

SOLAR & ENERGY STORAGE ASSOCIATION OF PUERTO RICO

Community Solar, Reframed for Puerto Rico



A pilot designed around what our grid, our finances, and our people actually need.



Solar



Storage



Resilience

Three reframes for Puerto Rico

Mainland templates assume a creditworthy utility offtaker, cheap customer sign-ups, and a stable grid. Puerto Rico has none of those — so we suggest reframe three fundamental things:

01



From RFPs to
a “walk-up tariff”

- Pre-select the sites;
- Skip the multi-year RFP process

02



From one-by-one sign-ups
to automatic credits

- Spend nothing acquiring customers
- Send the savings straight to those who need them.

03



From “Community Solar” to
Community Batteries
(powered by solar...)

- What the grid values most is storage.

Nothing gets built without a dependable, easy contracting process

A developer will only engage if there is a predictable, trusted bidding / contracting process, with clear terms & a defined timeframe.

- In Puerto Rico, the usual tool — the RFP — has not delivered, historically

Why RFPs don't work well here (historically)



No clear owner of RFP process



No creditworthy offtaker



Slow and costly

A “walk-up tariff”, on pre-selected sites

Rather than a RFP develop a “walk-up tariff” — with terms published, sites already chosen.



Sites pre-selected

Chosen up front — not discovered through a years-long solicitation.



Targeted where it matters

- Vulnerable communities and the parts of the grid that most need support.
- Utilize LUMA + Community Nonprofits to identify target communities



No ambiguity

- Construction contract drafts should be published ahead of time for potential contractor / bidder input. (“Is it Bankable, or not?”)
- Contracting authority, terms & timeline must be clear up-front



To actually result in lowering rates, a 3rd-party financier is still needed.

- Could be Developer-financed (if truly a “bankable contract”)
- Or could be 3rd-Party (possibly the PR Green Energy Trust?)



Idea: Pre-Determine Beneficiaries.

→ Spend zero time and money on sign-ups

Customer acquisition is one of the biggest costs in mainland community solar.

- If the program lowers rates, you don't need to sell it — everyone wants lower rates.
- Idea to consider: assign the benefit automatically:

OPTION A

100%



All benefits to customers on the low-income tariff(s)

OPTION B

51% / 49%



● Low-income ● GRS
Low-income / General Residential (GRS)

OPTION C

75% / 25%



● Low-income ● GRS
Low-income / General Residential (GRS)

Result: no marketing, no enrollment friction — savings flow to those who need them most, and help reduce poverty.



Who qualifies as low-income

Three existing residential tariffs define who counts as low-income in Puerto Rico — about 188,390 customers in all.

ESTIMATES

LRS

Lifeline Residential Service

Residential customers who qualify under Puerto Rico's Nutrition Assistance Program criteria.

137,469

customers

RH3

Residential Service for Public Housing Projects

Residential customers in qualifying public housing projects supported or subsidized by government loans, grants, contributions, or appropriations.

4,377

customers

RFR

Residential Fixed Rate for Public Housing under Ownership of the Public Housing Administration

Customers residing in public housing units physically located in projects owned by the Public Housing Administration.

46,544

customers

7,703 one-room ·
35,074 two/three-room ·
3,767 four/five-room

What the grid values most is storage

Think **Community Batteries** — charged by solar.



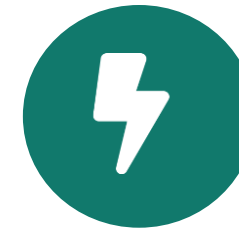
Solar PV

the fuel (free)



Battery

the asset



Grid services + backup

the value



Prevents blackouts

Battery grid services — it charges and discharges on LUMA's signal.



Keeps the lights on

Operates independently — islanded — during blackouts.

Size for storage; site for need

PREB's envisioned pilot: **five 5 MW projects = 25 MW of solar.**

→ Reframe it as paired with significant amounts of storage



BASELINE OPTION

**25 MW / 100
MWh**

of storage



HIGHER RESILIENCE OPTION

**50 MW /
200 MWh**

of storage



Sited where the grid needs it most

Target:

- Weakest feeders
- Most vulnerable communities
- Highest need areas of the grid
- Highest value for all



Power the community / or critical loads within the community during blackouts

Keep essential community services energized during outages.

The battery is the social program

Building utility-scale batteries + solar on weak feeders, in vulnerable communities, improving electric service & providing backup power = the social benefit.

Prioritize batteries that keep critical facilities powered during blackouts:



Hospitals



Clinics



Community centers



Fire stations



Police stations

...or power entire feeders including these critical facilities.



Lower bills for low-income households + keep the lights on where it matters = equity and resilience in one program.

Facilitator Questions — SESA responses

Questions posed by facilitator
Carl Pechman



Q1 What's the nature of the flow of dollars?

In Puerto Rico this can't result in a rate increase.
- Per best practices it should be a significant decrease
- 10-20% lowering of customer bills needed normally
- If decreases apply automatically — to all customers, or all low-income customers — then hitting a precise 10–20% bill reduction matters less.

Q2 What ratepayers get credited?

All low-income ratepayers — or all residential ratepayers, with 51%+ directed to the low-income tariff to help reduce poverty.

Q3 What are sources of funds to amortize the investment?

- The Puerto Rico Green Energy Trust
- Other 3rd parties
- If truly “bankable”, developer can secure own financing

Q4 What's the ability to fund social programs?

The results of resilient batteries + solar are the social program.

- Grid services prevent some blackouts
- Batteries power the whole community (or critical faculties within the community) during blackouts

From competing comments → a Joint Stipulation paradigm

Collaborative approach: Rather than nine parties asking the Bureau to pick a winner...

- The major stakeholders convene, settle the open questions, and jointly propose a single framework
- Via a Joint Stipulation — for PREB to consider & approve.

- 1 Convene the parties on record**
Everyone who already filed comments.
- 2 Negotiate the open issues (win-win mindset)**
Credit rate, timeline, and storage.
- 3 Jointly file — PREB reviews & approves**
One agreed framework, proposed together.

The stakeholders already largely agree on many of the fundamentals. Let's formalize the plan — together.

