

Edison Avilés Deliz
Puerto Rico
Puerto Rico Energy Bureau (PREB)
Submitted over email to comentarios@jrsp.pr.gov
May 22, 2026

RE: Community Solar Regulatory Framework - Case No. NEPR-MI-2025-0003

Dear Chairman Edison Avilés Deliz,

Solar United Neighbors (SUN) is grateful for the opportunity to submit comments on the Community Solar Regulatory Framework. SUN is a non-profit organization focused on fostering a clean and equitable energy system with rooftop and community solar at the cornerstone. With a vision of empowering local communities, SUN has successfully assisted over 10,000 homes and organizations nationwide in adopting solar energy, totaling 90 MW of capacity. In Puerto Rico, SUN organizes bulk purchases of solar systems and develops Resilience Hubs in vulnerable areas, enhancing community resilience during natural disasters. The organization has also secured significant funding for low-cost solar projects, impacting over 50,000 solar supporters across the island. We believe a well-designed community solar program that makes space for a wide variety of project sizes, ownership models, and participants is critical to democratizing energy access in Puerto Rico while creating a sustainable and affordable energy future for all.

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?

Privately owned systems, owned and operated either by for-profit, non-profit, or local cooperative entities, will strengthen the affordability, equity, and reliability of the Puerto Rico electrical system. Utilities should focus on compensation, billing, and interconnection, not ownership, as utility-owned community solar programs have a troubling reputation of stifling energy savings and minimizing the deployment of smaller, community-oriented projects. These programs often have high minimum bills and subscription fees that effectively make participation a luxury choice for wealthy customers rather than a pathway to financial freedom for income-eligible and energy-burdened households.

In contrast, privately and cooperatively owned systems are more likely to leverage more private capital, maximize deployment, and most often guarantee energy savings for customers who can't afford the upfront investment for rooftop solar.

a. Summarize how that business model would be structured.

SUN agrees with and defers to the response submitted to this question by the Coalition for Community Solar Access (CCSA).

b. Please provide examples of where this business model has been implemented.

This business model has driven positive outcomes in states like Colorado, Massachusetts, Minnesota, Illinois, and many more.

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

SUN agrees with and defers to the response submitted to this question by the Coalition for Community Solar Access (CCSA).

a. Explain the governance of example of that business model provided, with links to documentation, such as tariffs, laws establishing governance etc.

SUN agrees with and defers to the response submitted to this question by the Coalition for Community Solar Access (CCSA).

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

SUN agrees with and defers to the responses submitted to this question by the Coalition for Community Solar Access (CCSA).

4. What are the appropriate geographic (or administrative) boundaries of community solar programs? Why?

Similar to CCSA's response, we believe the program should operate with utility service territories and that subscribers to each respective system should be from the same service territory. However, exceptions to this could be considered if it would allow off-site systems to more easily support last-mile and energy-burdened communities living in areas with inadequate distribution infrastructure.

Also, the program must minimize harmful land use and agricultural impacts by prioritizing projects sited on existing built environments and already-disturbed lands. Community solar projects must not contradict land preservation efforts that protect critical habitats, flood-risk

areas, agricultural preserves, and other land that has invaluable ecological and cultural value to the island. The DOE's Puerto Rico 100 study found that the built environment, like rooftops of parking lots, schools, hospitals, and government buildings, and already-disturbed land, like brownfields and landfills, are more than sufficient to host the small to medium-scale solar needed to meet Puerto Rico's annual energy needs.¹ With this in mind, the program could prohibit the development of new projects on undisturbed land and certain critical agricultural land. Alternatively, it could offer compensation adders and upfront incentives for the development of projects in the built environment and already-disturbed lands. The latter would benefit most from incentives as they're usually more expensive to build due to remediation costs and other factors.

a. How are boundaries established in the community solar business model recommended in response to question 1? Please explain.

Boundaries should be defined by utility service territory since this simplifies billing, interconnection, and grid operations. For off-site systems, a virtual net metering system could be used to compensate subscribers.

Regarding land use restrictions, PREB should work closely with the Puerto Rico Department of Agriculture, Puerto Rico Department of Natural and Environmental Resources, land conservationists, farmers, and other relevant stakeholders to clearly identify ecologically and agriculturally significant land that should be protected from development.

b. What are the alternatives for setting the boundaries of the community solar entity? What is the preferred alternative, why?

SUN agrees with and defers to the responses submitted to this question by the Coalition for Community Solar Access (CCSA).

c. Should community solar be confined to a political subdivision? Please explain.

No, this can unnecessarily limit access and the potential for energy savings. However, if the system is municipally owned or organized, restricting subscribers to specific political subdivisions may make more sense.

¹ Murali Baggu et. al., Puerto Rico Grid Resilience and Transitions to 100% Renewable Energy Study (PR 100), National Renewable Energy Laboratory (Feb. 2024), <https://docs.nrel.gov/docs/fy24osti/88615.pdf>.

5. **What are the different physical configurations for developing community solar?**
 - a. **Should a 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.**

The community solar program should use NEM to value the energy that systems provide to the grid. Subscribers should receive bill credits similar to customers who participate in the NEM program with on-site solar. NEM has proven to be a strong driver of solar adoption that fairly credits solar customers for the energy benefits their systems provide.

- a. **Can customers with solar compensated by NEM participate in community solar? If yes, how will their participation differ from customers who do not have solar compensated by NEM?**

Yes, NEM customers should be able to participate, but non-NEM customers who have not been able to access rooftop solar should be prioritized. Also, as CCSA recommends, NEM customers with on-site solar should only subscribe up to their net annual load to prevent over-subscription.

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

The electric utility, PREPA/LUMA, would purchase excess generation. These extra credits should roll over to the next billing cycle to maximize benefits to participants and incentivize greater adoption of community solar.

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

NEM-based crediting is an adequate compensation mechanism for the power injected into the grid from community solar systems.

a. What pricing information is available to support pricing of transactions injected into the grid?

SUN agrees with and defers to the response submitted to this question by the Coalition for Community Solar Access (CCSA).

b. Are current estimates of avoided costs sufficient to support pricing for community solar? Please explain.

Avoided cost estimates significantly undervalue the benefits that community solar systems would bring to the grid and society at large.

Community solar reduces overall grid costs and improves the reliability of the grid by minimizing line losses, deferring the need for investments into expensive transmission infrastructure, reducing the reliance on price-volatile gas, and avoiding the need for investments into fossil fuel generation units. It also makes the grid more resilient against large-scale disruptions, like extreme weather events that can cause widespread blackouts. These essential services benefit all ratepayers, regardless of their participation in the community solar program.

Community solar would also improve Puerto Rico's energy independence by reducing its overreliance on expensive, imported fossil fuels like petroleum. In 2023, Puerto Rico consumed almost 70 times more energy than it produced, and ~71% of PREPA's budget was spent on purchasing fuels to generate electricity. The overreliance on imported fuels is especially costly for ratepayers as PREPA spends about \$3 billion a year, or \$9 million per day, on imported fuel costs.² Community solar reverses this vulnerability and generates energy security and savings across the island by giving Puerto Ricans more control over their energy supply and shielding all customers from the price volatility of fossil fuels like natural gas.

Community solar goes beyond the grid to offer transformative economic, health, and environmental benefits across the state. The resource spurs an increase in jobs, boosting employment for local salespeople, electricians, and installers. It also reduces the need to rely on polluting sources of power generation— this offers massive improvements to air and water quality and translates to improved public health outcomes for people living in overburdened and fenceline communities

² Tom Sanzillo, Institute for Energy Economics and Financial Analysis, Testimony of Tom Sanzillo before the United States District Court for the District of Puerto Rico, (May 1 2023). <https://ieefa.org/resources/testimony-tom-sanzillo-united-states-district-court-district-puerto-rico>.

The avoided cost pricing framework disregards many of the above benefits and kneecaps the potential for this program, as fewer customers would participate and fewer projects would be developed.

c. What information is available from LUMA about the real-time value (price) that could support pricing with community solar injections into the grid?

SUN agrees with and defers to the response submitted to this question by the Coalition for Community Solar Access (CCSA).

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?

SUN agrees with and defers to the response submitted to this question by the Coalition for Community Solar Access (CCSA).

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

SUN agrees with and defers to the response submitted to this question by the Coalition for Community Solar Access (CCSA).

13. Will credits to community solar members be based on a tariff, or contract, or some other vehicle? Please explain.

SUN agrees with and defers to the response submitted to this question by the Coalition for Community Solar Access (CCSA).

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 credited?

SUN agrees with and defers to the response submitted to this question by the Coalition for Community Solar Access (CCSA).

15. Should participation in community solar be "opt-in' or opt-out. Why?

SUN agrees with and defers to the response submitted to this question by the Coalition for Community Solar Access (CCSA).

16. What reporting requirements are necessary to oversee community solar entities?

SUN agrees with and defers to the response submitted to this question by the Coalition for Community Solar Access (CCSA).

17. What entity should receive those reports?

SUN agrees with and defers to the response submitted to this question by the Coalition for Community Solar Access (CCSA).

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

SUN agrees with and defers to the responses submitted to this question by the Coalition for Community Solar Access (CCSA) and the Independent Office for Consumer Protection (OIPC).

19. What entity has authority to provide that protection?

SUN agrees with and defers to the responses submitted to this question by the Coalition for Community Solar Access (CCSA) and the Independent Office for Consumer Protection (OIPC).

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

SUN agrees with and defers to the response submitted to this question by the Coalition for Community Solar Access (CCSA).

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

Distributional equity must be incorporated into every aspect of the community solar program, from the location of projects to the ways customers can subscribe and be compensated. Community solar can be a powerful vehicle of social and economic relief for many disadvantaged households who cannot access rooftop solar due to upfront costs, unsuitable roofs or homes, or because they are renters.

Although rooftop solar is rapidly growing, recently accounting for 20% of the overall capacity mix with over 201,000 projects, the vast majority of the island's nearly 1.4 million residential customers still don't have access. Affordability is a major driver of this disparity, given Puerto Rico's 40% poverty rate and disproportionately high energy costs. Also, between 30 to 32% of the population are renters who, even if they could afford the upfront costs, don't control what resources they can install on their roofs.

The program's subscription process must be easy to understand, streamlined, and tailored to maximize participation from disadvantaged households. To start, income verification can be expedited by using existing assistance programs for qualification and allowing public or income-qualified housing units to bulk enroll their residents and pass through savings. Credit checks should be prohibited, and customers should also be able to subscribe in multiple ways, for example, on the phone, in person, or online. Also, there should be no minimum bills, any ongoing charges for maintenance must be clearly explained, and the subscription fee must be low enough to guarantee energy savings for participating customers. Finally, the program should minimize confusion for customers by adopting a consolidated billing process whereby subscribers receive a single bill with charges and credits from the utility and community solar project.

The program should also have a minimum number of subscribers for each project and cap the base subscription capacity to ensure that large corporations are not monopolizing capacity, and still leave the door open for small projects that can only service a tiny handful of customers. Best practice suggests that each project has at least three subscribers, and none can take up more than 40% of the project's capacity. This democratizes participation so that the households most in need of energy savings are being serviced by community solar projects first and foremost.

However, subscribers should be allowed to exceed the base subscription cap to take up to as much as 50 to 60% of project capacity only in the event that other subscribers leave, terminate their account, or default. This backup capacity measure is particularly helpful for smaller community solar projects to maintain financial viability in the long term. It also makes it easier for all community solar projects to serve a large portion of customers with lower incomes.

Some notable programs that are worth emulating are in Colorado³ and Minnesota (specifically its legacy program that existed before 2024)⁴.

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

Yes, the program should have upfront incentives or compensation adders for projects that serve a certain percentage (e.g. 40%) of income-eligible, energy-burdened, and/or medically vulnerable customers. Similar incentives could be given to projects that are located in neighborhoods that experience frequent power outages or in last-mile communities, especially if storage is included. Many of these households are still reeling from the impacts of Hurricane Maria and face the greatest risk of long-term blackouts. For households with seniors, children, and people who need to refrigerate medicine or rely on electronic healthcare equipment like dialysis, access to electricity is a lifeline, not merely a source of financial relief.

Also, the program should have incentives or requirements for a minimum utilization of the local workforce in the construction and maintenance of the community solar project. Notably, rooftop and community solar projects generally employ many more workers per MW than utility-scale solar or fossil fuel projects. This covers many types of workers, like salespeople, electricians, and installers. But these economic benefits might not be felt by communities that have disproportionately high rates of under- or unemployment without strong local workforce provisions.

In other jurisdictions, many utilities build large, utility-owned “community” solar projects located far away from customers and with high subscription fees and minimum bills. These often fail to provide the local benefits that third party and cooperatively owned projects do. As noted above, community solar projects, especially when paired with storage, can be powerful vehicles for economic development, resiliency, and immediate energy savings when designed appropriately and sited in communities that are most in need.

³ Ben Zientara, Colorado’s Community Solar Program, Institute for Local Self-Reliance (Sept. 3 2025). <https://ilsr.org/article/energy-democracy/colorados-community-solar-program/>.

⁴ Ben Zientara, Minnesota’s Community Solar Program, Institute for Local Self-Reliance (Oct. 23, 2025). <https://ilsr.org/article/energy-democracy/minnesotas-community-solar-program/>.

Again, Colorado has a useful program to emulate.

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?

Yes, best practice in jurisdictions in the United States is to cap project capacity to 5 MW. Also, there should be no minimum capacity threshold for participation so that community-owned and community-driven projects, often smaller in scale, can participate.

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