

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

NEPR
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IN RE: PERFORMANCE METRICS
TARGETS FOR LUMA ENERGY SERVCO,
LLC

CASE NO. NEPR-AP-2020-0025

**SUBJECT: Motion Submitting
Supplemental Rebuttal Testimony of
Witness Lee Wood**

**MOTION SUBMITTING SUPPLEMENTAL REBUTTAL TESTIMONY OF
WITNESS LEE WOOD**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COME now **LUMA Energy, LLC** (“ManagementCo”), and **LUMA Energy ServCo, LLC** (“ServCo”) (jointly “LUMA”), and respectfully state and request the following:

1. On December 22, 2021, the Puerto Rico Energy Bureau (“Energy Bureau”) issued a Resolution and Order determining that additional performance metrics should be evaluated in this proceeding on Interconnection, Energy Efficiency/Demand Response, and Vegetation Management (“December 22nd Order”). The Energy Bureau amended the procedural calendar to incorporate a timeframe to allow intervenors to submit supplemental testimonies limited to those additional metrics.

2. On January 14, 2022, the Energy Bureau issued a Resolution and Order amending the procedural calendar in this instant proceeding (“January 14th Resolution and Order”). It granted intervenors until March 22, 2022, to submit supplemental written testimonies limited to the additional performance metrics. The Energy Bureau also ordered LUMA to submit its witnesses’ supplemental rebuttal testimonies on the additional performance metrics on or before April 27, 2022.

3. On March 22, 2022, the Local Environmental and Civil Organizations (“LECO”) filed the supplemental pre-filed expert witness testimony of Mr. Agustín Irizarry on the additional performance metrics.

4. On April 27, 2022, LUMA filed *LUMA Witnesses’ Supplemental Rebuttal Testimonies and Urgent Request for an Extension of Time to File Rebuttal Testimony of Witness Lee Wood* (the “Urgent Request”). LUMA submitted its witnesses’ supplemental testimonies on the additional metrics to be evaluated by this Energy Bureau. Therein, LUMA also informed that Mr. Lee Wood, Director of Business Transformation for LUMA, had an unexpected family emergency outside the jurisdiction of Puerto Rico that made it unattainable for him to finalize his testimony by the due date. Consequently, LUMA requested an extension up to May 4, 2022, to file Mr. Wood’s rebuttal testimony.

5. On May 3, 2022, LUMA filed *LUMA’s Urgent Request for an Additional Extension of Time to File Rebuttal Testimony of Witness Lee Wood*. LUMA requested an additional brief extension of time until May 11, 2022, to file Mr. Wood’s rebuttal testimony due to his unexpected family emergency.

6. In compliance with the January 14th Resolution and Order, LUMA respectfully submits with this Motion as **Exhibit 1** the pre-filed witness rebuttal testimony of Mr. Wood. Mr. Wood presents his testimony on the company’s behalf.

WHEREFORE, LUMA respectfully requests that this Energy Bureau **receive and accept** the rebuttal testimony submitted as Exhibit 1 to this Motion; and **deem** that LUMA fully complied with the requirements of this Energy Bureau’s Resolution and Order dated January 14, 2022, with regards to the pre-filed witnesses supplemental rebuttal testimonies.

RESPECTFULLY SUBMITTED.

We hereby certify that we filed this motion using the electronic filing system of this Energy Bureau and that I will send an electronic copy of this motion to the attorneys for PREPA, Joannely Marrero-Cruz, jmarrero@diazvaz.law; and Katuska Bolaños-Lugo, kbolanos@diazvaz.law, the Office of the Independent Consumer Protection Office, Hannia Rivera Diaz, hrivera@jrsp.pr.gov, and counsel for the Puerto Rico Institute for Competitiveness and Sustainable Economy (“ICSE”), Fernando Agrait, agrairfe@agrailawpr.com, counsel for the Colegio de Ingenieros y Agrimensores de Puerto Rico (“CIAPR”), Rhonda Castillo, rhoncat@netscape.net, and counsels for Comité Diálogo Ambiental, Inc., El Puente de Williamsburg, Inc., Enlace Latino de Acción Climatica, Alianza Comunitaria Ambientalista del Sureste, Inc., Coalicion de Organizaciones Anti-Incineración, Inc., Amigos del Río Guaynabo, Inc., CAMBIO, Sierra Club and its Puerto Rico Chapter, and Unión de Trabajadores de la Industria Eléctrica y Riego (jointly, Puerto Rico Local and Environmental Organizations), larroyo@earthjustice.org, lvez@earthjustice.org, rmurthy@earthjustice.org, rstgo2@gmail.com, notificaciones@bufete-emmanuelli.com, pedrosaade5@gmail.com., jessica@bufete-emmanuelli.com; rolando@bufete-emmanuelli.com.

In San Juan, Puerto Rico, this 11th day of May 2022.



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Exhibit 1

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

IN RE:

PERFORMANCE TARGETS FOR LUMA
ENERGY SERVCO, LLC

CASE NO.: NEPR-AP-2020-0025

Rebuttal Testimony of
Mr. Lee Wood
Director, Business Transformation, LUMA Energy ServCo LLC
May 11, 2022

1 **Q. Please state your name.**

2 A. My name is Lee Wood.

3 **Q. Please state your business mailing address, title, and employer.**

4 A. My business mailing address is PO Box 363508 San Juan, Puerto Rico 00936-3508. I am
5 the Director of Business Transformation for LUMA Energy ServCo LLC.

6 **Q. Please state your educational background.**

7 A. I hold a Bachelor of Science in Geography and Planning from Appalachian State University
8 and a Master of Business Administration from the University of North Carolina at Chapel
9 Hill.

10 **Q. Please state your professional experience.**

11 A. I have approximately 18 years of professional experience working with electric utilities
12 and government agencies on demand-side management (DSM) and distributed energy
13 resource programs (DER). My expertise is in the design, planning, implementation, and
14 evaluation of utility energy efficiency and demand response programs (collectively known
15 as demand-side management). Much of my work has involved conducting independent
16 third-party evaluations of utility programs to verify compliance with regulatory targets
17 such as those being discussed here.

18 **Q. Please describe your work experience prior to joining LUMA.**

- 19 A. a. Energy Efficiency Alberta, Director of Planning (2018-2020)
20 b. Navigant Consulting, Managing Consultant (2014-2018), Senior
21 Consultant (2012-2014), Consultant (2010-2012), Analyst (2008-2010)
22 c. Yellow Wood Associates, Associate (2006-2008)
23 d. Vermont Energy Investment Corporation (2005-2006)

24 **Q. Do you hold any professional licenses?**

25 A. No.

26 **Q. Have you previously testified or made presentations before the Puerto Rico Energy**
27 **Bureau?**

28 A. Yes. I have testified in the following proceedings:

29 a. *In Re: Review of the Puerto Rico Electric Power Authority's System Remediation*
30 *Plan*, Case No. NEPR-MI-2020-0019 on May 14 and 17, 2021,

31 b. *In Re: Review of T&D Operator's System Operation Principles*, Case No. NEPR-
32 MI-2021-0001, on May 10, 2021,

33 c. *In Re: Informes de Progreso de Interconexión de la Autoridad de Energía Eléctrica*
34 *de Puerto Rico*, Case No. NEPR-MI-2019-0016, on June 8, September 21, and
35 November 23, 2021,

36 d. *In Re: Despliegue de Infraestructura de Cargadores para Vehículos Eléctricos*,
37 Case No. NEPR-MI-2021-0013, on January 27, 2022 and on March 4, 2022,

38 e. *In Re: Puerto Rico Test for Demand Response and Energy Efficiency*, Case No.
39 NEPR-MI-2021-0009, on November 18, 2021.

40 f. *In Re: Optimization Proceeding of Minigríd Transmission and Distribution*
41 *Investments*, Case No. NEPR-MI-2020-00016, on June 23, 2021, March 23, 2021,
42 and January 21-22, 2021.

43 **Q. On whose behalf are you testifying before the Puerto Rico Energy Bureau (PREB)?**

44 A. My testimony is on behalf of LUMA as part of the Puerto Rico Energy Bureau ("Energy
45 Bureau"), Commonwealth of Puerto Rico Public Service Regulatory Board proceeding
46 Case No. NEPR-AP-2020-0025, the Performance Targets for LUMA Energy ServCo,

47 LLC.

48 **Q. Are there any exhibits attached to your testimony?**

49 A. No.

50 **Q. What is the purpose of your rebuttal testimony?**

51 A. To respond to those portions of the additional pre-filed testimony of Mr. Agustín Irizarry
52 (“Mr. Irizarry”) on behalf of the Local Environmental and Civil Organizations (“LECO”),
53 filed on March 22, 2022, in this proceeding, regarding his proposed metrics and penalties
54 on Energy Efficiency, Demand Response, and Interconnections.

55 **Q. Did you consider any documents for your rebuttal testimony?**

56 A. Yes, I did.

57 **Q. Which documents did you consider for your rebuttal testimony?**

- 58 a. LUMA’s Performance Metrics Targets Revised filing submitted on September 24,
59 2021, in this proceeding, Case No. NEPR-AP-2020-0025,
- 60 b. The pre-filed testimony of Mr. Agustín Irizarry of November 16, 2021, filed in this
61 proceeding, Case No. NEPR-AP-2020-0025 and his expert report, which is an exhibit
62 of his pre-filed testimony,
- 63 c. The additional pre-filed testimony of Mr. Agustín Irizarry of March 22, 2022, filed in
64 this proceeding, Case No. NEPR-AP-2020-0025,
- 65 d. The responses provided by Mr. Agustín Irizarry to LUMA’s First Set of Interrogatories
66 and Request for Production of Documents notified on January 13, 2022,
- 67 e. The responses provided by Mr. Agustín Irizarry to the Puerto Rico Energy Bureau’s
68 Requirements for Information notified on December 20, 2021,
- 69 f. The supplemental responses provided by Mr. Agustín Irizarry to LUMA’s First Set of

70 Interrogatories and Request for Production of Documents, which were notified on
71 February 4, 2022, and
72 g. Resolution and Order dated January 21, 2022, *In Re: Regulation for Energy Efficiency*,
73 Case No. NEPR-MI-2021-0005.

74 **Q. Do you agree with Mr. Irizarry's statement on page 5, lines 3-15, that LUMA not be**
75 **rewarded for clearing the interconnection backlog and instead should be penalized if**
76 **it fails to achieve this; also, if it fails to incorporate it [the customers in the backlog]**
77 **into the net metering program?**

78 A. No.

79 **Q. Please state and explain your response.**

80 A. The Energy Bureau has a dedicated proceeding to discuss the state of
81 interconnections. See *In Re: Informes de Progreso de Interconexión de la Autoridad de*
82 *Energía Eléctrica de Puerto Rico*, Case No. NEPR-MI-2019-0016. LUMA submits
83 quarterly reports on the progress of interconnections and the reports are the subject of
84 technical conferences. The backlog is a recurrent topic of discussion during technical
85 conferences. The Energy Bureau is cognizant of LUMA's efforts to eliminate the backlog
86 inherited from the Puerto Rico Electric Power Authority during the past months. Since June
87 1, 2021, when LUMA commenced operations, LUMA has resolved over 22,000 cases.
88 Based on PREPA's historical rate of interconnection of customers, LUMA estimates that
89 without LUMA's improvements, the backlog would have grown to over 20,000 pending
90 cases. Additionally, the rate of incoming applications has increased, in part because of
91 LUMA's progress in clearing the backlog and creating a more predictable, streamlined
92 process. Given this performance record, there is no reason to suggest that a penalty is

93 necessary to compel LUMA to address this issue, which LUMA has taken seriously and is
94 actively addressing.

95 Further, the interconnection of net metering customers is not entirely dependent on LUMA.
96 It also requires that customers make sure that the documents that are part of the request for
97 interconnection project are submitted to LUMA in a complete manner at the validation
98 stage. About 35% of the interconnection requests submitted have to be corrected at the
99 validation stage because they are incomplete or include incorrect information. The required
100 documents are necessary to verify that the security and integrity of the network are not
101 affected by the interconnection and to correctly identify the account to be activated in the
102 Net Metering Program. Incomplete and incorrect applications delay the processing of the
103 applications and ultimately delay activating net metering to customers. LUMA also
104 experiences delays in the process of replacing meters, when customers fail to appear for
105 site visits, even after repeated attempts by LUMA personnel to reschedule. LUMA should
106 not be penalized for events outside its control, that were inherited from the previous
107 operator, or that are dependent on the diligence of others.

108 **Q. Do you agree with Mr. Irizarry's statement on page 5, lines 18-20 of his additional**
109 **pre-filed direct testimony that LUMA should only be rewarded if its performance in**
110 **this key area furthers early compliance with public policy and if the reward**
111 **encourages the achievement of difficult tasks?**

112 A. No.

113 **Q. Please state and explain your response.**

114 A. Mr. Irizarry's statement suggests performance metrics should be conditioned on "early
115 compliance" with public policy. However, Mr. Irizarry fails to define what "early

116 compliance” means or which public policies he refers to. LUMA is not the sole entity
117 responsible for compliance with public policies. Current compliance with renewable
118 energy portfolio targets for instance is more a reflection of PREPA’s performance, as they
119 have been responsible for generation procurement and PPOA negotiations. Mr. Irizarry
120 also conditions the reward of the performance metric to achieve “difficult” tasks. The term
121 “difficult”, however, is highly subjective. Given the high degree of deterioration and
122 deficiency of the electric utility in Puerto Rico prior to June 1, 2021, when LUMA began
123 operations, many tasks which in a well-functioning utility would not be complex, are
124 actually quite difficult and complex because a process of remediation is necessary before
125 compliance is met and the task becomes straightforward and routine.

126 **Q. Do you agree with Mr. Irizarry’s statement on pages 5, l. 23-26 and page-6, l. 1-10 of**
127 **his additional pre-filed direct testimony on his portrayal of difficult tasks in the**
128 **interconnection of distributed renewables?**

129 A. No.

130 **Q. Please state and explain your response.**

131 A. The processes involved to perform LUMA’s role in the interconnection of a DG on a 4.16
132 kV line is essentially the same as for a 13.2 kV line. In other words, the activities *LUMA*
133 *performs* are not significantly more difficult for a 4.16 kV line. The “hosting capacity”
134 constraints of 4.16 kV line are more a measure of the grid’s performance, rather than
135 LUMA’s performance. This illustrates the difficulty in trying to design performance
136 metrics based on subjective qualitative measurements such as degree of difficulty.

137 **Q. Do you agree with Mr. Irizarry’s statement on pages 6, l. 12-24 and page7, l. 1-3 of**
138 **his additional pre-filed direct testimony on his proposed metrics for energy**

139 efficiency?

140 A. No.

141 **Q. Please state and explain your response.**

142 A. Energy efficiency is the subject of a separate PREB proceeding, NEPR-MI-2021-0005.
143 The sustainability metrics that Mr. Irizarry mentions (e.g., energy savings, participation
144 rates) are used to measure the results of rate-payer funded incentive programs with
145 consistent, stable 1-3 year funding cycles. In other words, these programs have a dedicated
146 amount of funding to allocate from customer rates to pay for these programs. LUMA does
147 not currently have such programs or a dedicated funding source for them.

148 **Q. Do you agree with Mr. Irizarry's statement on pages 7, l. 7-22 and page-8, l. 1-3 of his**
149 **additional pre-filed direct testimony on the proposed metrics on steps that LUMA can**
150 **take to improve energy efficiency on the grid side?**

151 A. No.

152 **Q. Please state and explain your response.**

153 A. Mr. Irizarry is referring to Conservation Voltage Reduction (CVR) programs. These and
154 other Demand-Side Management (DSM) programs are the subject of case NEPR-MI-2021-
155 0006, CVR programs are often included in utility DSM program portfolios. As with other
156 DSM programs, the program lifecycle begins with conducting baseline and potential
157 studies, program design/planning and cost-effectiveness evaluation before determining
158 whether the program is feasible for implementation. These programs can be very
159 complicated to design and evaluate. Evaluation, Measurement and Verification of voltage
160 reduction programs is data intensive, requiring complex statistical models. The feasibility,
161 cost-effectiveness and merit of these programs would need to be assessed alongside all

162 other DSM programs during the 3-year planning process established in case NEPR-MI-
163 2021-0006.

164 **Q. Do you have a response to Mr. Irizarry’s proposal, as stated on page 8, lines 6-9, of**
165 **his additional pre-filed testimony of a Performance Incentive Mechanism tailored to**
166 **low-and moderate-income customers, modeled after the mechanism set by the Hawaii**
167 **Public Utilities Commission to promote the utility collaboration with Hawaii Energy**
168 **to deliver savings for LMI customers?**

169 A. Yes, I do.

170 **Q. Please state and explain your response.**

171 A. As stated before, Energy Efficiency and Demand Response are discussed in detail in Case
172 No. NEPR-MI-2021-0005. Specifically, the Resolution and Order dated January 21, 2022,
173 and issued by the Energy Bureau in the proceeding *In Re: Regulation for Energy*
174 *Efficiency*, Case No. NEPR-MI-2021-0005 established that 25% of the Energy Efficiency
175 budget must be allocated to low-income customers, consequently establishing a mechanism
176 to promote a prioritization of programs providing benefits to low-and-moderate-income
177 customers.

178 **Q. Do you agree with Mr. Irizarry’s statement on page 10, lines 3-9, of his additional**
179 **pre-filed direct testimony, that the Energy Bureau should consider the following**
180 **metrics for Demand Response: percent of customers signed up per year, percent of**
181 **customers enrolled, MWh of DR provided over the past year, potential and actual**
182 **peak demand savings, and the number of customers on time-varying rates?**

183 A. No.

184 **Q. Please state and explain your response.**

185 A. Mr. Irizarry has proposed conventional performance indicators for rate-payer funded
186 demand response programs. LUMA does not currently have any such programs. Therefore,
187 these metrics do not provide relevant indicators of LUMA's performance. LUMA cannot
188 directly affect and measure progress towards energy reduction targets until programs are
189 developed, and a consistent funding source or cost-recovery mechanism is established.
190 Given the technical nature of establishing these programs and associated targets, LUMA
191 suggests that performance indicators and targets be determined within those ongoing
192 proceedings.

193 **Q. Do you agree with Mr. Irizarry's recommendation on page 12, lines 16-22, of his**
194 **additional pre-filed direct testimony that LUMA should be penalized if it fails to**
195 **achieve successful interconnection and incorporation into the net metering program**
196 **of all backlogged cases within a specific time?**

197 A. No.

198 **Q. Please state and explain your response.**

199 A. LUMA was not responsible for creating the backlog. The Energy Bureau has accepted
200 LUMA's plan for resolving the backlog as a reasonable approach to solving this situation,
201 which is nearly resolved. Therefore, LUMA should not be exposed to penalties.

202 **Q. Do you agree with Mr. Irizarry's recommendation on page 12, lines 24-26, and page**
203 **13, lines 1-2, of his additional pre-filed direct testimony that the Energy Bureau**
204 **should limit incentives to LUMA's efforts to achieve a greater number of**
205 **interconnections only in distribution lines that operate at 4.16 kV or if it converts 4.16**
206 **kV lines into 13.2 kV lines?**

207 A. No.

208 **Q. Please state and explain your response.**

209 A. For reasons stated elsewhere in this testimony, LUMA does not agree that incentives
210 related to the number of DGs interconnected are appropriate, regardless of which line the
211 DGs are interconnected on.

212 **Q. Do you agree with Mr. Irizarry's recommendation on page 13, lines 4-9, of his**
213 **additional pre-filed direct testimony that the Energy Bureau should mandate grid-**
214 **side metrics to improve energy efficiency at the electric grid level?**

215 A. No.

216 **Q. Please state and explain your response.**

217 A. LUMA does not have Conservation Voltage Reduction (CVR) programs or funding to
218 implement them, so these metrics would not provide relevant indicators of LUMA's
219 performance. Prior to mandating metrics for CVR programs, a determination of the
220 feasibility of actually implementing such programs given technology and resource
221 constraints would be required.

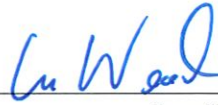
222 **Q. Does this complete your testimony?**

223 A. Yes.

ATTESTATION

Affiant, Mr. Lee Wood, being first duly sworn, states the following:

The prepared Rebuttal Testimony constitutes my Rebuttal in the above-styled case before the Puerto Rico Energy Bureau. Affiant states that he would give the answers set forth in the Rebuttal Testimony if asked the questions included in the Rebuttal Testimony. Affiant further states that the facts and statements provided herein are his rebuttal testimony and are true and correct to the best of his knowledge.

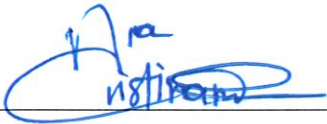


Lee Wood

Acknowledged and subscribed before me by Mr. Lee Wood in his capacity as Director of Business Transformation of LUMA Energy, of legal age, married, and resident of San Juan, Puerto Rico, who is personally known to me.

Also identified with Montana (state) ID : AAA0000420363

In San Juan, Puerto Rico, this 11 day of May 2022.



Public Notary

