

# Rebuilding the Puerto Rican Power System from the Bottom Up

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The Microgrid Symposium August 11, 2019

#### **Grid Transformation in Puerto Rico**

Puerto Rican Electric Power Authority (PREPA) Disaster:
Economic,
Political,
Infrastructure,
Hurricane

End Monopoly
BUILD
BOTTOM UP

Microgrids

Dynamic Prosumer Driven Energy and Resilience Market

#### Puerto Rico is Solar Motivated

- Plentiful sunshine
- High cost of electricity
- Unreliable power grid
- High cost of backup fuel
- Blatant health effects of fossil fuel contamination
- Desire for independence from power authority
- Urgent need for resilience



#### Puerto Rico Microgrid Regulation 9028

established by Puerto Rico Energy Commission (PREC, now part of Public Service Regulatory Board) with Public Input in May 2018

#### **Personal Microgrids**

- •1-2 consumers
- can apply for permission to provide excess energy and/or grid services to neighboring customers

#### **Cooperative Microgrids**

- •3 or more members
- •small co-op microgrids of less than 250 kW
- •large co-op microgrids of more than 250 kW
- can apply for permission to provide excess energy and/or grid services to neighboring customers

#### **Third-Party Microgrids**

- owner/operator sells energy services to customers
- rates must be approved by PREC
- "reasonable rate of return" for the first three years of operation

As provided by fiscal plan, residential rate now is \$0.23/kWh;

next year will be \$0.28/kWh and will keep increasing

## The One and Only Microgrid - Esperanza Village



## Puerto Rico Electric System

1.5 M customers (91% residential)

6,000 employees

2,478 miles transmission

30,000 miles distribution

500,000 poles

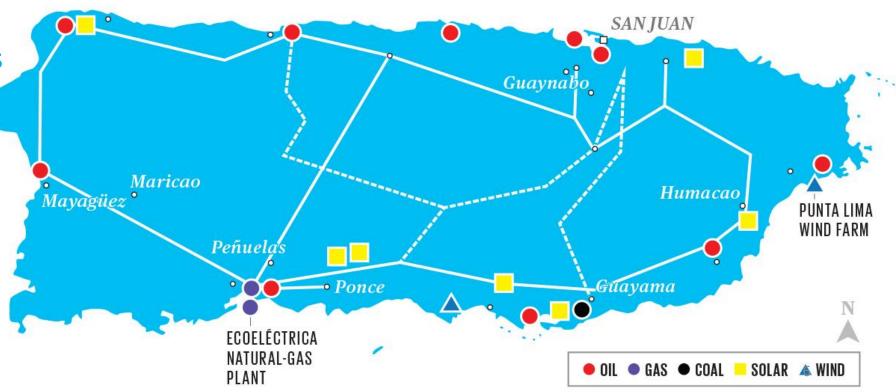
20 generation facilities

Peak capacity 5,839 MW

Renewable energy 4%

Duration of outage after Hurricane

Maria – 11 months



#### Electric Cooperatives Law – 984

Signed into law by Governor December 14, 2018

Amends existing laws to establish that the new energy model will include:

Solar communities

Electric or energy cooperatives

Microgrids of community, regional, or municipal scale

With explicit objectives to:

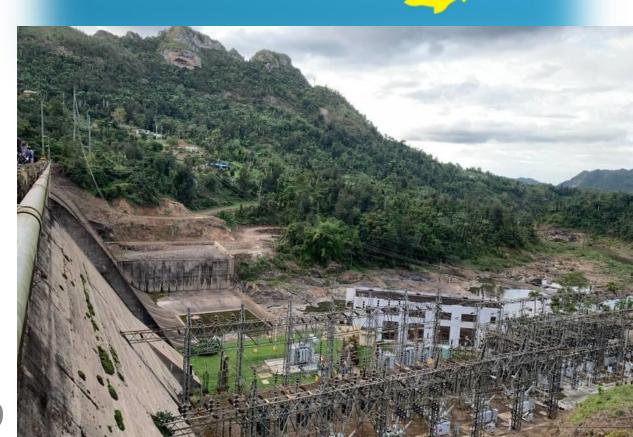
Democratize people's Access to renewable energy

Contribute to community resilience in the face of natural disasters

First Electric Cooperative (application pending 8/9/2019)
La Cooperativa Hidroeléctrica de la Montaña

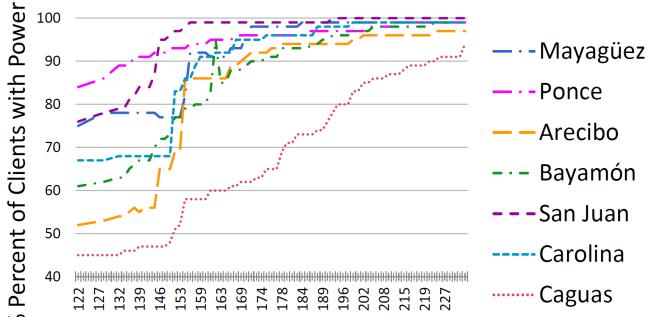
- Utuado + Jayuya + Adjuntas
- 6 of 43 MW delivering from existing hydroelectric dams
- Affordable, resilient power
- Commercial solar
- Authorized under law 984









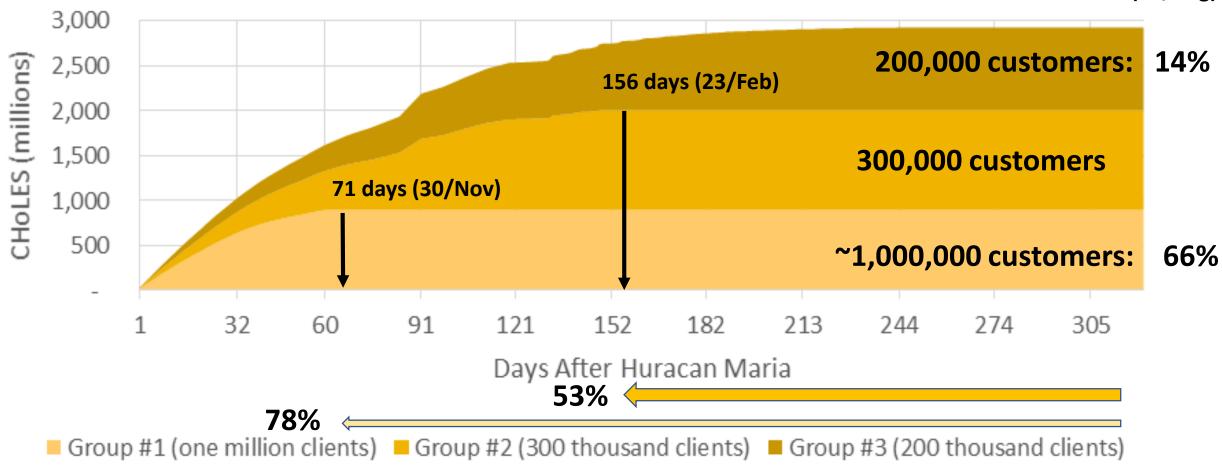


# The slow recovery in the mountains

M. Castro-Sitiriche, J. Gomez, Y. Cintron, "The Longest Power Outage, María and Energy Poverty", International Conference on Appropriate Technology, November, 2018

# Customer Hours of Lost Electric Service (CHoLES) Contribution by Group

329 days (14/Aug)



Adapted from M. Castro-Sitiriche, J. Gomez, Y. Cintron, "The Longest Power Outage, María and Energy Poverty", International Conference on Appropriate Technology, November, 2018. 10

# Energy Public Policy Act 120

Signed into law by Governor in April 2019

#### **GOALS:**

- 40% renewable energy by 2025
- o 60% by 2040
- o 100% by 2050
- 30% energy efficiency by 2040

Credit: McConnell & Valdes Newsroom

- integration of prosumers, DG, microgrids
- elimination of coal-based energy companies by 2028
- energy storage across consumer classes
- transfer of the operation, administration, and maintenance of Transmission & Distribution systems to a private concessionaire via a public private partnership by end of 2019
- interconnection of electric service companies (limited to 50% of total generation capacity)
- expedited interconnection of residential and commercial solar rooftop systems less than 25 kW
- expedited interconnection of microgrids up to 5 MW
- studying the viability of a free market system by2025

### Barrio Eléctrico

Addressing Energy Equality

- Community Supportive
- Economic Development
- Appropriate Technology
- Fair Cost



# Community Supportive

- ▶ Taps trusting relationships of existing community networks
- Modest cash flow supporting community development
- In depth consumer education
- Rapid customer acquisition
- Quality assurance
- Path to electric coops



# Economic Development

- Qualify and/or train local installers
- Work with Solar Energy International, Pathstone, Bosque Modelo, & Solar Libre to train solar workforce
- ► Hire trainees to:
  - Liaise with communities
  - ► Site and load analysis
  - ▶ Installation
  - Customer satisfaction
  - Operations and maintenance
  - ▶ Educate individuals and communities



# Appropriate Technology

- Independent or grid interactive
- No net metering
- Battery storage for one day
- Auto consumption
- Critical loads 3-5 days



#### Fair Cost

- ▶ Trusted Counter Party
- Structured Finance
- Lease to Purchase
- 20 year term
- Parity with PREPA today (\$0.21/kWh)
- Eligible to receive government and foundation assistance



## Advisory Board – Barrio Electrico

- Alison Mason of SunJuice Solar;
- Dr. Marcel Castro Sitiriche, professor of Electrical Engineering at UPRM and co-director of Co-Hemis;
- Jorge Gaskins, social-agricultural entrepreneur;
- Lauren Rosenblatt, lawyer and energy business model innovator;
- Javier Zapata, Deputy Director for PECI and Economic Development Finance Professional, Pathstone;
- Alana Feldman, project designer at Bosque Modelo; and
- Fernando Abruña, architect and father of Puerto Rico's green building movement.

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# Thank You

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