



NEPR

Received:

Jul 20, 2023

10:09 AM

July 20th, 2023

VIA comentarios@jrsp.pr.gov & <https://radicacion.energia.pr.gov/>

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: SESA Reiterated Request for PREB Funding Authorization for LUMA to move forward with EE/DR programs and Further Requests for Clarity of Emergency DR Program Details, NEPR-MI-2020-0001 / NEPR-MI-2022-0001

To the Honorable Energy Bureau,

Comes now, the Puerto Rico Solar Energy Industries Association Corp., d/b/a/ Solar and Energy Storage Association of Puerto Rico (hereinafter, “SESA”) the 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, promotes public policy that benefits the growth of these industries, brings awareness and understanding of these technologies to both government policymakers and the public, and facilitates collectively beneficial collaboration between industry and other energy stakeholders.

I. Background

1. On June 30, 2023, SESA submitted to this Energy Bureau a motion titled “SESA Request for PREB Authorization for LUMA to move forward with Energy Efficiency and Demand Response Programs”, requesting, that the Energy Bureau issue an order affirming the launch of the Emergency Battery Demand Response Program

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as scheduled. SESA reiterated the critical importance that the Emergency Demand Response move forward, and urged all possible collaboration with LUMA, the central Puerto Rico government, and other stakeholders to enable pertinent funding to roll out the Emergency DR Program without delay.

2. Via Resolution of July 1st, 2023 in docket NEPR-MI-2020-0001, and partly in response to SESA's motion, the Honorable Bureau ordered LUMA to continue with its implementation of the TPP and EE/DR Programs.
3. On July 14th, 2023, LUMA filed a motion titled *Response to Orders Staying Approval and Implementation of the EE Rider and Request for Suspension of Deadlines to Submit Proof of Customer Enrollment and Documentation on Capability to Call Events Related to Emergency DR Program*, in docket NEPR-MI-2022-0001, and made the following pertinent statements and requests therein:
 - a. LUMA expressed that the Energy Bureau's determination to suspend approval and implementation of the EE Rider without an alternative funding source constrained LUMA's ability to move forward and enroll customers in the Emergency DR Program. LUMA expressed concern about the prudence and risk of engaging in marketing for and enrollment of customers before there is funding certainty (through the proposed EE Rider or other funding mechanism). LUMA also mentioned potentially significant up-front costs that aggregators could incur to implement the initial program, creating risks if they were to move forward with the program without a clear funding mechanism. (Pages 9-10 of Motion)
 - b. LUMA also expressed that the funding uncertainty constrains LUMA and the aggregators' ability to demonstrate capability to call Emergency DR events, a milestone currently set for July 31st. (Page 10 of Motion.)
 - c. LUMA thus reiterated that a funding mechanism is a prerequisite to carry out marketing and program enrollment and calling DR events and requested the Bureau to suspend deadlines (and establish new deadlines) to submit proof of customers enrolled in an Emergency DR program and documentation showing LUMA's capability to call Emergency DR events. New deadlines, LUMA posits

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should be based on the date on which EE Rider funds or funds from an alternative funding are readily available to fully cover the cost of the Emergency DR Program. (Page 11 of Motion.)

4. Additionally, on July 17th, 2023, in docket NEPR-MI-2020-0001 (Permanent Rate Case Docket), LUMA filed a *Motion Submitting Reconciliations for May and June 2023, Submission of FCA, PPCA, and for Calculated Factors, and Request for Confidential Treatment*. LUMA made the following statements and requests related to the Emergency DR Program therein:

- a. LUMA reiterated that the only currently available funding mechanism for EE/DR programs is the EE Rider. LUMA expressed concern that the decision to suspend approval and implementation of the EE Rider without an alternative funding source in place constrains its ability to implement program milestones, including proof of customer enrollment in Emergency DR program and documentation on LUMA's capability to call Emergency DR events. (Page 13 of Motion.)

- b. LUMA also requested the Energy Bureau to direct all future filings, including those regarding the implementation of the EE Rider, future calculated factors and reconciliations, to be filed in said Permanent Rate docket, given impacts on bill. (Page 12 and 15 of Motion.)

II. SESA's Position and Request for Clarity on DR Program

5. SESA reiterates the urgent and critical need to launch the Emergency Demand Response Program without delay. Thousands of solar powered batteries are ready to share power with the grid when most needed, like at nighttime peak demand hours.
6. However, SESA agrees with LUMA that specific program funding clarity must be provided by the Honorable Bureau to LUMA as a prerequisite to move forward on Emergency Demand Response Program milestones.

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7. SESA also requests that the Honorable Energy Bureau provide further clarity and transparency on funding details, as well as substantive and procedural specifics of the Emergency Demand Response Program, for the benefit of all potential DR Aggregators who might wish to participate, as well as customers, all interested energy stakeholders and the public at large. Optimally, that clarity would be provided in a way that is reflected in dockets NEPR-MI-2020-0001 and NEPR-MI-2022-0001.
8. As such, SESA requests that the Honorable Bureau provide detailed answers and information on the following funding related items, or order the production of the same if necessary:
 - a. Current source, as well as any and all federal funding sources being considered to fund EE/DR generally and the Emergency Demand Response Program specifically, specifying the federal agency or agencies and the specific types of funds being considered.
 - b. Probability of federal funding being contractually secured by July 31st.
 - c. Probability of federal funding being contractually secured by August 31st.
 - d. If the Energy Efficiency and Demand Charge appears on customers' bills, clarify whether that amount would be different than the amount contemplated had the charge gone into effect July 1st, as previously ordered, given that it would be collected for less than 12 months; and if it is a different amount, what that amount would be¹.
 - e. If the Energy Efficiency and Demand Charge appears on customers' bills, clarity on the exact wording of how said line-item would appear on customers' bills.
 - f. If federal funding is secured, clarify whether there will be no line item on customers' bills for Energy Efficiency and Demand Charge, or if the line-item would appear showing a \$0 amount, or otherwise what would happen regarding customer billing if federal funding is secured to pay for program.

¹ LUMA's filing "[Motion Submitting Reconciliations for May and June 2023, Submission of FCA, PPCA, PPCA, and FOS Calculated Factors, and Request for Confidential Treatment](#) Asunto: EE Rider Factor Calculation Values", in the docket NEPR-MI-2020-0001 (website docket: https://energia.pr.gov/numero_orden/nerp-mi-2020-0001/) proposes the same EE Factor of \$0.0013280 / kWh as was previously proposed. This amount, collected over 11 months rather than 12 months, would result in a projected \$18,826,576 rather than \$20,538,083. Similarly if the charge was delayed until September 1st, the amount collected would be \$17,115,069 if the EE Factor were to remain unchanged.

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- g. Any other funding related information that can be provided for the benefit of energy stakeholders and the public.

- 9. SESA further requests that the Honorable Bureau provide detailed answers and information on the following substantive and procedure related items, or order the production of the same if necessary:
 - a. Draft or final version of contract to be provided to Demand Response Aggregators.
 - b. Any draft or final versions of guidelines rules that Demand Response Aggregators and/or program participants will be required to adhere to.
 - c. Minimum and maximum aggregation amounts (in kW and kWh) that will be required for DR Aggregators as prerequisites to qualify.
 - d. Methodology or process for DR Aggregators to apply to be deemed approved DR Aggregators.
 - e. Any other substantive and/or procedural information that can be provided for the benefit of the public.

III. Conclusion & Requests

- 10. SESA reiterates the urgent and critical need to launch the Emergency Demand Response Program without delay. However, SESA supports LUMA's request that specific program funding clarity be provided by the Honorable Bureau as a prerequisite to move forward. Also, SESA requests that the Honorable Energy Bureau provide further clarity and complete transparency on funding details, as well as substantive and procedural specifics of the Emergency Demand Response Program, for the benefit of all potential aggregators, stakeholders, and the public.

Respectfully submitted,

In San Juan, Puerto Rico, this 20th day of July 2023.

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SESA-PR



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I hereby certify that we filed this Motion using the electronic filing system of this Energy Bureau and that we will send an electronic copy of this Motion to:
margarita.mercado@us.dlapiper.com; MARIO.HURTADO@lumapr.com;
hrivera@jrsp.pr.gov.