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Hato Rey, PR 00918

**RE: Additional comments by SESA to Informal Draft Interconnection Proposed Rule NEPR-MI-2019-0009 (Docket Consolidated with CEPR-M1-2018-0008)**

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 at all scales 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 and good business practices within the industry.

SESA reiterates its appreciation to the Honorable Energy Bureau (hereinafter “PREB” or “the Bureau”) for the opportunity granted to all stakeholders to provide ample comments to the above-captioned preliminary draft rule.

*I. Introduction*

On July 15<sup>th</sup>, 2021, the Honorable Bureau published the above captioned preliminary interconnection draft rule, for an initial stakeholder comment period set to end on July 30<sup>th</sup>. On said date, SESA filed “Comments on Proposed Draft Rule for Interconnection and Net Metering”, with our initial comments to the proposal in this docket. However, upon request of the Independent Office of Consumer Protection (OIPC, per its Spanish acronym) said deadline was further by this Bureau extended until today, August 30<sup>th</sup>, 2021.

SESA reiterates and reaffirms its comments of July 30<sup>th</sup>, particularly stressing the importance and need for professionally facilitated workgroup sessions with interested parties affected by this

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rulemaking. Simply asking for written input provides minimal value to the Bureau and to consultants helping the Bureau craft this important rule. We strongly recommend and request an interactive, multi-step process whereby impacted stakeholders are able to discuss with each other and with the Bureau and the Bureau's consultants involved the meaning and intent behind each section of the rule, and discuss the merits and potential impacts of changes to improve upon the Preliminary Draft Rule.

We complement our July 30<sup>th</sup> comments with the following additional comments:

### *II. Additional Comments*

1. SESA expresses that the use of the term "Application" in regards interconnection and net metering of systems up to 25kW (see, e.g., proposed Article 3- Distribution System Fast Track Process) must be substituted for a term that clearly reflects the text and spirit of Act 17-2019, to the effect that these up to 25kW systems will be considered interconnected automatically, as soon as a licensed electrician or professional, who holds a valid certification as an installer of photovoltaic or renewable energy systems certifies compliance with the pertinent technical requirements, without the need to submit an application for the interconnection or activation of net metering. SESA suggests that for these cases, the more appropriate term is "Notification" to the utility that a system was duly installed.
2. Is there an upper size limit to the definition of "Microgrid"? Sections 2.01(E) and 5.02 both refer to a Microgrid size of "above 5MW", seeming to indicate that there is no upper limit to the size of any proposed Microgrid.
3. If a Microgrid is seeking to have PREPA as an offtaker, through a PPA arrangement, would the developer have the option of using the Microgrid rule? If so, would this create a separate set of Minimum Technical Requirements as compared to if a developer proposed a project without using this rule?
4. Section 6.02A ends with:

*"...The list of equipment and components certified by the PEPP is available on the Energy Bureau's website (<http://energia.pr.gov>)."*

It appears that there is not a list of approved "control systems" available on this site. Should it be added to this site, or specified somewhere else?

5. Regarding Attachments 1 through 9, and A and B, if these attachments are included in the formal rule itself, as they appear to be in this Preliminary Rule, the a formal rulemaking process (which could take many months or years) would be required every time a rule is

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updated (ie IEEE, UL, etc), in the case of Attachment 3, and every time the utility proposes to make a minor change to a customer application form (in the case of all the other attachments)?

Suggestion: Consider taking these types of attachments out of the formally proposed rule, and instead require them as a Tariff, Comunicado, or other process that's much less time-intensive to update in the future than a formal rulemaking process requires.

6. Section 6.02(C) states:

*"The EPS Operator has a list of approved inverters and control systems periodically updated..."*

It's unclear to some developers where this list is today, and this Preliminary Rule doesn't appear to require or provide transparency.

Request: Please amend this section to require this list to be transparently, publicly posted and easily accessible.

7. Regarding Section 6.08 (Power Factor): Is it possible to use capacitor or reactance banks to compensate reactive power? Can they be switched off/on as part of the regulation?
8. Section 6.09 (G) ends with:

*"...maintain a continuous control of reactive power."*

Question: We understand the preference is to use power converters but would it be possible to mix the use of power converters with switching off/on static elements such as capacitor banks, reactances, etc? Depending on the internal loads, mixing should be more cost effective.

9. Regarding Section 6.10: How will compliance with this requirement be assessed?
10. Regarding Section 6.10 (B): Are there any requirements for recovery of the energy depleted during under-frequency response? Can the inverters be used to provide over-frequency support in the event the battery is full? Can developers use State-Of-Charge management strategies during the provision of the frequency response?
1. SESA appreciates the engagement from all stakeholders and takes the opportunity to comment on and/or support parts of said rich input.

*III. Response to other stakeholders' filed comments*

a) In regards IEFFA's Comments of July 30th:

- IEFFA Comment on "Definition of Nameplate Capacity"; SESA agrees with the comment, recommending that the amount of kW in "energy storage" of a system not be counted as part of the nameplate capacity of a photovoltaic system.

Note: This is not a matter of regulator discretion. Act 17 refers multiple times to the threshold of 25kW "generation capacity", which is unquestionably intended to refer to the AC nameplate capacity of a photovoltaic generation component of a customer-sited solar, or solar & storage, system.

Counting energy storage in the concepts of nameplate capacity and/or generation, would not only clash against clear law, it would hurt both the consumer and the overall grid, by having one or more of the following effects:

i. More solar systems installed with no storage at all, which would leave the customer with no backup power at all, leaving the occupants' lives at risk during the frequent power outages in Puerto Rico.

ii. More solar + storage systems installed with a smaller amount of storage, which would reduce the resiliency of the building occupants and reduce the resiliency available to the grid overall via the aggregated dispatchable Virtual Power Plant created by the tens of thousands of solar + storage systems deployed and to be deployed in the near future.

iii. Furthermore, today, and since the passage of Act 17, the 25kW threshold has been interpreted by multiple official, unchallenged PREPA "*Comunicados Técnicos*" as meaning the 25kW AC nameplate rating of the photovoltaic panels of a solar, or solar + storage, system.

iv. Lastly, given that the 25kW threshold has been and is currently being interpreted as applying to the AC nameplate capacity of the solar panels themselves, changing the goalpost could create a nightmarish administrative burden requiring LUMA to review the over 15,000 systems which have been already installed up to 25kW, and placing in a sort of legal limbo the systems at or near 25kW AC nameplate solar capacity which also

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have some amount of battery storage. Indeed, for many thousands of these systems, the data was not even collected on whether any storage exists, let alone how much specific amount of storage was installed. Such a change as proposed is in the preliminary Draft Rule could trigger an onerous administrative and financial weight on LUMA which has not been budgeted for. This new burden would also distract LUMA from their efforts to fix the chronic backlog of cases interconnection and net metering cases; LUMA would have to focus on a highly disruptive and damaging new norm, instead of designing and implementing an efficient centralized system for processing new incoming notifications of system interconnections.

- IEFFA Comment on “Cost of Distribution Upgrades”; SESA is cognizant of the potential constraint placed by statutory language in Act 17/2019, but agrees with the comment to the effect that the Bureau should find ways to socialize distribution upgrade costs, when such upgrades are indeed necessary. More stakeholder engagement to fashion potential, fairer, socialization mechanisms is warranted.

Furthermore, we urge the Bureau to order whole-system upgrades from the bottom up as a very high priority for PREPA/LUMA, including providing all customers with advanced meters and upgrading all distribution upgrades preemptively to avoid any sort of bottlenecks with “supplemental studies” because of allegedly “full feeders”. Noting that Act 17 requires 100% renewable energy on the island, there is no reason why any home or business owner, or any other customer, should be denied the right to install solar and storage for any reason.

- IEFFA comment on “Transparency”; SESA agrees that all useful generation and/or grid data and/or reports (that is non-confidential) should be public and easily available, including data generated by a study for a particular substation/area bus, bank or circuit.

b) In regards LUMA’s general comments of July 30<sup>th</sup>:

-LUMA’s comment on “further clarification as to which Regulations this new document will supersede”; SESA agrees with comment. It is our view that the only energy regulator within our jurisdiction is the Energy Bureau. The prior paradigm of a “self-regulating” utility has been transcended and thus only Energy Bureau regulations should apply in regards interconnection and related matters.

- LUMA’s comment regarding “significant overhaul and redesign of the DG Portal”; SESA comments that it supports the idea of better, more effective and user-friendly

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DG Portal, deployed as fast as possible, without hindering LUMA's compliance with the statutory requirements of Act 17-2019 regarding automatic interconnection of photovoltaic systems up to 25kw, with net-metering applied within 30 days from interconnection notification day.

- LUMA's comment regarding insertion of an "average time requirement" to "allow for the unavoidable occurrence of complex cases that will extend beyond the time limit"; SESA comments that any "average time" allowance would have to fall within the statutory requirements of Act 17-2019 regarding automatic interconnection of photovoltaic systems up to 25 kW / 30-day net-metering from interconnection notification day. In terms of larger systems that do not enjoy the legal presumption of automatic interconnection, such "average time" allowance, if incorporated, must be implemented to ensure the fastest possible interconnections time for such a system. Note that none of the above is a matter of regulatory discretion. The language of Act 17 is clear in establishing a strict 30-day time limit which cannot be interpreted any way other than it is written in statute.

- LUMA's comment regarding "cost implications of meeting the requirements of the proposed regulation"; SESA comments that the automatic interconnection of photovoltaic systems up to 25kW / 30-day net-metering from interconnection notification day norm is legislative and statutory in origin, predating the LUMA transition, not a new cost borne out of the proposed regulation.

We remind all stakeholders and the Bureau of PREPA's archaic and convoluted prior process, with a myriad confusing and unnecessary steps, which presumably resulted in many thousands of inefficiently spent hours of PREPA staff handling paperwork related to the DG Portal. We urge the Bureau to encourage, and for LUMA to implement, same-day Net Metering as is common around all of the United States, which would drastically reduce the time and cost associated with each new Net Metering customer.

In short: Act 17, and the compatible requirements of this rule, are there to transform the customer interconnection process from a multi-month or, commonly, multi-year process -involving potentially hundreds of hours of staff time for individual interconnection notifications- down to an extremely quick, efficient process. This should not only not result in increased administrative burdens or costs, but rather an exactly inverted positive result: customer interconnection should now be "automatic", requiring little to no time on the part of the utility to process each new customer interconnection notification.

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c) In regards GE's comments:

*“Are there working groups that support the resolution of these comments? If so, is participation from OEMs allowed? I would be happy to provide feedback on capabilities that may support the resilience of the system.”*

SESA supports this question and urges the Bureau to create a working group to facilitate direct verbal communication between stakeholders impacted by this rule, to require LUMA and PREPA participation in this working group, include any of the Bureau consultants working on this rulemaking, as well as Bureau staff, SESA, and any other interested stakeholder, and to provide a professional facilitator with ample training and experience in facilitating stakeholder collaborative working groups focused on best-possible outcome rulemakings.

d) In regards the Renewable Energy Coalition's comments of July 31<sup>st</sup>, 2021:

- SESA agrees with the reference to *SolarAPP+* as a recent example of using technology to quickly process paperwork associated with interconnecting new customer-sited solar systems. While the platform was designed for municipal permitting, not utility processes, we urge the Bureau, LUMA, and other stakeholders to become familiar with *SolarAPP+* and evaluate to what degree lessons learned from its successful development and deployment might be used in Puerto Rico.

SESA-PR restates its appreciation to the Bureau for the opportunity to comment in this docket, and looks forward to continued involvement, hopefully including face to face discussion and facilitated stakeholder engagement.

Cordially,

*[signed]*

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