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

IN RE: COMMUNITY SOLAR REGULATORY FRAMEWORK	**CASE NO.:** NEPR-MI-2025-0003 **SUBJECT:** Re-commencement of Rulemaking

RESOLUTION

I. Introduction

The Puerto Rico Energy Transformation and RELIEF Act, Act 57-2014[1], directs the Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau"), in coordination with the Energy Public Policy Program of the Department of Economic Development and Commerce and the Independent Consumer Protection Office, "to establish the regulatory framework that shall guide the development of regulations for community-solar projects and microgrids."

When the Order Initiating the Community Solar proceeding was issued in June 2025, the immediate need and focus was the development of regulations to support a pilot program that would leverage a grant from the US Environmental Protection Agency ("EPA"). Two sets of supportive comments were received in response to the initial order these were from *Proyecto Enlace del Caño Martín Peña* and *La Alianza de Justicia Energética*. Unfortunately, the EPA grant has now been cancelled and, along with it, the funds that would have enabled the pilot. Now, the Energy Bureau has the opportunity to recalibrate the scope of this proceeding and create a more robust record that will help to chart the future path of community solar in Puerto Rico. Doing so is consistent with the legislative charge established by Act 57-2014.

Given the important role that community solar can play for enhancing reliability, affordability and resilience of Puerto Rico's electric system, the Energy Bureau seeks a robust conversation about alternative methods of implementing community solar, and the advantages and disadvantages of those approaches. These methods are largely related to the business models, (e.g. publicly or privately owned). To facilitate the conversation that would support the development and adoption of a regulatory regime for community solar, this order 1) describes the issues associated with developing such regulations; 2) addresses questions to LUMA and the stakeholders (in attachment A) that will inform a robust conversation that would support the development of regulations for community solar, and 3) describes procedural steps required to create the dialogue and record that will support Energy Bureau action.

II. Background on issues

A variety of issues will determine the efficacy of community solar programs and their ability to improve affordability, equity and reliability. What follows is a high-level summary of these issues.

Ownership – there are several business models that can be employed to develop community solar. The key factor driving differences in these models is ownership. The variety of ownership models includes:

- Utility ownership
- Member (coop) ownership
- Third party ownership
- Municipality ownership

[1] Section 6.3 (tt) of the *Puerto Rico Energy Transformation and RELIEF Act*, as amended.

- Non-profit ownership

Each business model has implications for capital expenditure, cost recovery and pricing that need to be understood.

Governance frames the nature of different business models; it outlines the obligation of community solar, the reach of activities and current statutory authorities, ratemaking authority, and customer protection.

Geographic scope or footprint establishing the boundaries of the community solar entity's area of coverage. One choice is to have no boundaries and to develop virtual mechanisms to incorporate a geographically diverse group of customers. Another option would be to have boundaries aligned with political subdivisions.

Physical configuration and operations – The ability of the community solar system to support overall grid reliability depends on its physical configuration, in particular communication and control, such as whether ride-through inverters and energy storage must be installed on the community solar facilities. The electrical support that the community solar system provides the grid could be a source of value for which compensation should be determined and paid for.

Interconnection enables the community solar project to participate in the economy and operation of the grid. Requirements can be imposed during the interconnection process that will facilitate community solar's participation in the grid. The menu of interconnection requirements should be explored, with analysis of the benefits and costs of each.

Net Energy Metering (NEM) has played an important role in the development of solar in Puerto Rico. The potential role of NEM as compensation mechanism for community solar needs to be examined.

Pricing issues impact the economics of community solar in two ways: typically thought of as wholesale and retail. Community solar could involve both types of transactions. The time dimension and fidelity of pricing will bound the types of service that can be offered to both customers and the grid.

1) The community solar's wholesale transactions will either be with LUMA, an aggregator, or with another (presumably) large customer via a wheeling arrangement. When supplying power to the Puerto Rico grid, there are several ways that power can be priced. It can receive a real-time signal based upon the marginal cost of meeting demand or is forecasted prices based upon avoided costs, which can be time or location differentiated. If the community solar chooses to sell its excess generation to a third party, then it must negotiate an acceptable price, and operate within the Energy Bureau's wheeling framework.
2) Pricing retail power delivered to community solar customers has several important issues that need to be addressed. These include:
    a) mechanisms are available for capital cost recovery.
    b) pricing implications (e.g., bill credits) of different business models.

Participation –There are two approaches to determine which of the customers become a participant in the community solar. Under the "opt in" approach, the customer chooses to participate in community solar. In the "opt-out" approach customers are automatically enrolled as recipients of community solar power and would need to act to not participate in the program.

Regulatory reporting will enable the Energy Bureau to evaluate how well community solar is performing and provide the basis for changing its regulatory structure. The nature and need for reporting requirements should be discussed.

Customer protection will differ based upon the business model pursued. The need for customer protection and alternative mechanisms for providing it need to be discussed and evaluated.

Distributional equity is manifested by differential cost and reliability burdens of customers. Access to solar plus storage enhances the ability of customers to self-supply reliable service. This creates a system with differential reliability – those who can self-provide and others who depend on the reliability of the Puerto Rico system. Income disparity helps to drive the distinction between those with higher levels of reliability and those who cannot afford it. The issue facing the adoption of a community solar regime is how doing so can minimize the cost and reliability equity concerns.

III. Process

The Energy Bureau has engaged KeyLogic to facilitate the discussion on community solar issues and to develop a report on options to inform the draft regulation on Community Solar. The steps and approximate duration for carrying out the discussion and developing a report to the Energy Bureau are as follows:

1. Finalize questions (*see* Appendix A): Clarify and finalize the list of questions that will provide the basis for discussion of community solar regulations. Please indicate if any questions need clarification, and there are additions suggested by the parties to this process. (week 1).
2. Comments and recommendations will be reviewed and revised list of questions released (week 2).
3. Parties will be requested to address the questions provided and submit their responses (week 6)
4. A workshop will be held to discuss various parties responses (week 7).
5. KeyLogic will synthesize workshop discussion and responses into a draft report. The purpose of that document is to provide a range of alternatives to the Energy Bureau. It will include both the input from parties and independent analysis by KeyLogic (week 11).
6. Parties will have the opportunity to comment on the draft report, after which a second workshop may be held (week 13).
7. A final draft outlining regulatory approaches will be issued (week 16).
8. Parties will have the opportunity to respond to the final draft to the Energy Bureau along with briefs to the Energy Bureau on their preferred design of community solar regulations (week 18). After which a draft regulation on Community Solar will be issued and the formal rulemaking process will begin.

IV. Conclusion

The Energy Bureau re-initiates this proceeding and invites all stakeholders and any other persons, or groups interested, to provide their comments and feedback on the questions included in Attachment A **on or before April 17, 2026**.

The public and stakeholders may submit their written responses/comments to the Energy Bureau as follows:

1) include in their title the following: "Community Solar Regulatory Framework - Case No. NEPR-MI-2025-0003";
2) be addressed to the attention of Edison Avilés Deliz, Chairman;
3) be filed by electronic mail at: comentarios@jrsp.pr.gov; or through the Energy Bureau's electronic filing tool at: https://radicacion.energia.pr.gov/; or by postal mail addressed to the Puerto Rico Energy Bureau's Clerk's Office at World Plaza Building, 268 Muñoz Rivera Ave., Suite 202, San Juan, PR 00918-1925; or in person at the Energy Bureau's Clerk's Office, at the referenced address.

Be it notified and published.

Edison Avilés Deliz
Chairman

Lillian Mateo Santos
Associate Commissioner

Ferdinand A. Ramos Soegaard
Associate Commissioner

Sylvia B. Ugarte Araujo
Associate Commissioner

Antonio Torres Miranda
Associate Commissioner

CERTIFICATION

I certify that the majority of the members of the Puerto Rico Energy Bureau has so agreed on April 10, 2026. I also certify that on April 10, 2026 I have proceeded with the filing of the Resolution and a copy was notified by electronic mail to the Alejandro.figueroara@lumapr.com; legal@lumapr.com; PREBorders@lumapr.com; pjcleanenergy@gmail.com; hola@alianzadejusticiaenergetica.org; vmaldonado@midapr.com; mpineda@martinpena.pr.gov; mnunez@martinpena.pr.gov; mitiempo2004@gmail.com; cmuniz@martinpena.pr.gov; minirio@martinpena.pr.gov; ysantiago@martinpena.pr.gov; grace@fideicomisomartinpena.org; Carolynt@eco-energy.com; chance@powersolarpr.com; humberlinkedin@gmail.com; dortiz@solarunitedneighbors.org; sgbell@solarunitedneighbors.org; carlosv@irecusa.org; ramonantonio1234@outlook.com; Yelitza.Torres@ddec.pr.gov; Gerardo.Rodriguez@ddec.pr.gov; Ada.Quiles@ddec.pr.gov.

I sign this in San Juan, Puerto Rico, on April 10, 2026.

Sonia Seda Gaztambide
Clerk

NEGOCIADO DE ENERGÍA DE PUERTO RICO
NEPR
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO

ATTACHMENT A

What follows are questions for LUMA and stakeholders to address, that will provide the basis of discussing the advantages and disadvantages of alternative pathways for developing community solar regulations. To initiate the discussion that will facilitate the PREB in promulgating regulations enable community solar in Puerto Rico, parties are invited to share their responses to the following questions. Please note, the list of questions is not exhaustive, and parties are invited to supply additional information or seek clarification as they deem appropriate.

1. What business model for implementing community solar (e.g., privately or municipally owned) best enhances affordability, equity and reliability of the Puerto Rico electric system?
    a. Summarize how that business model would be structured.
    b. Please provide examples of where this business model has been implemented.
2. What is the appropriate governance structure for the community solar business model identified in response to question 1?
    a. Explain the governance of example of that business model provided, with links to documentation, such as tariffs, laws establishing governance etc.
3. What role do you envision different public (governmental) entities in Puerto Rico will play in the governance of community solar?
4. What is the appropriate geographic (or administrative) boundaries of community solar programs? Why?
    a. How are boundaries established in the community solar business model recommended in response to question 1? Please explain.
    b. What are the alternatives for setting the boundaries of the community solar entity? What is the preferred alternative, why?
    c. Should community solar be confined to a political subdivision? Please explain.
5. What are the different physical configurations for developing community solar?
    a. Should ride-through inverter be required? Please explain.
    b. Should storage be required as part of the community solar configuration? Please explain.
6. What interconnection requirements are required for community solar?
7. For the business model cited in (1) please outline interconnection requirements, including the entity to whom the community solar utility is connected to.
8. What role should NEM play in valuing power from community solar? Explain why.
    a. Can customers with solar compensated by NEM participate in community solar? If yes, how will their participation differs from customers who do not have solar compensated by NEM?
9. What entity will purchase excess electricity generated by the community solar project?
10. What are options for pricing power injected into the grid?
    a. What pricing information is available to support pricing of transactions injected into the grid?
    b. Are current estimates of avoided costs sufficient to support pricing for community solar? Please explain.
    c. What information is available from LUMA about the real-time value (price) that could support pricing with community solar injections into the grid?
11. How is the power delivered to members of the community solar organization (from grid sources or the community solar facilities) priced (credited) and accounted for?
12. What will be the basis for crediting electricity provided by the community solar organization to the ultimate buyer for its members?
13. Will credits to community solar members be based on a tariff, or contract, or some other vehicle? Please explain.
14. Do participants in community solar sign up for a fixed amount of energy to be delivered? If so, how is excess energy consumed priced, and energy not taken credited?
15. Should participation in community solar be "opt-in" or "opt-out"? Why?
16. What reporting requirements are necessary to oversee community solar entities?
17. What entity should receive those reports?

18. What is the role of consumer protection for customers enrolled in community solar programs?
19. What entity has authority to provide that protection?
20. If no entity has authority to provide customer protection, what governmental entity would be appropriate to take on this role?
21. How should concern for distributional equity be incorporated in the regulatory rules and design of community solar projects?
22. Should there be set-asides for service to low income or disadvantaged customers? How would that work?
23. Should there be limits on the capacity of community solar projects? If yes, what is the basis of those proposed limits? What entity would establish those limits?