator Performance Incentives	Incentives offered to PREPA to encourage successful, effective implementation of DER programs.
	Credit and Collection Costs	PREPA's costs associated with arrearages, disconnections, and reconnections. Caution should be taken to avoid commingling those activities with others not related or caused by EE&DR activities.
	Utility Rate Riders	PREPA's costs related to "Help to Humans Subsidies" such as low-income rate subsidies and municipal street lighting.
	Risk	Uncertainty including operational, technology, cybersecurity, financial, legal, reputational, and regulatory risks. Does the uncertainty risk to be considered here also includes the possibility that the utility may not be able to adapt rapidly enough to DER's and EV adoption?
	Reliability	Maintaining generation, transmission, and distribution system to withstand instability, uncontrolled events, cascading failures, or Maintaining generation, transmission, and distribution system to withstand instability, uncontrolled events, cascading

		failures, or unanticipated loss of system components.
	Resilience	The ability to anticipate, prepare for, and adapt to changing conditions and withstand, respond to, and recover rapidly from disruptions.
Host Customer Impacts		
Host Customer Energy Impacts	Host Customer portion of DER costs	Costs incurred to install and operate DERs (net of the incentive received from the Program).
	Interconnection fees	Cost paid by the Host Customer to interconnect DERs to the electric grid.
	Risk	Uncertainty including price volatility, power quality, outages, and operational risk related to failure of installed DER equipment and user error; may depend on the type of DER
	Reliability	The ability to prevent or reduce the duration of Host Customer outages.
	Resilience	The ability to anticipate, prepare for, and adapt to changing conditions and withstand, respond to, and recover rapidly from disruptions
	Tax Incentives We suggest changing this term to <u>Program Incentives</u> in order to broaden the scope of any type of incentive, besides a tax base one.	Federal, Commonwealth, and local tax incentives provided to host customers to defray the costs of some DERs.
Host Customer Non-Energy Impacts	Other Fuels and Water	Changes in the consumption of oil, gasoline, propane, natural gas, and water due to the installation of a DER. Should Electric Vehicle to Grid (EV2G) be included in

("NEIs")		host energy impacts as well as for utility impacts?
	Property Asset Value	Changes in the value of a home or business because of the DER (e.g., increased building value, improved equipment value, extended equipment life).
	Health & Safety	Changes in customer health or safety (e.g., fewer sick days from work or school, reduced medical costs, improved indoor air quality, reduced deaths). Reduced risk of fire and fire- related property damage.
	Empowerment, Satisfaction & Pride	The satisfaction of being able to control one's energy consumption and energy bill and the satisfaction of helping to reduce environmental impacts
	Comfort	Changes in comfort level (e.g., thermal, noise, and lighting impacts).
	Productivity	Changes in a Host Customer's productivity (e.g., changes in labor costs, O&M costs, reduced waste streams, reduced spoilage).
	Low-Income Customer NEIs	Host All the above Host-Customer NEIs in addition to Reduced Home Foreclosures
Societal Impacts		
Societal Impacts	Greenhouse Gas Emissions	Social Cost of Carbon net of greenhouse gas compliance costs already embedded in Energy Generation.
	Other Environmental	Other air emissions, solid waste, land waste, and other environmental impacts.
	Economic and Jobs	Incremental economic development and job impacts represented in job-years. Job-years should be quantified

		but should not be directly included as a monetary value in cost-effectiveness.
	Energy Security	Energy imports and energy independence. The financial terms or structure of renewable energy that can affect the availability of adequate renewable energy capital investment resources or customer access to energy, from those renewable energy sources in term of costs, should somehow be considered.

Attachment B: Prioritization of PR Test Impact Development

Regarding Attachment B, we have an observation about the last item of Table 1. The pertinent portion of that table is shown below for reference. In our opinion, a quantitative value could be achieved rather than a qualitative value for this impact considering that it is possible to measure fuel import reduction and have an inventory of capital investment of renewable energy assets with fixed forecasted energy costs.

Societal Impacts				
Societal Impacts	Greenhouse Gas Emissions	Yes	Yes	Social Cost of Carbon
	Other Environmental	Yes	No	Qualitative
	Economic and Jobs	Yes	No	Qualitative
	Energy Security	Yes	No	Qualitative