

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

**NEPR**

**Received:**

**May 5, 2021**

**2:10 PM**

IN RE:  
INFORMES DE PROGRESO DE  
INTERCONEXIÓN DE LA AUTORIDAD  
DE ENERGÍA ELÉCTRICA DE PUERTO  
RICO

Case no. NEPR-MI-2019-0016

Subject: Submittal of Interconnection  
Progress Reports and Technical  
Conference

**MOTION FOR LEAVE TO SUBMIT COMMENTS**

TO THE HONORABLE ENERGY BUREAU:

COMES NOW the Puerto Rico Solar Energy Industries Association Corp. dba Solar and Energy Storage Association of Puerto Rico ("SESA"), represented by the undersigned legal counsel, and very respectfully prays and requests:

1. SESA is an association that represents Puerto Rico's solar and energy storage industries. It advocates solar and storage technologies as a central solution to the energy needs of Puerto Rico and promotes public policy that benefits the growth of these industries. It brings awareness and understanding of these technologies to both government policymakers and the public and facilitates collectively beneficial collaboration and good business practices within the industry.

2. Through its Resolution and Order dated September 5, 2019, the Puerto Rico Energy Bureau ("PREB") initiated this proceeding with the purpose of overseeing the submittal by the Puerto Rico Electric Power Authority ("PREPA") of progress reports relating to the interconnection of renewable system to the electric grid pursuant to Section 8 of Act 114-2007, as amended. Because the proceeding addresses one of the central

issues of interest to SESA's membership, SESA hereby requests leave from PREB to submit the instant comments.

3. During the technical conference held on November 26, 2019, PREPA provided information indicating that it was not in compliance with Act 114-2007, as amended, regarding the interconnection of renewable energy systems. For example, in its Progress Report filed before the PREB on November 15, 2019, PREPA informed that, as of November 14, 2019, 372 systems with capacities of 10kW or less processed between April 11, 2019 and November 14, 2019 took an average of 98 days. However, such systems are required to be interconnected automatically per Act 114-2007, as amended by Act 17-2019. The latter provides for the automatic interconnection of systems of up to 25 kW of capacity.

4. In addition, pursuant to Act 114-2007, as amended, owners of distributed generation systems with a capacity of 25kW or less are required to receive the benefit of net metering in their bills within 30 days of the notification by a professional engineer or licensed electrician to PREPA of the systems' interconnection. To SESA's knowledge, PREPA is not in full compliance with this requirement either.

5. On July 21, 2020, PREB issued a Resolution and Order, instructing PREPA to submit formal detailed reports, summaries, and live presentations every three months perpetually, detailing the overall level of compliance with interconnection and net metering requirements of Law 17 as well as overall compliance with the Renewable Energy Portfolio Standard requiring ramp-up to 40% renewable energy in Puerto Rico by 2025 and 100% by 2050.

6. In response to PREB's Order on the matter, PREPA has since filed three Quarterly Compliance Reports (on August 7<sup>th</sup> 2021, October 1<sup>st</sup> 2021, and February 16<sup>th</sup> 2021), with the February 16<sup>th</sup> report indicating that in only 42% of the cases submitted was Net Metering applied to customers' bills within 30 days, as is required by law.

7. Recent quarterly filings also indicate a significant uptick of 34% in Net Metering & Interconnection Notifications from one quarter to the next, with 2,628 new Distributed Generation systems reported in the September to November 2020 timeframe and 3,531 reported in the December 2020 through February 2021 timeframe. Additionally, they show an annual increase of over 100%, with around 500 new Distributed Generation systems reported at year-end 2019 compared with over 1,100 per month at year-end 2020.

8. These numbers are encouraging for many reasons including increased energy resiliency, disaster preparedness, climate change mitigation, lowered customer bills, and lowered stress on the overall power grid, which help to lower power bills and prevent power blackouts for all Puerto Ricans. However, this rate of growth is projected to increase as Puerto Rico ramps up deployment of solar and battery storage systems in the effort to reach at least 40% renewable energy by 2025.

9. Each of the past three Quarterly Compliance Reports indicate a backlog of thousands of customers waiting over 30 days for Net Metering to be activated. It's concerning that existing systems and resources appear to be inadequate to keep up with the growing amount of customers installing solar and storage systems, and that two years after passage of Law 17, past reports indicate that PREPA has been nowhere near

compliance with the clear requirements included in the law that customers are to have full Net Metering appear on their power bills within 30 days of notification of interconnection of a new solar system.

10. We acknowledge efforts made by PREPA to address these matters, including the issuance of *Comunicado 19-02* and *Comunicado 20-01* and multiple meetings with industry to listen to concerns and take measures to address them directly.

11. We also acknowledge the contractual transfer of responsibility for oversight of the entire Net Metering & Interconnection process from PREPA to LUMA starting June 1<sup>st</sup> 2021, per LUMA's contract. While this transition could prove helpful in bringing the situation into full compliance, we request strong oversight from PREB in order to ensure a strong plan is in place, and implemented, to ensure uninterrupted access to new Net Metering and Interconnection during and after the transition from PREPA leadership to LUMA leadership.

12. The Puerto Rico Energy Bureau has a central role to play in ensuring full compliance with Act 17-2019. Therefore, SESA respectfully recommends that the PREB issue an order requiring LUMA to participate in the upcoming Quarterly Report preparation and presentation due on May 13<sup>th</sup> 2021, and to present alongside PREPA in the upcoming public hearing on the matter, on May 17<sup>th</sup>, 2021.

13. Furthermore, SESA requests that PREB order that the formal presentation of May 13<sup>th</sup> include all relevant details of the PREPA-LUMA handoff of responsibility for Net Metering and Interconnection, including a clear plan for personnel, resources, and processes involved in the transition. As LUMA's specific operation and management

contractual responsibilities kick-off soon, by June 1<sup>st</sup>, it is of utmost importance that a clear plan be in place that is explained to and understood by this Honorable Energy Bureau, as well as all relevant stakeholders involved with distributed generation and distributed storage on the island.

14. SESA further recommends that the Bureau issue an order clarifying whether the requirements and procedures elaborated in *Comunicados* 19-02 and 20-01 shall remain in effect beginning June 1<sup>st</sup> and, if not, what clear procedures are to be followed upon LUMA's assuming responsibility for these important functions.

15. Furthermore, SESA recommends the Bureau issue in an order clarifying that LUMA will be subject to the same Quarterly Reporting requirements that currently apply to PREPA.

16. Lastly, SESA recommends that the Bureau establish via order that the upcoming Quarterly Compliance Report (due May 13<sup>th</sup> 2021) include an updated and revised Anejo 3, sheet x. The report filed on February 2021 showed the following information:

<b>Cartera de Energía Renovable - Año Natural 2019</b>		
<b>Energía Renovable Adquirida (GWh) :</b>		
	<b>PPOA's</b>	<b>415,899.26</b>
	<b>DG</b>	<b>90,086.13</b>
	<b>Total</b>	<b>505,985.39</b>
<b>Energía distribuida a los clientes (GWh)</b>		
	<b>Energía Distribuida</b>	<b>16,077,272.98</b>
	<b>Hidro</b>	<b>40,817.57</b>
	<b>Total</b>	<b>16,036,455.41</b>
<b>% de Cumplimiento</b>	<b>3.16%</b>	
	<b>CER's Adquiridos</b>	<b>415,481.00</b>

17. There are two important corrections that SESA recommends. First, that this chart be updated to reflect numbers for *Año Natural* 2020 as opposed to 2019. And second, that the chart change “% de Cumplimiento” to “% Energía Renovable”, for two reasons. The first reason is that “compliance” cannot be claimed unless the Renewable Energy Credits (RECs) associated with renewable energy generated are “retired” by a 3<sup>rd</sup> party firm certified in REC retirement. To our knowledge, no RECs have been retired. The second reason is that the term “% de Cumplimiento” is unclear. For example, in the hypothetical scenario where it was the year 2026 and the amount of renewable energy generated in the year 2025 (as evidenced by certified REC retirement) was 38%, when the law requires 40% renewable energy generation for that year, it’s unclear whether the “% de Cumplimiento” would be 38%, or rather 95% (since 38% is 95% of 40%).

18. Also noteworthy on Anejo 3, sheet x is that it is evident that PREPA has not been paying for RECs from Distributed Generation customers, without with such generation cannot be claimed for compliance with future requirements of the Renewable Energy Standard included in Law 17. Compensation to Distributed Generation customers for RECs generated by their solar systems is not only required by law, but also the utility paying for, acquiring and retiring such RECs will be fundamental to demonstrate compliance with the upcoming requirements of the Renewable Energy Standard, particularly the 40% requirement of renewable energy by 2025.

19. SESA also respectfully suggests that, as PREPA is in continued violation of the requirements of Puerto Rico’s energy public policy, as provided under Act 17-2019, that the Bureau issue appropriate orders and/or sanctions to cause compliance to occur.

Some examples of actions to consider could include requiring centralization of the entire net metering and interconnection process within one single office; outsourcing the entire process to an independent third party; and/or simply assessing a per-day, per-customer fine for each day over 30 days that transpires between notification of interconnection and when net metering appears on a customer's bill.

20. Finally, SESA wants to emphasize and express appreciation for the due diligence and time invested by many individuals at PREPA to help bring the organization in compliance with the new Interconnection and Net Metering requirements of Law 17. Our request to PREB is to help and require PREPA to change and overcome structural issues which have prevented compliance to happen to-date, over two years after the law required such compliance, and to integrate lessons learned into the upcoming LUMA transition to ensure it goes as smoothly as possible, does not result in any interruptions of Net Metering or Interconnection, and continues to improve as quickly as possible until it arrives and stays in a state of full compliance with the requirements of Law 17. As we enter the 2021 hurricane season, addressing these issues is of critical importance to ensure interested customers are able to move forward with interconnecting new life-saving solar and storage systems, with confidence that they will have net metering within 30 days, as clearly required by law.

WHEREFORE, the Solar and Energy Storage Association respectfully requests that the Puerto Rico Energy Bureau grant it the leave requested to submit comments in the present proceeding; and to accept our recommendations to require that, *inter alia*, LUMA participate in the next Progress Report; that a clear handoff plan for

interconnection and net metering is in place before the LUMA transition kick-off date; that Progress Report obligations shall continue uninterrupted and binding upon LUMA after said transition kick-off date; clarify whether PREPA interconnection & net-metering 'Comunicado' obligations will remain in force by themselves or via Bureau action; that RPS "compliance" reports shall be corrected or clarified as discussed in the instant motion; and whether this Honorable Energy Bureau can consider and/or adopt interim or permanent measures and/or sanctions to correct the persistent breach of Act 17 by the utility in regards interconnection and net metering statutory obligations.

**Respectfully submitted**, on May 5, 2021, in San Juan, Puerto Rico.



Javier Rúa-Jovet  
Chief Policy Officer, SESA  
Edificio Centro de Seguros  
701 Ponce de Leon Ave.  
Suite 406  
San Juan, PR 00907  
787-396-6511  
PR Supreme Court ID no. 12602  
javrua@sesapr.org