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

IN RE: COMMUNITY SOLAR REGULATORY FRAMEWORK	**CASE NO.:** NEPR-MI-2025-0003 **SUBJECT:** Comments of the Solar and Energy Storage Association of Puerto Rico (SESA) in Response to Attachment A Questions

COMMENTS OF THE SOLAR AND ENERGY STORAGE ASSOCIATION OF PUERTO RICO (SESA)

April 17, 2026

Honorable Commissioners
Puerto Rico Energy Bureau

I. INTRODUCTION

The Solar and Energy Storage Association of Puerto Rico ("SESA") respectfully submits these comments in response to the questions set forth in Attachment A to the Bureau's notice in Case No. NEPR-MI-2025-0003, concerning the development of a regulatory framework for community solar in Puerto Rico pursuant to Section 6.3(tt) of Act 57-2014, as amended.

SESA is the leading trade association representing the solar energy and energy storage industry in Puerto Rico. Our members include project developers, engineering firms, equipment manufacturers, installers, and financing entities active in the Puerto Rico renewable energy market. We have a direct and substantial interest in ensuring that the community solar framework adopted by the Bureau is well-designed, market-driven, and capable of delivering meaningful benefits to Puerto Rican ratepayers—particularly low- and moderate-income households.

As the Bureau is aware, this proceeding was commenced by the July 22, 2025 Resolution and Order, which envisioned a Community Solar Pilot of up to 25 MW in aggregate, with individual projects of up to 5 MW. The proceeding was subsequently stayed by the August 14, 2025 Resolution. SESA appreciates the Bureau's decision to re-engage this docket and welcomes the opportunity to provide substantive input on the questions posed.

In these comments, SESA draws on our members' experience developing and operating distributed energy resources throughout Puerto Rico, as well as on community solar best practices from jurisdictions across the United States. We urge the Bureau to adopt a framework that prioritizes private-sector participation, competitive market dynamics, and robust consumer protections—one

that can be implemented quickly enough to capture available federal tax incentives to the greatest extent possible, and begin delivering clean, affordable energy to communities across the island.

II. RESPONSES TO ATTACHMENT A QUESTIONS

Question 1: *What business model for implementing community solar best enhances affordability, equity and reliability of the Puerto Rico electric system?*

SESA recommends a third-party-owned-and-operated model as the primary business structure for community solar in Puerto Rico. Under this model, private developers finance, build, own, and operate community solar facilities, selling or crediting the output to subscribing customers. This approach offers several decisive advantages for Puerto Rico's unique circumstances.

First, third-party ownership leverages private capital and shifts development and operational risk away from ratepayers and the utility. Developers bear the financial risk of construction, permitting, and performance, while subscribers benefit from stable, predictable energy credits without any upfront investment. This is particularly important in Puerto Rico, where utility balance-sheet constraints and the ongoing LUMA transition make it impractical to rely on utility-owned generation for community solar.

Second, a dispersed third-party network—multiple independent developers competing to serve customers across the island—is the fastest path to deployment. Competition among developers drives down costs, accelerates innovation, and prevents the concentration of benefits with a single entity. By contrast, utility-controlled community solar programs in other jurisdictions have tended to move slowly, limit customer choice, and concentrate economic benefits with the utility rather than distributing them broadly to subscribers and host communities.

Third, SESA notes that the cooperative model offers a valuable complementary structure. Energy cooperatives—in which subscribers collectively own the community solar facility—can reduce customer-acquisition costs, provide their own insurance pools, and build strong community engagement. Cooperatives are particularly well-suited for rural communities and municipalities where a single developer may not find sufficient commercial incentive. In the continental United States, cooperative community solar programs have been successfully implemented by organizations such as the Colorado Energy Office's community solar garden program and various rural electric cooperatives in Minnesota under that state's landmark community solar statute.

Fourth, SESA urges the Bureau to expressly accommodate and incentivize **anchor-tenant subscriber configurations**, in which a creditworthy commercial, industrial, or institutional offtaker — for example, a hospital system, manufacturing facility, university, or municipal government — subscribes to a substantial portion of a project's capacity alongside a pool of LMI residential subscribers. This configuration is not an alternative to LMI participation; it is an enabling mechanism for it. A bankable anchor subscriber with a long-term offtake commitment materially reduces the project's cost of capital and the developer's customer-acquisition risk, and

those financing efficiencies translate directly into the depth of discount the project can sustainably offer to LMI participants. Anchor-plus-LMI structures have been central to successful community solar programs in Minnesota, Massachusetts (SMART), and Illinois (Illinois Shines), and in many cases have been the specific mechanism by which developers have been able to deliver guaranteed 20%-or-greater LMI bill savings.

SESA therefore recommends that the Bureau's framework accommodate third-party-owned, cooperative, and anchor-tenant configurations. The third-party model should serve as the primary driver of scale; the cooperative model should be available for communities that prefer collective ownership; and the anchor-tenant configuration should be expressly permitted and, where appropriate, incentivized, as it materially improves both the financeability of projects and the savings delivered to LMI subscribers.

Question 2: *What is the appropriate governance structure for the community solar business model identified in response to question 1?*

For third-party-owned projects, SESA recommends that community solar developers be organized as entities registered in Puerto Rico—whether as limited liability companies, corporations, or Benefit Corporations (B-Corps)—and be required to register with the Energy Bureau as community solar providers. B-Corp status, in particular, aligns the developer's legal obligations with the public-benefit goals of the community solar program, as B-Corps are required to consider the impact of their decisions on all stakeholders, not only shareholders.

For cooperative models, governance should follow cooperative principles: democratic member control (one member, one vote), open and voluntary membership, and equitable distribution of economic benefits. Puerto Rico's existing cooperative statutes provide a ready-made legal framework.

Regardless of the organizational form, the Energy Bureau (PREB) should serve as the primary oversight body, responsible for registering community solar providers, reviewing and approving subscriber agreements and tariff structures, and enforcing compliance. The Independent Consumer Protection Office (ICPO) should have a co-equal role in reviewing consumer-facing documents, investigating complaints, and ensuring that marketing practices are fair and transparent. SESA recommends that the Bureau establish a streamlined registration process—not a full certificate of public convenience and necessity—to avoid creating unnecessary barriers to entry while still providing adequate regulatory oversight.

For reference, the governance structures established under Minnesota's community solar program (Minn. Stat. § 216B.1641), Colorado's Community Solar Gardens Act (C.R.S. § 40-2-127), and New York's Community Distributed Generation program (NY PSC Case 15-E-0082) offer useful models, each of which relies on state utility commission oversight of registered third-party providers.

Question 3: *What role do you envision different public (governmental) entities in Puerto Rico will play in the governance of community solar?*

SESA envisions a clearly delineated governance structure that avoids regulatory duplication while ensuring robust consumer protection and market oversight. The Puerto Rico Energy Bureau (PREB) should serve as the primary regulatory authority, with responsibility for establishing rates, reviewing tariff filings, approving program rules, and setting capacity targets. PREB is uniquely positioned for this role given its existing authority over electric service rates and its mandate under Act 57-2014 to develop the community solar regulatory framework.

The Independent Consumer Protection Office (ICPO) should exercise its statutory consumer-protection mandate by reviewing subscriber contracts for fairness and transparency, establishing disclosure requirements, and providing a mechanism for complaint resolution. The Energy Public Policy Program of the Department of Economic Development and Commerce should coordinate policy alignment—ensuring, for example, that community solar objectives are integrated with Puerto Rico's broader renewable energy targets and economic development priorities.

LUMA, as the transmission and distribution operator, will necessarily play an operational role in interconnection, metering, billing credit application, and data provision, but should not have a governance or gatekeeping role that could create conflicts of interest or delay project deployment. Municipalities may play a facilitating role by identifying suitable sites, streamlining local permitting, and partnering with developers or cooperatives, but SESA does not recommend delegating rate-setting or program-design authority to individual municipalities, as this would create a fragmented regulatory landscape.

Question 4: *What is the appropriate geographic (or administrative) boundaries of community solar programs? Why?*

SESA recommends that community solar program boundaries be defined by electrical topology—specifically, by distribution feeder or substation service territory—rather than by political subdivisions. Electrical boundaries are more relevant to the actual delivery of energy and the realization of grid benefits. When a community solar facility is located on the same feeder as its subscribers, the power generated reduces line losses, defers distribution upgrades, and can provide localized voltage support and resilience benefits.

That said, SESA recognizes that strict feeder-level boundaries may be too narrow in some areas of Puerto Rico where feeders serve very small populations. We therefore recommend a tiered approach: projects that locate on the same feeder or substation area as their subscribers should receive a premium credit reflecting the locational value of that generation, while projects located elsewhere on the distribution system should still be permitted but may receive a standard credit. This approach incentivizes siting where it provides the most grid benefit without artificially constraining the market.

Community solar should not be confined to a single political subdivision. Many municipalities in Puerto Rico are small, and restricting subscriptions to a single municipality would limit the potential subscriber base and make projects economically unviable in less populated areas. Moreover, allowing cross-municipal subscriptions avoids the administrative complexity of differing municipal tax treatments and regulatory requirements. SESA does recommend, however, that the Bureau examine how municipal taxation interacts with community solar—specifically, whether municipal property taxes or business taxes could create uneven playing fields across jurisdictions—and address any such disparities in the program rules.

The Bureau should also consider whether to incentivize or require community solar facilities to provide backup power during grid outages. Requiring ride-through or islanding capability for facilities paired with storage would significantly enhance the resilience value of community solar, particularly for communities that have experienced prolonged outages following hurricanes and other severe weather events.

Question 5: *What are the different physical configurations for developing community solar?*

Community solar facilities can take several physical forms, including ground-mounted arrays on dedicated parcels, rooftop installations on commercial or industrial buildings, and carport or canopy structures. For Puerto Rico, ground-mounted systems in the 1–5 MW range are likely to be the primary configuration, given available land, economies of scale, and the pilot parameters contemplated by the Bureau's July 22 Resolution.

Regarding ride-through inverters: SESA supports requiring smart inverters with voltage and frequency ride-through capability for all community solar interconnections. Modern smart inverters compliant with IEEE 1547-2018 provide essential grid-support functions—including voltage regulation, frequency response, and anti-islanding protection—at minimal incremental cost. Given Puerto Rico's grid stability challenges, these capabilities are not optional; they should be a baseline requirement.

Regarding energy storage: current Minimum Technical Requirements (MTRs) already require some amount of storage for projects in the 1–5 MW range. SESA supports maintaining this requirement for community solar projects and recommends that the Bureau consider whether additional storage should be encouraged—through incentives rather than mandates—to enhance the dispatchability and resilience value of community solar. Mandatory storage beyond the existing MTR levels could increase project costs and slow deployment, particularly for smaller projects. A better approach would be to offer enhanced credit rates or streamlined permitting for projects that voluntarily include storage capacity above the minimum, thereby letting the market determine the optimal storage configuration.

Question 6: *What interconnection requirements are required for community solar?*

SESA recommends that community solar facilities be subject to the same interconnection requirements as any other distributed generation facility of equivalent size and configuration. There is no technical reason to create a separate interconnection process for community solar; doing so would add unnecessary complexity and delay.

The applicable requirements should depend on the facility's physical configuration. A community solar facility connected behind the meter of a host building should follow the standard behind-the-meter interconnection process. A facility that is export-only to the grid—which will be the more common configuration for dedicated ground-mount systems—should follow the applicable process for front-of-meter distributed generation.

SESA makes three specific recommendations regarding interconnection. First, interconnection costs should be standardized on a per-kilowatt basis to the greatest extent practicable. Unpredictable interconnection costs are one of the largest barriers to community solar development nationwide, and standardized cost schedules would improve project economics, financing certainty, and the speed of deployment.

Second, the Bureau should ensure that fiber-optic communication requirements are not imposed on community solar facilities where wireless communication is technically adequate. Requiring fiber-optic connections to every community solar site would add significant cost and construction time, particularly in rural areas, without commensurate reliability benefits. Modern wireless telemetry and SCADA systems are fully capable of meeting utility monitoring requirements.

Third, LUMA should be required to publish transparent interconnection timelines, with enforceable milestones, to prevent the interconnection queue from becoming a bottleneck.

Question 7: *For the business model cited in (1) please outline interconnection requirements, including the entity to whom the community solar utility is connected to.*

Under the third-party-owned model recommended in response to Question 1, community solar facilities would interconnect to LUMA's distribution system at the point of common coupling. The interconnection agreement would be between the community solar developer (or the special-purpose entity that owns the facility) and LUMA, following the applicable distributed generation interconnection procedures.

The developer would be responsible for all costs on the developer's side of the point of interconnection, including the inverter, transformer, metering equipment, and any required distribution system upgrades identified in the interconnection study. LUMA would be responsible for installing the revenue-grade meter and processing the interconnection application within established timelines. The Energy Bureau should retain authority to adjudicate interconnection disputes and to review LUMA's interconnection cost estimates for reasonableness.

For cooperative-owned facilities, the interconnection process would be identical—the cooperative entity, rather than a for-profit developer, would serve as the applicant, but the technical and commercial terms of interconnection should not differ.

Question 8: *What role should NEM play in valuing power from community solar? Can customers with NEM-compensated solar participate in community solar?*

SESA recommends that community solar compensation be established through a dedicated community solar tariff or crediting mechanism, separate from the existing Net Energy Metering (NEM) program. While NEM has been instrumental in driving rooftop solar adoption, it was designed for individual behind-the-meter systems and does not translate well to the shared, off-site generation model of community solar.

Question 9: *What entity will purchase excess electricity generated by the community solar project?*

Under the recommended third-party model, the community solar facility's output is allocated to its subscribers through virtual net metering credits applied to their utility bills. In this structure, there is no traditional power purchase in the conventional sense—rather, LUMA applies bill credits to each subscriber's account based on their proportional share of the facility's output.

For any excess generation that is not allocated to subscribers—for example, during periods when the facility's output exceeds total subscriber demand—LUMA should purchase the excess at the applicable avoided-cost rate or at a rate established by the community solar tariff.

The Bureau should establish clear rules governing unsubscribed energy to provide developers with revenue certainty and to prevent unsubscribed energy from being valued at zero, which would undermine project financing.

Question 10: *What are options for pricing power injected into the grid?*

SESA recommends that the Bureau adopt a value-of-solar or value-of-distributed-energy-resources (VDER) methodology for pricing community solar injections. This methodology would calculate a credit rate reflecting multiple value streams: avoided energy costs, avoided capacity costs, avoided transmission and distribution losses, avoided environmental compliance costs, and any locational or resilience value attributable to the facility's siting.

SESA recommends that the Bureau establish a transitional community solar credit rate based on the full retail rate. This approach, used in the early stages of community solar programs in states such as Illinois and Maryland, provides sufficient revenue certainty to enable initial project development while a more precise valuation methodology is developed.

Question 11: *How is the power delivered to members of the community solar organization priced (credited) and accounted for?*

Power from the community solar facility should be credited to subscribers through a virtual net metering mechanism on their monthly utility bills. Each subscriber's credit should be calculated as their proportional share of the facility's total output for the billing period, multiplied by the applicable community solar credit rate.

LUMA should serve as the billing and crediting intermediary, applying credits directly to subscriber accounts. This approach eliminates the need for the community solar developer to act as a retail electricity provider and leverages LUMA's existing billing infrastructure. The developer's relationship with subscribers would be governed by a separate subscriber agreement addressing subscription size, pricing, term, and portability—while the actual credit delivery flows through the utility bill.

Credits should be calculated on a kilowatt-hour basis, with any excess credits in a given billing period rolling forward to subsequent months. The Bureau should establish rules for annual true-ups and for the treatment of credits when a subscriber moves, terminates their subscription, or when the facility underproduces relative to projections.

Question 12: *What will be the basis for crediting electricity provided by the community solar organization to the ultimate buyer for its members?*

The basis for crediting should be the metered kilowatt-hour output of the community solar facility, as recorded by a revenue-grade meter at the point of interconnection, allocated proportionally among subscribers according to their subscription shares. The credit rate applied to those kilowatt-hours should be established by the Bureau through the community solar tariff, as discussed in SESA's response to Question 10.

SESA recommends that the credit rate be expressed in dollars per kilowatt-hour and that it be set at a level that provides meaningful savings to subscribers relative to their otherwise-applicable retail rate. A credit that merely equals or approximates a subscriber's existing rate will not generate sufficient savings to attract participation. The community solar value proposition must be tangible, guaranteed, and easy to understand.

SESA recommends that the program establish that the ultimate cost to program participants be required to be no less than 20% less than the retail power rate. That price-point has proven to be effective in many successful Community Solar programs across the nation, including:

- Illinois – Clearway Community Solar (ComEd & Ameren territories)
- California – Clean Power Alliance Community Solar (LA/Ventura area)

- Clean Power Alliance's Community Solar program for underserved communities provides energy "at a 20% discount on their monthly electric bill" for enrolled customers.
- New York – Community Power project (Brooklyn)
- New Jersey – BPU pilot projects via Solar Landscape

Question 13: *Will credits to community solar members be based on a tariff, or contract, or some other vehicle?*

SESA recommends a dual-layer structure. The community solar credit rate—the value at which generation is credited on the subscriber's utility bill—should be established by a tariff approved by the Bureau. A tariff-based credit provides regulatory certainty, uniformity, and transparency. Developers and financiers can underwrite projects with confidence when the credit rate is a known, regulated value rather than a negotiated, project-specific term.

The relationship between the community solar developer and each subscriber should be governed by a standardized subscriber agreement—a contract that specifies the subscriber's subscription size (in kilowatts or as a percentage of facility output), the subscription price (i.e., what the subscriber pays the developer, which must be less than the credit they receive), the contract term, portability provisions, and cancellation terms. The Bureau should develop or approve a model subscriber agreement to ensure consistency and consumer protection across the market.

Question 14: *Do participants in community solar sign up for a fixed amount of energy to be delivered?*

Subscribers should sign up for a fixed subscription size, expressed either as a fixed number of kilowatts of capacity or as a fixed percentage of the facility's output. The actual energy delivered will vary month to month based on solar irradiance and facility performance, but the subscriber's proportional share remains constant.

When a facility produces more energy than a subscriber's proportional allocation in a given period, excess credits should roll forward. When a facility underperforms, subscribers simply receive fewer credits—they are not obligated to pay for energy they do not receive. The developer bears the performance risk.

Energy consumed by the subscriber in excess of their community solar credits in any billing period would continue to be priced at their standard retail tariff rate. Conversely, if the subscriber consumes less than their credited amount, the excess credits should roll forward, subject to the annual true-up provisions discussed above.

Question 15: *Should participation in community solar be "opt-in" or "opt-out"? Why?*

SESA recommends that community solar participation begin as an opt-in program.

In a market like Puerto Rico, where trust in energy institutions is still being rebuilt and where many customers may not be accustomed to distributed energy programs, an opt-out approach risks generating backlash that could undermine the community solar program before it has a chance to establish its value.

SESA recommends that the Bureau begin with opt-in enrollment, coupled with robust marketing and outreach—including targeted outreach to low- and moderate-income communities. Once the program has matured, demonstrated tangible subscriber savings, and built public confidence, the Bureau can re-evaluate whether transitioning certain customer classes to an opt-out model is appropriate.

Question 16: *What reporting requirements are necessary to oversee community solar entities?*

SESA recommends that the Bureau establish reasonable reporting requirements that provide regulatory transparency without imposing excessive administrative burdens on community solar providers. At a minimum, community solar developers should file quarterly operational reports including: facility generation data (total kWh produced), subscriber enrollment counts and subscription utilization rates, credit allocation and disbursement summaries, and any material changes in facility ownership or operations.

Annual reports should additionally include: financial performance summaries, subscriber complaint logs and resolution data, low- and moderate-income subscriber participation rates, and a certification of continued compliance with program requirements.

Reports should be filed in standardized electronic formats to facilitate Bureau review and public transparency. The Bureau should publish anonymized, aggregated program-level data on a regular basis to support ongoing policy evaluation.

Question 17: *What entity should receive those reports?*

Reports should be filed with the Energy Bureau (PREB) as the primary regulatory authority. The ICPO should have access to all filed reports—particularly subscriber complaint data—to support its consumer protection function. LUMA should receive the operational and generation data necessary for billing, credit allocation, and interconnection management, but should not be the primary regulatory reporting recipient.

Question 18: *What is the role of consumer protection for customers enrolled in community solar programs?*

Consumer protection is essential to the success and legitimacy of community solar in Puerto Rico. Subscribers must be protected by standardized disclosure requirements ensuring they understand the terms of their subscription before enrollment, including the subscription price, expected

savings, contract duration, cancellation rights, and any fees. Subscriber agreements must be written in plain language, available in both English and Spanish, and reviewed by the Bureau or ICPO prior to use.

Consumer protection should also encompass prohibitions on deceptive marketing practices, cooling-off periods during which new subscribers can cancel without penalty, and a clear complaint-resolution process administered by the ICPO. Given the novelty of community solar in Puerto Rico, proactive consumer education will be just as important as reactive enforcement.

Question 19: *What entity has authority to provide that protection?*

The Independent Consumer Protection Office (ICPO), established under Act 57-2014 precisely for this purpose, has the statutory authority to provide consumer protection for community solar subscribers. The ICPO should exercise its authority to review subscriber agreements, investigate complaints, and take enforcement action against providers that engage in deceptive or unfair practices. The Energy Bureau retains overarching regulatory authority and should coordinate closely with the ICPO to ensure consistent enforcement.

Question 20: *If no entity has authority to provide customer protection, what governmental entity would be appropriate to take on this role?*

SESA believes that existing statutory authority is sufficient. The ICPO and the Energy Bureau, acting within their respective mandates under Act 57-2014, together possess the necessary authority to protect community solar subscribers. If the Bureau determines that any gaps exist—for example, regarding the ICPO's jurisdiction over entities that are not traditional utilities—SESA recommends that the Bureau address these gaps through regulation, by clearly defining community solar providers as entities subject to ICPO oversight within the community solar regulatory framework.

Question 21: *How should concern for distributional equity be incorporated in the regulatory rules and design of community solar projects?*

Distributional equity should be a foundational design principle, not an afterthought. SESA recommends several mechanisms. First, the Bureau should maintain and enforce the 50% low- and moderate-income (LMI) subscription requirement contemplated in the July 22 Resolution. This set-aside ensures that community solar benefits flow to the customers who need them most.

Second, LMI subscribers should receive enhanced savings to ensure that community solar participation provides meaningful financial relief. Developers should be permitted to offer differentiated pricing, with market-rate subscribers effectively cross-subsidizing the enhanced discount for LMI participants.

Third, the Bureau should direct that community solar facilities be sited in a manner that promotes geographic equity, ensuring that rural and historically underserved communities are not bypassed in favor of more commercially attractive urban or suburban markets. Developers that site facilities in underserved areas or that exceed the minimum LMI participation threshold should receive priority in the interconnection queue or other regulatory incentives.

Fourth, the Bureau should establish clear definitions and verification procedures for LMI eligibility, drawing on established federal guidelines (such as 80% of area median income) and coordinating with existing social-services databases to minimize the documentation burden on LMI subscribers.

Fifth, the Bureau should recognize and expressly incentivize the use of **anchor-tenant subscriber structures** as an equity-enhancing mechanism. Pairing a creditworthy commercial, industrial, or institutional anchor with an LMI residential subscriber pool lowers the project's weighted average cost of capital and the developer's customer-acquisition risk. Those financing efficiencies can and should be passed through to LMI subscribers in the form of deeper guaranteed discounts. The Bureau should permit — and where appropriate reward through priority queue treatment or enhanced credit rates — projects that combine a C&I or institutional anchor with a robust LMI allocation, provided the project continues to satisfy the 50% LMI floor and appropriate subscriber-concentration safeguards discussed in response to Question 22.

Question 22: *Should there be set-asides for service to low income or disadvantaged customers? How would that work?*

Yes, as noted above, SESA supports the Bureau's preliminary proposal to require that at least 50% of each project's subscribed capacity be reserved for low- and moderate-income customers. This set-aside should be a condition of project registration.

Implementation would work as follows: each community solar developer would be required to demonstrate, at the time of registration and on an ongoing basis, that at least 50% of its subscribed capacity serves LMI customers. Developers could meet this requirement through direct marketing and enrollment of LMI households, partnerships with community-based organizations and social-services agencies, or agreements with municipalities to enroll eligible residents.

To support developers in meeting this requirement, the Bureau should consider complementary measures such as allowing community solar facilities serving a higher percentage of LMI subscribers (e.g., 75% or more) to qualify for expedited review or enhanced credits, and ensuring that LUMA's billing system can accommodate the differentiated pricing structures needed to deliver guaranteed savings to LMI participants. The Bureau should likewise recognize that projects structured around a commercial, industrial, or institutional anchor subscriber paired with an LMI residential pool can be particularly effective at delivering deep, durable LMI savings, and should extend the same expedited review and enhanced-credit treatment to anchor-structured projects that use the resulting financing efficiencies to enlarge the LMI allocation beyond the 50% floor.

To preserve the community character of community solar and to prevent the anchor-tenant model from being used as a vehicle for what is effectively a bilateral C&I offtake arrangement with a nominal LMI overlay, SESA recommends that the Bureau adopt a single-subscriber concentration cap limiting any one subscriber to no more than 40% of a project's subscribed capacity. This approach — consistent with Minnesota's Community Solar Gardens program — preserves the financing benefits of the anchor model while ensuring that the majority of each project's capacity is distributed across a broader and predominantly LMI subscriber base.

Question 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?*

SESA supports the pilot parameters established in the July 22 Resolution—an aggregate cap of 25 MW and individual project caps of up to 5 MW—as appropriate starting points. These limits are reasonable for a pilot phase, allowing the Bureau and stakeholders to gather data on program performance, subscriber enrollment, grid impacts, and administrative processes before scaling up.

However, SESA urges the Bureau to build in a clear pathway for expanding these limits once the pilot demonstrates success. The 25 MW aggregate cap should be treated as a floor, not a ceiling, and the Bureau should commit to reviewing and potentially increasing the cap within 12–18 months of the first project reaching commercial operation. Individual project caps of 5 MW are appropriate for the distribution system in most areas of Puerto Rico, but the Bureau should permit larger projects on a case-by-case basis where distribution system conditions support it.

The Energy Bureau should be the entity that establishes and adjusts these capacity limits, in coordination with LUMA regarding distribution system hosting capacity and with the Energy Public Policy Program regarding alignment with Puerto Rico's overall renewable energy targets.

III. ADDITIONAL RECOMMENDATIONS

In addition to the responses above, SESA wishes to raise several cross-cutting issues for the Bureau's consideration.

Insurance Barriers. Access to affordable insurance remains a significant barrier to renewable energy development in Puerto Rico. Community solar projects, like all distributed energy projects, face elevated insurance costs due to hurricane risk and the limited availability of carriers willing to underwrite assets on the island. The Bureau should consider whether program rules can help mitigate this barrier—for example, by allowing cooperatives to pool insurance risk, or by working with the Puerto Rico government to establish a catastrophic risk pool or guarantee facility for qualifying community solar projects.

Virtual Net Metering. SESA recommends that the Bureau integrate virtual net metering (VNM) as the billing and crediting mechanism for community solar. VNM allows the output of a single generation facility to be credited across multiple subscriber accounts, which is the operational

foundation of community solar. The Bureau should ensure that LUMA's billing systems are capable of supporting VNM allocations and that the community solar tariff clearly defines the VNM process.

Program Naming and Public Communication. Community solar is a new concept for most Puerto Rican ratepayers. SESA recommends that the Bureau, in coordination with the ICPO and stakeholders, develop an accessible, Spanish-language program name and branding that clearly communicates what community solar is and how customers can benefit. The name chosen should reflect the program's actual design and objectives in the Puerto Rico context. Effective public communication will be essential to driving opt-in enrollment, particularly among LMI households.

Expedited Timeline. Finally, SESA reiterates the urgency of moving this docket forward. As noted in our August 21, 2025 filing, federal tax incentives for solar projects above 1.5 MW face imminent deadlines. While some time has passed since that filing, the fundamental point remains: every month of delay in establishing the community solar framework is a month in which projects cannot begin the permitting, financing, and construction processes necessary to deliver clean, affordable energy to Puerto Rican subscribers. SESA urges the Bureau to convene a stakeholder workshop at the earliest opportunity and to establish an aggressive but achievable timeline for finalizing the pilot framework.

IV. CONCLUSION

SESA appreciates the opportunity to provide these comments and remains committed to working collaboratively with the Bureau, the ICPO, LUMA, municipalities, and all stakeholders to design and implement a community solar framework that serves the people of Puerto Rico. Community solar has the potential to democratize access to renewable energy, reduce electricity costs, strengthen grid resilience, and create local jobs—but only if the regulatory framework is well-designed, market-oriented, and implemented without unnecessary delay.

We respectfully urge the Bureau to act with urgency in advancing this proceeding and stand ready to provide any additional information or support that the Bureau may require.

Respectfully submitted,

PJ Wilson
Executive Director
Solar and Energy Storage Association of Puerto Rico (SESA)
info@sesapr.org