

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

NEPR

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IN RE:
INTERCONNECTION REGULATIONS

CASE NO.: NEPR-MI-2019-0009
CEPR-MI-2018-0008

**SUBJECT: LUMA's Comments and Proposed Revisions
to the Revised Preliminary Draft Distributed Generation
and Microgrid Interconnection Regulation**

**MOTION TO SUBMIT COMMENTS AND PROPOSED REVISIONS TO THE
REVISED PRELIMINARY DRAFT DISTRIBUTED GENERATION AND MICROGRID
INTERCONNECTION REGULATION**

TO THE PUERTO RICO ENERGY BUREAU:

COME NOW, LUMA ENERGY, LLC and LUMA ENERGY SERVCO, LLC
(collectively, LUMA), through the undersigned legal counsel and respectfully state and request
the following:

1. On July 13, 2026, the Puerto Rico Energy Bureau of the Puerto Rico Public Service Regulatory Board ("Energy Bureau") issued a *Resolution and Order* containing a Revised Preliminary Draft: Distributed Generation and Microgrid Interconnection Regulation ("Draft Regulation"). Through this Resolution and Order, the Energy Bureau invited all stakeholders and interested persons to provide their comments and feedback on the Draft Regulation on or before August 14, 2026.

2. In accordance with the Energy Bureau's request, LUMA hereby submits its comments and proposed revisions to the Draft Regulation. LUMA's submission consists of the following documents:

- **Exhibit 1** – Executive Memorandum summarizing LUMA's comments on the Draft Regulation.

- **Exhibit 2** – Redline version of the Draft Regulation with LUMA’s proposed revisions and comments.
- **Exhibit 3** – Clean version of the Draft Regulation with LUMA’s proposed revisions incorporated.
- **Exhibit 4** – Word format with track changes enabled document.

WHEREFORE, LUMA respectfully requests this honorable Energy Bureau to **take notice** of the foregoing and **accept** LUMA’s comments and proposed revisions to the Draft Regulation.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 14th day of August 2026.

We hereby certify that we filed this Motion on this date using the electronic filing system of this Puerto Rico Energy Bureau and that a copy of this Motion will be notified to: mvalle@gmlex.net; alexis.rivera@prepa.pr.gov; rcruzfranqui@gmlex.net; nzayas@gmlex.net; agustin.irizarry@upr.edu; javrua@sesapr.org; hriviera@jrsp.pr.gov; contratistas@jrsp.pr.gov; aconer.pr@gmail.com; John.jordan@nationalpfg.com; pjcleanenergy@gmail.com; cfl@mcvpr.com; mqs@mcvpr.com; gcordero@crmjv.com; Steven.rymsha@sunrun.com; azayas@azeng.net; jberdner@enphaseenergy.com; rbelur@enphaseenergy.com; mrosenfeldt@enphaseenergy.com; gferrer@enphaseenergy.com; kkoch@tesla.com; Andrew.Cote@generac.com; rmoody@cleanpower.com; axel.vargas.montanez@gmail.com.



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EXHIBIT 1

Exhibit 1: General Comments on Distributed Generation and Microgrid Interconnection Regulation

NEPR-MI-2019-0009

8/14/2026



Executive Summary

Distributed Generation and Microgrid Interconnection Regulation

As mandated by Joint Resolution 5-2026, the Puerto Rico Energy Bureau (“Energy Bureau”) held workshops and requested comments on a proposed new interconnection regulation. LUMA (“T&D System Operator”) actively participated in this process by filing initial comments and presenting its position at stakeholder workshops. In July 2026, the Energy Bureau issued an Order whereby it requested input on the Revised Preliminary Draft: Distributed Generation and Microgrid Interconnection Regulation (“Draft Interconnection Regulation”¹) that accompanied said Order. The Energy Bureau provided until August 14, 2026, for stakeholders and LUMA to provide their input.

The Draft Interconnection Regulation seeks to consolidate and standardize interconnection procedures, replacing outdated and fragmented processes with a unified structure aimed at improving safety, reliability, transparency, and administrative efficiency. It proposes the establishment of three interconnection pathways: Simplified, Fast Track, and Study Process; each with defined eligibility, timelines, technical evaluations, and customer responsibilities. These pathways are based on the Federal Energy Regulatory Commission’s (FERC’s) Small Generator Interconnection Process and Small Generator Interconnection Agreements (SGIP/SGIA).

The Draft Interconnection Regulation seeks to define responsibilities and clear roles for the Energy Bureau, the EPS Operator, and Interconnection Customers during the interconnection application process, study coordination, technical compliance, and oversight of interconnection activities. It also proposes the adoption and implementation of a new Cyber Portal, to provide transparency via a publicly accessible interconnection queue, and the adoption of requirements for certified equipment compliant with IEEE and UL standards, among others.

For the interconnection of systems above 5 MW, the Draft Interconnection Regulation requires the Energy Bureau’s approval supported by detailed system impact and facility studies. Importantly, the Draft Interconnection Regulation integrates IEEE-1547-2018 standards, mandates upgrades for interconnections, defines allowable export-control methods, prescribes detailed study methodologies, and sets uniform criteria for commissioning, inspection, and protection systems.

This Draft Interconnection Regulation aspires to position Puerto Rico’s interconnection framework as more modern, structured, and aligned with industry best practices, enabling more predictable processes for customers while safeguarding grid stability as Distributed Energy Resource (“DER”) penetration continues to grow.

¹ The Draft Interconnection Regulation will repeal current Regulations 8915 and 8916, which govern interconnection at the distribution and the sub transmission/transmission level.

Distributed Generation and Microgrid Interconnection Regulation

General Comments on Proposed DG and Microgrid Interconnection Regulation

LUMA's comments throughout the Draft Interconnection Regulation reflect support for a unified, technically accurate DER-based regulatory framework aligned with prudent utility practices.

LUMA consistently recommends:

- Using **DER as the umbrella term** to remain technology agnostic and provide clarity, consistency, and future-proofing for new technologies; definition also considers using a single Point of Common Coupling;
- **Retaining the EPS Operator's right to disconnect** at any point due to unsafe operating conditions and/or lack of an Interconnection Agreement;
- Establishing the **separation of Interconnection Regulation and customer programs** (for example, oversight of Microgrids should remain under the current Regulation on Microgrid Development (Regulation No. 9028) and not within the Interconnection Regulation);
- Maintaining **administrative and operational mandates outside the regulation**;
- Supporting the **use of Nameplate Rating for all technical studies** to ensure system protection and planning accuracy, regardless of Export Capacity;
- Supporting a requirement that DERs with a **Nameplate Rating at or above 5 MW should be evaluated and approved by the Energy Bureau**. This ensures review based on system impact and not resource classification;
- Establishing a **transition period for implementation** of the Final Interconnection Regulation.

Vision

LUMA's inputs reaffirm our commitment to the safe, sustainable, technologically advanced, and orderly growth and development of distributed energy production in Puerto Rico. In alignment with this commitment, we have actively collaborated with the Energy Bureau and stakeholders, leveraging data-driven insights and participating in workshops to ensure that adjustments address specific system needs, incorporate community perspectives, and strengthen the safety of Puerto Rico's electric grid while providing benefits to all customers and the island's energy future.

Distributed Generation and Microgrid Interconnection Regulation

Contents

Executive Summary 2

List of Acronyms 5

1.0 Use of Distributed Energy Resources (DER) vs Distributed Generation
Systems (DGS)..... 6

2.0 Prior EPS Operator approval for injection or export 6

3.0 Separation of interconnection and customer programs..... 6

4.0 Queue positions as a non-linear structure 7

5.0 Administrative and operational mandates 7

6.0 Nameplate Rating vs Export Capacity 7

7.0 Energy Bureau approval at or above 5MW 8

8.0 Transitory Period..... 8

Distributed Generation and Microgrid Interconnection Regulation

List of Acronyms

Acronym	Definition
DER	Distributed Energy Resources
DGS	Distributed Generation Systems
EPS	Electric Power System
FERC	Federal Energy Regulatory Commission
NEM	Net Energy Metering
NERC	North American Electric Reliability Corporation
SGIA	Small Generator Interconnection Agreement
SGIP	Small Generator Interconnection Procedures

Distributed Generation and Microgrid Interconnection Regulation

1.0 Use of Distributed Energy Resources (DER) vs Distributed Generation Systems (DGS)

LUMA, as the T&D Operator (“EPS Operator” as defined in the Draft Interconnection Regulation) and the entity responsible for processing all interconnection applications in Puerto Rico, proposes that the Energy Bureau adopt an approach that structures the Regulation around DER interconnection. This approach provides a clearer operational framework and consolidates interconnection activities for all DG interconnection configurations. Making DER the primary regulatory term rather than maintaining separate tracks for DGS and Microgrids reflects modern utility practice, as from a technical perspective, the EPS Operator does not distinguish between a solar array, a battery, or a microgrid at the Point of Common Coupling. Each of these sources is capable of injecting power and has technical requirements for safety, protection coordination, and power quality, regardless of generation technology, storage configuration, or business model. Further, the use of the term DER ensures alignment with other relevant laws, regulations, and standards.

2.0 Prior EPS Operator approval for injection or export

LUMA proposes that no DER or associated generating equipment shall be energized in parallel with or permitted to inject or export energy to the Electric Power System (EPS) unless the Interconnection Customer has obtained prior written authorization from the EPS Operator. Such authorization shall be issued only after the applicable interconnection processes are completed and the EPS Operator determines that the DER meets all technical requirements.

DER modifications should also require new Interconnection Agreements to allow for the EPS Operator to evaluate the impact of the proposed changes on the Electric Power System and determine whether additional studies, upgrades, or facilities are required.

Under the Interconnection Customer Responsibility section, the Regulation should establish that customers bear sole responsibility for the design, installation, operation, and maintenance of their DER. This prevents attempts to shift design corrections or remediation responsibilities to the EPS Operator and ensures that authorization to inject is contingent on the DER meeting all technical requirements—not on the operator modifying customer equipment to achieve compliance.

3.0 Separation of interconnection and customer programs

LUMA understands that interconnection regulations determine how a DER connects to the grid and sit separately from customer programs, which determine what the customer receives as a participant in a customer program or how the DER operates once connected. Customer programs are statutorily or regulatorily approved programs that allow customers to operate or participate in markets using DER technologies. Customer programs can include, among others, Net Energy Metering (NEM), Net Energy Billing, Virtual Power Plants, Battery Storage Programs, and Community Solar.

As mentioned in LUMA’s Comments on April 15th, 2026, examples of this approach include California’s Net Billing Tariff (which defines export compensation separately from interconnection); Hawaii’s Smart DER Program (establishes distinct export/non-export options); and New York’s Value of Distributed Energy Resources (Customer Distributed Generation

Distributed Generation and Microgrid Interconnection Regulation

Program determines bill credits independently of its Standardized Interconnection Requirements (SIR)).

4.0 Queue positions as a non-linear structure

LUMA notes that queue positions are presented as a linear structure but will require built-in flexibility to adjust positions as conditions are identified during the interconnection review process and to allow the ability to manage evolving grid and project conditions. This approach seeks to ensure that the system can respond to operational realities without compromising fairness.

Transparency is maintained through required notices and documentation whenever adjustments occur, giving customers confidence that changes are made consistently and with clear justification.

5.0 Administrative and operational mandates

The Draft Interconnection Regulation introduces a dispute resolution mechanism that includes the creation of an “Ombudsperson” role to mediate disagreements between the Interconnection Customer and the “EPS Operator.” While intended to streamline conflict resolution, this approach seems duplicative of dispute resolution mechanisms already in place. LUMA recommends that all interconnection-related disputes continue to follow the process established by the Energy Bureau in Regulation 8558, *Reglamento de Procedimientos de Mediación y de Arbitraje de la Comisión de Energía de Puerto Rico*. Participation in the mediation or arbitration process under the above-mentioned regulation is voluntary and does not preclude a Party from proceeding directly to reconsideration before the Energy Bureau. LUMA maintains that duplicating dispute channels risks creating procedural inconsistencies, inefficiencies, and unnecessary administrative burden.

Additionally, the Draft Interconnection Regulation proposes the creation of an “Interconnection Coordinator(s)” as a point of contact to oversee interconnection communications and provide technical expertise to the Interconnection Customer. It is LUMA’s view that the inclusion of a specific resource to address daily operational matters already under the purview of the T&D Operator falls outside the scope of this Draft Interconnection Regulation.

Additionally, LUMA notes that the costs associated with the new roles proposed in the Draft Interconnection Regulation lack a funding source. The Draft Interconnection Regulation does not identify who bears the responsibility for these costs nor the proposed funding sources. It should be noted that implementing unfunded mandates could lead to operational challenges, resource constraints, and gaps in service delivery.

6.0 Nameplate Rating vs Export Capacity

LUMA requests that the term “Nameplate Rating” be used for technical purposes as the mechanism to ensure consistent evaluation of the DER and to protect the grid from adverse effects if export control equipment fails. The Nameplate Rating reflects the maximum rated output capability of the installed generating equipment and provides the EPS Operator with visibility of the full capacity that may affect the Electric Power System under normal, abnormal, or failure conditions. “Export Capacity” may be considered as an operating limitation or approved export control setting where applicable.

Distributed Generation and Microgrid Interconnection Regulation

LUMA's proposed revisions to the Draft Interconnection Regulation are intended to ensure that the EPS Operator has visibility into the total installed generating capacity for grid protection, system planning, and protection coordination purposes. This distinction is important because engineering decisions must account for the maximum potential output of a facility, not only the output constrained by customer-controlled equipment.

7.0 Energy Bureau approval at or above 5MW

LUMA supports establishing a uniform threshold for DERs with a Nameplate Rating at or above 5 MW. Evaluation of all DERs should be based primarily on the size and potential impact of that system's interconnection on the EPS rather than on the classification or technology of the resource. DERs of comparable capacity can present similar considerations related to power flow, voltage regulation, protection coordination, system stability, and operational requirements.

Applying the same threshold across DERs provides a consistent, predictable, and technology-agnostic regulatory framework while avoiding different approval requirements solely because of resource classification. Accordingly, DERs with a Nameplate Rating below 5 MW should proceed through the applicable interconnection screening and technical study processes established under the regulation, while DERs with a Nameplate Rating at or above 5 MW should be subject to Energy Bureau review and approval.

8.0 Transitory Period

From experience, it can take mainland utilities about 12 months or more to develop and implement a new Cyber Portal that meets the application processing requirements of the Draft Interconnection Regulation. LUMA recommends that the Energy Bureau consider the time, resources and cost implications of meeting these requirements. These additional costs need to be recognized, addressed in this proceeding and properly assigned to avoid cross-subsidization by non-participating customers.

EXHIBIT 2



LUMA Energy LLC comments
provided on August 14, 2026

Distributed Generation and Microgrid Energy Resources Interconnection Regulation

July 10 August 14, 2026 DRAFT

Commented [A1]: The comments marked herein are provided by LUMA Energy ServCo, LLC and are incorporated for review and consideration of the Energy Bureau.

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Distributed Generation and Microgrid Interconnection Regulation Draft – July 10, 2026

TABLE OF CONTENTS

Page

ARTICLE 1. GENERAL PROVISIONS1

 SECTION 1.01. Title1

 SECTION 1.02. Legal Basis1

 SECTION 1.03. Purpose and Executive Summary1

 SECTION 1.04. Applicability1

 SECTION 1.05. Interpretation1

 SECTION 1.06. Provisions of Other Regulations1

 SECTION 1.07. Unforeseen Proceedings2

 SECTION 1.08. Dates and Time Periods2

 SECTION 1.09. Definitions2

 SECTION 1.10. Controlling Version13

 SECTION 1.11. Severability13

 SECTION 1.12. Cyber Portal and Forms13

 SECTION 1.13. Mode of Submission14

 SECTION 1.14. Effect of Submission14

 SECTION 1.15. Confidential Information14

 SECTION 1.16. Validity15

 SECTION 1.17. Compliance with Other Applicable Legal Requirements15

ARTICLE 2. INTERCONNECTION APPLICATION PROCESS15

 SECTION 2.01. Process Overview15

 SECTION 2.02. Pre Application Report and Interconnection Application Filing
 Mechanisms16

 SECTION 2.03. Electronic Signatures19

 SECTION 2.04. Communications19

 SECTION 2.05. Submittal of the Interconnection Application or the Simplified
 Interconnection Notification20

 SECTION 2.06. Modification of the Interconnection Application21

 SECTION 2.07. Site Control22

CONFIDENTIAL DRAFT
ATTORNEY-CLIENT PRIVILEGED AND ATTORNEY WORK PRODUCT
Prepared by DLA Piper LLP (US)
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Distributed Generation and Microgrid Interconnection Regulation Draft – July 10, 2026

SECTION 2.08. Queue Position22

ARTICLE 3. DISTRIBUTED GENERATION SYSTEM SIMPLIFIED PROCESS23

ARTICLE 4. DISTRIBUTION SYSTEM FAST TRACK PROCESS25

SECTION 4.01. Applicability and eligibility requirements25

SECTION 4.02. Initial Review26

SECTION 4.03. Customer Options Meeting29

SECTION 4.04. Supplemental Review30

ARTICLE 5. STUDY PROCESS33

SECTION 5.01. Purpose33

SECTION 5.02. Scoping Meeting33

SECTION 5.03. Feasibility Study34

SECTION 5.04. System Impact Study36

SECTION 5.05. Facilities Study38

ARTICLE 6. INTERCONNECTION AGREEMENT40

SECTION 6.01. Simplified Process40

SECTION 6.02. Fast Track and Study Process40

SECTION 6.03. Energy Bureau’s Approval for Microgrids Above 5 MW41

ARTICLE 7. PROVISIONS THAT APPLY TO ALL INTERCONNECTION APPLICATIONS41

SECTION 7.01. Time Frames and Extensions41

SECTION 7.02. Non-Warranty42

SECTION 7.03. Commissioning, Inspection, Testing, Authorization42

SECTION 7.04. Authorization Required Prior to Parallel Operation43

SECTION 7.05. Confidentiality44

SECTION 7.06. Insurance44

SECTION 7.07. Comparability44

SECTION 7.08. Design, Procurement, Installation and Construction of
Interconnection Facilities and Upgrades44

SECTION 7.09. Export Capacity of a Distributed Generation System or
Microgrid46

ARTICLE 8. TECHNICAL REQUIREMENTS49

CONFIDENTIAL DRAFT
ATTORNEY-CLIENT PRIVILEGED AND ATTORNEY WORK PRODUCT
Prepared by DLA Piper LLP (US)
For Review by Client and Counsel Only

Distributed Generation and Microgrid Interconnection Regulation Draft – July 10, 2026

SECTION 8.01. General Technical Requirements.....	49
SECTION 8.02. Approval of Use of Certified Equipment.....	50
ARTICLE 9. NET ENERGY METERING.....	51
SECTION 9.01. Participation in Net Metering Programs.....	51
SECTION 9.02. Basic Net Metering Program.....	52
SECTION 9.03. Aggregate Net Metering Program.....	52
SECTION 9.04. Shared Net Metering Program.....	53
SECTION 9.05. Energy Compensation for Customers that Participate in the Net Metering Programs.....	54
ARTICLE 10. DISPUTE RESOLUTION	55
ARTICLE 11. PENALTIES.....	56
ARTICLE 12. PUBLIC REPORTING AND RECORD RETENTION	57
SECTION 12.01. Public Queue.....	57
SECTION 12.02. Annual Interconnection Report.....	58
SECTION 12.03. Record Retention	59
ARTICLE 13. RECONSIDERATION AND JUDICIAL REVIEW	59
SECTION 13.01. Reconsideration	59
SECTION 13.02. Administrative Review	59
SECTION 13.03. Judicial Review.....	59
ARTICLE 1. GENERAL PROVISIONS	2
Section 1.01. Title	2
Section 1.02. Legal Basis.....	2
Section 1.03. Purpose and Executive Summary	2
Section 1.04. Applicability	3
Section 1.05. Interpretation.....	3
Section 1.06. Provisions of Other Regulations.....	4
Section 1.07. Unforeseen Proceedings.....	4
Section 1.08. Dates and Time Periods.....	4
Section 1.09. Definitions.....	4
Section 1.10. Controlling Version	17

CONFIDENTIAL DRAFT
ATTORNEY-CLIENT PRIVILEGED AND ATTORNEY WORK PRODUCT
Prepared by DLA Piper LLP (US)
For Review by Client and Counsel Only

Distributed Generation and Microgrid Interconnection Regulation Draft – July 10, 2026

Section 1.11. Severability.....17

Section 1.12. Cyber Portal and Forms.....17

Section 1.13. Mode of Submission.....18

Section 1.14. Effect of Submission.....18

Section 1.15. Confidential Information.....18

Section 1.16. Validity.....19

Section 1.17. Compliance with Other Applicable Legal Requirements.....19

ARTICLE 2. INTERCONNECTION APPLICATION PROCESS.....19

Section 2.01. Process Overview.....19

Section 2.02. Pre-Application Report and Interconnection Application Filing Mechanisms.....20

Section 2.03. Electronic Signatures.....24

Section 2.04. Communications.....24

Section 2.05. Submittal of the Interconnection Application or the Simplified Interconnection Notification.....24

Section 2.06. Modification of the Interconnection Application.....25

Section 2.07. Site Control.....27

Section 2.08. Queue Position.....28

ARTICLE 3. DISTRIBUTED GENERATION SYSTEM SIMPLIFIED PROCESS.....29

ARTICLE 4. DISTRIBUTION SYSTEM FAST TRACK PROCESS.....32

Section 4.01. Applicability and eligibility requirements.....32

Section 4.02. Initial Review.....33

Section 4.03. Customer Options Meeting.....37

Section 4.04. Supplemental Review.....38

ARTICLE 5. STUDY PROCESS.....42

Section 5.01. Purpose.....42

Section 5.02. Scoping Meeting.....42

Section 5.03. Feasibility Study.....45

Section 5.04. System Impact Study.....49

Section 5.05. Facilities Study.....51

CONFIDENTIAL DRAFT
ATTORNEY-CLIENT PRIVILEGED AND ATTORNEY WORK PRODUCT
Prepared by DLA Piper LLP (US)
For Review by Client and Counsel Only

Distributed Generation and Microgrid Interconnection Regulation Draft – July 10, 2026

ARTICLE 6. INTERCONNECTION AGREEMENT53

Section 6.01. Simplified Process.....53

Section 6.02. Fast Track and Study Process.....54

Section 6.03. Energy Bureau’s Approval for Microgrids Above 5 MW.....55

ARTICLE 7. PROVISIONS THAT APPLY TO ALL INTERCONNECTION APPLICATIONS58

Section 7.01. Time Frames and Extensions58

Section 7.02. Non-Warranty60

Section 7.03. Commissioning, Inspection, Testing, Authorization.....60

Section 7.04. Authorization Required Prior to Parallel Operation61

Section 7.05. Confidentiality62

Section 7.06. Insurance.....62

Section 7.07. Comparability.....64

Section 7.08. Design, Procurement, Installation and Construction of Interconnection
 Facilities and Upgrades.....64

Section 7.09. Export Capacity of a Distributed Generation System or Microgrid.....67

ARTICLE 8. TECHNICAL REQUIREMENTS71

Section 8.01. General Technical Requirements.....71

Section 8.02. Approval of Use of Certified Equipment.....73

Section 8.03. Protection and Control4

Section 8.04 Metering.....4

Section 8.05 Approval of Technical Interconnection Requirements.....51

ARTICLE 9. NET ENERGY METERING74

Section 9.01. Participation in Net Metering Programs74

Section 9.02. Basic Net Metering Program.....74

Section 9.03. Aggregate Net Metering Program.....74

Section 9.04. Shared Net Metering Program83

Section 9.05. Energy Compensation for Customers that Participate in the Net
 Metering Programs.....83

ARTICLE 10. DISPUTE RESOLUTION87

ARTICLE 11. PENALTIES.....97

CONFIDENTIAL DRAFT
ATTORNEY-CLIENT PRIVILEGED AND ATTORNEY WORK PRODUCT
Prepared by DLA Piper LLP (US)
For Review by Client and Counsel Only

Distributed Generation and Microgrid Interconnection Regulation Draft – July 10, 2026

ARTICLE 12. PUBLIC REPORTING AND RECORD RETENTION 100

 Section 12.01.Public Queue 101

 Section 12.02.Annual Interconnection Report..... 102

 Section 12.03.Record Retention..... 103

ARTICLE 13. RECONSIDERATION AND JUDICIAL REVIEW 103

 Section 13.01.Reconsideration..... 103

 Section 13.02.Administrative Review..... 104

 Section 13.03.Judicial Review 104

ARTICLE 1. GENERAL PROVISIONS

Compliance with this Regulation shall relieve no Party affected by this Regulation from complying with other applicable legal and regulatory requirements enforced by any other Government Entity.

Section 1.01.SECTION 1.1.
Title

This Regulation shall be known as the Distributed ~~Generation System and Microgrid~~Energy Resources Interconnection Regulation (“Regulation”).

Section 1.02.SECTION 1.2.
Legal Basis

The Energy Bureau of the Public Service Regulatory Board (“Energy Bureau”) adopted this Regulation pursuant to Act 82-2010, as amended, known as the *Public Policy on Energy Diversification by Means of Sustainable and Alternative Renewable Energy in Puerto Rico Act*; (“Act 82-2010”); Act 17-2019, as amended, known as the *Puerto Rico Energy Public Policy Act*; (“Act 17-2019”); Act 57-2014, as amended, known as the *Puerto Rico Energy Transformation and RELIEF Act*; (“Act 57-2014”); and Act 38-2017, known as the *Uniform Administrative Procedures Act of the Government of Puerto Rico* (“LPAU” for its Spanish acronym). This Regulation shall be interpreted and implemented in a manner consistent with the authority granted to the Energy Bureau under the foregoing Acts.

Commented [A2]: The EPS Operator's operational experience confirms that the term 'Distributed Energy Resource' is the technically accurate umbrella classification under IEEE Std 1547-2018. This standard—which Puerto Rico has adopted for interconnection requirements—defines DER as 'a source of electric power that is not directly connected to a bulk power system,' explicitly including both generators and energy storage. Distributed Generation Systems (DGS) and Microgrids are subsets of DER. Using DER as the primary term ensures the Regulation applies uniformly to all resource types seeking interconnection, including standalone batteries that export power without generating it. The change also aligns with common utility practice nationwide and eliminates the need for separate regulatory treatment of different DER types.

~~Section 1.03.~~**SECTION 1.3.**
Purpose

The purpose of this Regulation is to establish the regulatory framework governing the interconnection of ~~Generating Facilities~~Distributed Energy Resources, including Distributed Generation Systems and Microgrids, to the Electric Power System in Puerto Rico through a single Point of Common Coupling per Interconnection Application.

This Regulation is intended to promote a safe, reliable, efficient, ~~affordable~~, transparent, and nondiscriminatory interconnection process, while supporting the reliability and operational integrity of the Electric Power System and implementing the public policy established by the laws of Puerto Rico.

~~-This Regulation is not intended to guide customer programs (i.e. net metering programs, virtual power plants, battery storage programs and community solar) or business models. Those mechanisms are addressed in separate laws and regulations and EPS Operator's procedures and rules.~~

~~Section 1.04.~~**SECTION 1.4.**
Executive Summary

~~-This Regulation establishes the requirements, procedures, technical standards, and responsibilities governing the interconnection of facilities subject to this Regulation to the Electric Power System.~~

It establishes the respective roles and responsibilities of the Interconnection Customer, the Electric Power System Operator, and other participants in the interconnection process, as well as the applicable technical requirements, procedures, and operational standards.

This Regulation is intended to provide a uniform and transparent framework for the interconnection process while supporting the safe and reliable operation of the Electric Power System.

~~Section 1.1.~~**Cost-Benefit Analysis**

~~The Bureau has evaluated the costs and benefits associated with the adoption of this Regulation and has determined that its benefits outweigh any associated costs.~~

Commented [A3]: As the entity responsible for processing all interconnection applications in Puerto Rico, the EPS Operator has determined that structuring the Regulation around DER interconnection provides the clearest operational framework. From an engineering perspective, the Electric Power System does not distinguish between a solar array, a battery, or a microgrid at the Point of Common Coupling—all are sources capable of injecting power that must meet the same technical requirements for safety, protection coordination, and power quality under IEEE Std 1547-2018. By establishing DER as the primary regulated category, the Regulation ensures consistent technical evaluation regardless of generation technology, storage configuration, or business model. Distributed Generation Systems and Microgrids remain defined terms, but they are properly classified as types of DER rather than separate regulatory categories requiring distinct interconnection processes.

Commented [A4]: Establishing the single Point of Common Coupling requirement in the Purpose section ensures that Interconnection Customers understand from the outset that this Regulation addresses one connection point per application.

~~This Regulation establishes a comprehensive regulatory framework governing the interconnection of Generating Facilities and Microgrids to the Electric Power System. The Bureau finds that the adoption of uniform technical and administrative requirements will promote regulatory certainty, improve administrative efficiency, facilitate the orderly processing of interconnection requests, and support the safe and reliable operation of the Electric Power System.~~

~~The Bureau further finds that this Regulation does not impose requirements beyond those reasonably necessary to accomplish its regulatory objectives and to implement the public policy established by the laws of Puerto Rico.~~

~~Section 1.06.~~**SECTION 1.5.**

Applicability

~~This Regulation applies to any Distributed Generation System Energy Resources, including Community Solar, or Microgrid Distributed Generation Systems, seeking to interconnect to the Electric Power System through a single Point of Common Coupling, except those that only operate independently of the Electric Power System (i.e., not in Parallel Operation). Customers may participate in Net Metering programs pursuant to of this Regulation and. Each Interconnection Application under this Regulation shall be for a single Point of Common Coupling. Distributed Energy Resources proposing to interconnect through multiple Points of Common Coupling shall submit a separate Interconnection Application for each proposed Point of Common Coupling. This Regulation governs only the technical requirements for interconnection and does not regulate customer programs, which are governed by Act 114-2007, known as the Puerto Rico Net Metering Act, as amended, 57-2014, Act 17-2019, other applicable laws, and the orders, resolutions, and regulations issued by the Energy Bureau.~~

Commented [A5]: Limits this Regulation to technical interconnection requirements and clarifies that customer programs are governed separately.

~~Section 1.07.~~**SECTION 1.6.**

Interpretation

~~This Regulation shall be interpreted so it promotes the highest public benefit, consumer protection, and system reliability, and in such a way that proceedings are carried out rapidly, justly, and economically.~~

~~Nothing in this Regulation shall diminish or limit the EPS Operator's contractual, legal, and regulatory obligations to operate a safe, reliable, affordable, and resilient Electric Power System for all of its customers.~~

Commented [A6]: This provision ensures the interconnection framework does not inadvertently limit the EPS Operator's broader statutory and contractual duties to maintain grid safety and reliability for all customers.

~~Section 1.08.~~**SECTION 1.7.**

Provisions of Other Regulations

~~This Regulation constitutes the regulatory framework governing the interconnection of Distributed Generation Systems and Microgrids Energy Resources subject to the jurisdiction of the Energy Bureau. Any regulation, tariff, manual, technical requirement, guideline, operating procedure, administrative policy, or other normative document~~

applicable to such interconnections shall be interpreted and implemented in a manner consistent with this Regulation. To the extent any such document is inconsistent with this Regulation, the provisions of this Regulation shall govern.

~~Section 1.09.~~**SECTION 1.8.**
Unforeseen Proceedings

When a specific proceeding has not been planned for in this Regulation, the Energy Bureau may attend to it in any way that is consistent with Act 114-2007, Act 57-2014, Act 17-2019, and any other applicable laws.

~~Section 1.10.~~**SECTION 1.9.**
Dates and Time Periods

In computing any time period established in this Regulation, or by Order of the Energy Bureau, the day of the act, event, or noncompliance that triggers the period shall not be counted, and the established period shall begin to elapse on the following calendar day. Whenever a due date falls on a Saturday, Sunday, or legal holiday, said due date shall be extended until the next Business Day. All days if not specifically indicated shall be calculated as calendar days except for periods equal or less than seven (7) which shall be calculated as business days.

~~Section 1.11.~~**SECTION 1.10.**
Definitions

- A. These definitions are to be used for this Regulation and are not intended to modify the definitions used in any other Energy Bureau Regulation or Order.
- B. For this Regulation, the following terms will have the meaning established below, unless the context of the content of any provision clearly indicates something else:

~~(1) “Aggregate Net Metering Program” means the extension of the Basic Net Metering Program, created to comply with Amended Order CEPR-41-2014-0001 of the Puerto Rico Energy Bureau. This program allows a participant to credit the excess energy produced by a Distributed Generation System based on Renewable Energy Sources between service agreements under the same name, located in the same locality as the Distributed Generation System or in different localities, provided that it complies with the conditions set out in Article 9, Section 9.03 of this Regulation.~~

~~(2) “Basic Net Metering Program” means the service provided to customers with a Distributed Generation System or Microgrid that use Renewable Energy Sources, interconnected with the EPS, as provided by Act 114-2007. This service allows for the flow of energy to and from the customer’s premises through the billing meter. This system~~

~~supplies part or all of the electricity consumption in the locality where the system is located. At the end of the billing period, the EPS Operator will charge the customer's net consumption or credit the excess energy exported to the EPS Operator's electric system on their next bill.~~

~~(3) "Billing Period" means the interval of time between one billing statement date and the next billing statement date. The billing period is the time for which energy use and credits for energy exports are calculated.~~

~~(4)(1) "Business Day" – means Monday through Friday, excluding Federal and local holidays.~~

~~(5)(2) "Cease to Energize" – means the cessation of active power delivery under steady-state and transient conditions and limitation of reactive power exchange. This does not necessarily imply, nor exclude disconnection, isolation, or a Trip. Limited reactive power exchange may continue as specified (e.g., through filter banks).~~

~~(6)(3) "Certified" – means a piece of equipment has been tested in accordance with the applicable requirements of IEEE Std 1547™-2018 and IEEE Std 1547.1™-2020 by any nationally recognized testing laboratory (NRTL) NRTL recognized by the United States Occupational Safety and Health Administration to test and certify equipment pursuant to the applicable standard and the equipment has been labeled and is publicly listed by such NRTL at the time of the interconnection application. Equipment installed prior to March 28, 2023 will also be considered certified if it has been tested in accordance with IEEE Std 1547™-2003 and 1547.1™-2005.~~

~~(4) "Community Solar" means a Distributed Generation System that generates electricity by means of a solar photovoltaic device, and subscribers to the facility receive a bill credit for the electricity generated in proportion to the subscriber's share of the facility's kilowatt-hour output.~~

~~(4) "Cluster Study Area" means the feeder, Line Section, substation transformer, distribution substation, or other electrically bounded portion of the EPS included within the DER Cluster Study.~~

~~(8)(5) "Confidential Information"- means any confidential and/or proprietary information provided by one Party to the other Party clearly marked or otherwise designated "Confidential." For purposes of this Regulation all design, operating specifications, and Metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such. Confidential Information does not include information previously available in the public domain, required to be publicly submitted or divulged by~~

Commented [A7]: Eliminated given removal of customer program provisions.

Governmental ~~Authorities~~Entity (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Regulation. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Regulation, or to fulfill legal or regulatory requirements.

~~(5) “Credit for Energy Export” – means a credit per kilowatt hour (kWh) for the excess of exported energy during a billing period, in accordance with the rate or compensation mechanism authorized by the Energy Bureau in Act No. 114 of August 16, 2007, as amended. This credit applies for the next billing period.~~

~~(10)~~(6) “Cyber Portal” – means an internet site where Parties can electronically submit all documents required by this Regulation, monitor the Fast Track Process and Study Process, and approve the interconnection. This site also provides the ability to electronically sign agreements required in this Regulation.

~~(7) “Distributed Generation System” – means the “Daytime Minimum Load” or “DML” - means the minimum measured net electrical demand occurring during the applicable daytime evaluation window at the measurement point specified in the TIR, based on the data period, data-quality rules, treatment of existing generation, feeder transformers, outages, load reducers, and uncertainty margin established in the TIR.~~

~~(8) “Distributed Energy Resource(s)” or “DER” - means a source of electric power, including both generators and energy storage technologies, capable of exporting active power to an Electric Power System. The interconnection system and any supplemental DER device required for compliance with interconnection standards are considered part of the DER. Distributed Generation Systems and Microgrids are types of Distributed Energy Resources. For purposes of this Regulation, DER is the primary classification for all resources seeking interconnection, and all references to Distributed Generation Systems or Microgrids shall be understood as references to specific types of DER subject to the same interconnection processes and technical requirements.~~

~~(11)~~(9) “Distributed Generation System(s)” or “DGS” – means a type of Distributed Energy Resource consisting of device(s) for the production and/or storage of electrical energy, including generators, inverters, protection and control systems, interconnection equipment, and other associated devices, capable of operating in parallel with the Electric Power System. For the purpose of this Regulation, ~~Community Solar is aggregate and individual~~

Commented [A8]: IEEE Std 1547-2018 defines 'Distributed Energy Resource' as 'a source of electric power that is not directly connected to a bulk power system' and explicitly notes that DER 'includes both generators and energy storage technologies.' This definition is technology-neutral and encompasses all resources capable of power injection, including standalone battery energy storage systems that inject power without generating it. As the EPS Operator responsible for grid reliability and protection coordination, LUMA has experienced that treating all DER types under a unified interconnection framework provides clearer technical evaluation, consistent queue management, and more efficient processing. Making DER the primary regulatory term rather than maintaining separate tracks for DGS and Microgrids reflects modern utility practice and ensures that emerging technologies -such as hybrid systems combining multiple generation and storage assets- are captured without requiring regulatory amendments.

systems are considered a Distributed Generation System. This shall not include the EPS Operator's Interconnection Facilities.

(10) "DER Cluster" means two or more existing, proposed, or higher-queued DER facilities located on the same feeder, line section, substation transformer, distribution substation, or other electrically related portion of the EPS and grouped for coordinated technical evaluation.

(11) "DER Cluster Study" means the coordinated engineering evaluation performed by the EPS Operator under Section 5.3 of this Regulation to assess the cumulative impacts of two (2) or more electrically related Distributed Energy Resource facilities on the Electric Power System. The DER Cluster Study evaluates, as applicable, thermal loading, voltage performance, reverse power flow, protection coordination, fault current contribution, power quality, daytime minimum load conditions, peak-load conditions, smart inverter performance, and required Distribution Upgrades. The DER Cluster Study shall identify whether each participating project may be approved as proposed, approved with operating conditions or minor modifications, required to fund or participate in system upgrades, or transferred to an individual or more detailed study process. The completion of a DER Cluster Study shall not, by itself, approve or deny any individual Interconnection Application.

(12) "Distribution System" – means the physical equipment used to distribute electric power at voltages below 38,000 volts, including but not limited to poles, primary lines, secondary lines, service drops, transformers and Meters.

(13) "Distribution Upgrades" – means the additions, modifications, and upgrades to the Distribution System at or beyond the Point of Common Coupling to facilitate interconnection of the Distributed Generation System(s) or the Microgrid Energy Resources and render the distribution service necessary to effectuate the connection to the Distribution System. For Microgrids with multiple Generating Facilities Distributed Generation Systems connected to the Distribution System, Distribution Upgrades may occur behind the Microgrid Point of Common Coupling. Distribution Upgrades do not include Interconnection Facilities.

(14) "Electric Power System" or "EPS" – means the Puerto Rico electric power Transmission and Distribution System, excluding equipment owned by Interconnection Customers.

(15) "Electric Power System Operator" or "EPS Operator" – means the entity that controls or operates the Electric Power System. For purposes of this Regulation, an EPS Operator may be an Electric Power Service Company or Electric Power Company as defined in Act 17-2019.

Commented [A9]: Establishing Distributed Generation System as a type of DER rather than a parallel regulatory category reflects the technical reality that DGS is a subset of the broader DER classification. IEEE Std 1547-2018 applies the same interconnection requirements to all DER regardless of whether they are characterized as generation systems, storage systems, or hybrid configurations. From the EPS Operator's perspective, a DGS presents the same technical considerations as any other DER at the Point of Common Coupling; the screening and study processes evaluate fault current contribution, voltage impacts, protection coordination, and power quality without distinguishing based on terminology. Maintaining the DGS definition preserves continuity with existing applications and prior regulations while clarifying its proper classification within the DER framework.

Commented [A10]: The purpose of a DER Cluster Study is therefore to evaluate the distribution system from a **feeder-level and cumulative-impact perspective**, considering the combined contribution of interconnected and proposed DERs under representative operating conditions. The assessment is intended to identify emerging constraints, determine whether available distribution capacity remains adequate, evaluate potential interactions among DERs and existing grid equipment, and identify mitigation measures or system upgrades that may be necessary to maintain safe and reliable operation. This approach provides a more comprehensive representation of actual and reasonably anticipated system conditions than project-by-project evaluations alone and supports proactive distribution planning as DER penetration increases.

The results can also be used to identify areas where additional DER integration may remain feasible without upgrades, where operational controls or smart inverter functions may provide mitigation, and where infrastructure improvements may be required before additional DER capacity can be reliably accommodated.

Commented [A11]: "Generating Facilities" is undefined; conforming to the defined "Distributed Generation Systems" avoids ambiguity and matches the operative pairing used throughout the Regulation.

~~(14)~~(16) “Energy Bureau” – means the Puerto Rico Energy Bureau, established by virtue of the Reorganization Plan of the Puerto Rico Public Service Regulatory Board, and Act No. 211-2018, known as the *Reorganization Plan Execution Act of the Public Service Regulatory Board*, formerly the Puerto Rico Energy Commission created under Act 57-2014, known as the Puerto Rico Transformation and RELIEF Act, which is a specialized independent entity in charge of regulating, overseeing, and enforcing the public policy on energy of the Government of Puerto Rico.

~~(12)~~(17) “Energy Storage” – means any commercially available, customer-sited system, including batteries and batteries paired with on-site generation, that is capable of retaining, storing, and delivering electrical energy by chemical, thermal, mechanical, or other means. For the purposes of this Regulation, an Energy Storage system can be considered part of a Distributed Generation System in whole that operates in parallel with the distribution system.

~~(13)~~(18) “Enter Service” – means begin operation of the Distributed ~~Generation System or Microgrid~~Energy Resources with an energized EPS.

~~(19)~~(1) “Export Capacity” —means the amount of power that can be transferred from the Distributed ~~Generation System or Microgrid~~Energy Resource to the Electric Power System in aggregate via alternating current (AC). Export ~~capacity~~Capacity is the Nameplate Rating, unless such capacity is limited by an acceptable means as identified in ~~Section 7.09~~ Section 7.09. Export Capacity may be used for customer program purposes pursuant to applicable laws and Energy Bureau orders, but shall not be used for technical evaluations, interconnection studies, system impact assessments, upgrade determinations, or planning activities under this Regulation, which shall be based on Nameplate Rating, unless otherwise stated in this Regulation.

~~(19)~~ “Eligibility” means qualification to enter or begin a particular interconnection review process. Eligibility does not constitute approval to interconnect and does not establish that the proposed interconnection passes the applicable technical screens.

~~(20)~~ “Facilities Study” - means the engineering study performed by the EPS Operator, following completion of the applicable Feasibility Study and/or System Impact Study, to identify, design, and develop the Interconnection Facilities, Distribution Upgrades, Network Upgrades, protection systems, communications, metering, control systems, and other modifications required to safely and reliably interconnect a proposed Distributed Energy Resource to the Electric Power System.

~~(20)~~(21) “Fast Track Process” – means the procedures in ~~Article 3~~Article 4 for evaluating an Interconnection Application that meets the eligibility

Commented [A12]: Limiting Export Capacity to billing and compensation purposes ensures that LUMA conducts all technical evaluations based on total installed capacity, providing grid protection if export control equipment fails.

Commented [A13]: Updates the definition to acknowledge that customer program uses of Export Capacity are governed by separate authority while maintaining the technical distinction for interconnection purposes.

requirements of ~~Section 4.01~~Section 4.1 and includes the initial review screens, customer options meeting, and optional supplemental review.

- (22) ~~“Fast Track Initial Review” - means the standardized screen-based review performed under Section 4.01 to determine whether an eligible interconnection may be approved without Supplemental Review or the Study Process.~~
- (23) ~~“Line Section” - means the portion of a radial Distribution System bounded by automatic sectionalizing devices, protective devices, a substation source, a change in operating configuration, or the end of the distribution line as further identified in the TIR.~~
- (24) ~~“Measured Net Daytime Minimum Load” - means the demand measured at the applicable feeder or Line Section measurement point after the effects of behind-the-meter generation, storage operation, and other load reducers are reflected in the measured value.~~
- (25) ~~“Feasibility Study” - means the preliminary engineering study performed by the EPS Operator to evaluate the potential impacts of a proposed Distributed Energy Resource on the Electric Power System and to determine the technical feasibility of the proposed interconnection.~~
- (21)(26) ~~“Force Majeure Event” - means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party’s control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing.~~
- (22)(27) ~~“GoodPrudent Utility Practice” - means, at any particular time, the practices, methods, techniques, conduct, and acts that, at the time they are employed, are generally recognized and accepted by companies operating in the United States electric transmission and distribution business as appropriate to the operation, maintenance, repair, and replacement of assets, facilities, and properties of the type covered by this Regulation. The interpretation of such practices, methods, techniques, conduct, and acts including those engaged in or approved by a significant portion of the electric electrical utility industry during the time period, or the practices, methods and act which, in exercising reasonable judgment, given prior thereto) shall take into account the facts and circumstances known when at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good, Prudent Utility Practice is not intended to be limited to the optimum or minimum practice, method, technique, conduct, or act, to the exclusion of all others, but rather to be acceptable spectrum of possible~~

Commented [A14]: Consider including an explanation of these changes. (I can see it tracks the OMA definition in some parts but not all).

practices, methods, techniques, conduct, or acts generally accepted in the region that a prudent operator would take to accomplish the intended objectives at just and reasonable cost consistent with reliability, safety, expediency, and good customer relations.

~~(23)~~(28) “Governmental Authority” or “Government Entity” - means the government of Puerto Rico, any political subdivision thereof, and any agency, authority, instrumentality, regulatory body, board, bureau, court, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

~~(24)~~(29) “Host Load” - means the electrical power consumed at the ~~interconnection site.~~ Interconnection Site.

~~(30)~~ “Interconnection Site” - means the parcel or parcels of land, property, or facilities owned, leased, or lawfully controlled by an Interconnection Customer where Distributed Energy Resources are installed and where Host Load is consumed. The Interconnection Site shall be served through a single Point of Common Coupling.

~~(25)~~(31) “Inadvertent Export” - means the unscheduled export of power exceeding a contractually specified magnitude and for a limited duration.

~~(32)~~ “Initial Technical Interconnection Requirements” - means the first Technical Interconnection Requirements submitted to and approved by the Energy Bureau following the approval of this Regulation pursuant to Section 3.05(4). The Initial Technical Interconnection Requirements are subject to the transitional approval process established in Section 3.05(4) and, once approved or deemed approved, shall be subject to the amendment process established in Section 3.05(4)(b)(ii). any subsequent amendments.

~~(26)~~(33) “Intentional Island” - means a planned electrical Island capable of being energized by one or more ~~Generating Facilities~~ Distributed Generation System. These (1) have Distributed Generation System(s) and load, (2) have the ability to disconnect from and to operate in Parallel with the EPS, (3) include one or more customers, and (4) are intentionally planned.

~~(27)~~(34) “Interconnection Agreement” - standard form agreement between an Interconnection Customer and the EPS Operator, as well as the ongoing operation of the Distributed Generation System after it is interconnected. For the Simplified Process, the Interconnection Agreement is incorporated into Simplified Process Notification form, provided as Attachment X to the Technical Information Requirements.

~~(28)~~(35) “Interconnection Application” - means the Interconnection Customer’s request, submitted through the Cyber Portal, to: (i) interconnect a new Distributed Generation System or Microgrid, or to Energy Resource through a

Commented [A15]: Establishes a defined term for the location where DER are installed, ensuring consistent usage throughout the Regulation and providing clarity on the relationship to the single Point of Common Coupling requirement.

Commented [A16]: A separate definition distinguishes the first TIR submission after the Regulation’s approval from subsequent amendments, clarifying that the transitional approval process applies only to the initial adoption.

Commented [A17]: “Generating Facilities” is undefined; conforming to the defined “Distributed Generation Systems” avoids ambiguity and matches the operative pairing used throughout the Regulation.

single Point of Common Coupling: (ii) increase the Nameplate Rating or Export Capacity of a Distributed Energy Resource for which an Interconnection Application is pending; (iii) make a Material Modification to the operating characteristics of a Distributed Energy Resource for which an Interconnection Application is pending; or (iv) increase the Nameplate Rating or Export Capacity of, or make a Material Modification to the operating characteristics of, an existing Distributed Generation System or Microgrid Energy Resource that is interconnected with the Electric Power System, has an executed Interconnection Agreement, as provided in Section 6.4. Each Interconnection Application shall be for a single Point of Common Coupling.

~~(29)~~(36) “Interconnection Customer” – means any entity or individual, including PREPA, the EPS Operator, their affiliates and subsidiaries, that proposes to interconnect to the Electric Power System. Interconnection Customer includes a Prosumer, which is any user or customer of the Electric Power System who have the capacity to generate electric power for self-consumption that, in turn, have the capacity to supply any energy surplus through the electric power grid.

~~(30)~~(2) “Interconnection Facilities” – means the EPS Operator’s Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities (collectively, “Interconnection Facilities”) which include all facilities and equipment between the Distributed ~~Generation System or Microgrid Energy Resource~~, and the Electric Power System, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Distributed ~~Generation System and/or Microgrid Energy Resource~~ to the Electric Power System. For Microgrids with multiple Distributed ~~Generation Systems Energy Resource~~, Interconnection Facilities may occur behind the Microgrid Point of Common Coupling. Interconnection Facilities are facilities used solely by the Interconnection Customer’s Distributed ~~Generation System Energy Resource~~ and shall not include Distribution Upgrades or Network Upgrades.

~~(6)~~ “Interconnection Ombudsperson” – means a person appointed by the Energy Bureau to facilitate resolution of disputes regarding the interconnection process and to track and monitor the interconnection process, amongst other duties, as defined by the Energy Bureau.

~~(34)~~(37) “Interconnection Transformer” – means the transformer through which a Distributed ~~Generation System Energy Resource~~ interconnects with the EPS. This may also be the electrical transformer that supplies energy to the Host Load.

~~(33)~~(38) “Island” – means a condition in which a portion of an EPS is energized solely by one or more ~~Generating Facilities Distributed Energy Resource~~ while that portion of the EPS is electrically separated from the rest of the EPS on all

Commented [A18]: Embedding the single Point of Common Coupling requirement in the definition of Interconnection Application ensures that applicants understand from the outset that each application covers one connection point.

Commented [A19]: Distinguishing between modifications to pending applications (Section 2.06) and modifications to operating systems (Section 6.04) provides clarity on the applicable procedural pathway and ensures LUMA can properly evaluate changes at each stage.

phases to which the Distributed ~~Generation System~~Energy Resource is connected. When an Island exists, the Distributed ~~Generation System~~Energy Resource energizing the Island may be said to be “Islanding” or “Islanded.” Islands may be Intentional or Unintentional.

~~(34)~~(39) “Limited Export” - means the exporting capability of a Distributed ~~Generation System or Microgrid~~Energy Resource whose Export Capacity is limited below the Nameplate Rating by any configuration or operating mode described in ~~Section 7.09~~Section 7.11.

~~(35)~~(40) “Material Modification” – means a modification to machine data or equipment configuration or to the interconnection site after receiving notification by the Electric Power System Operator of a complete Interconnection Application with a material impact on the cost, timing, design or ~~design~~reliability of any Interconnection Facilities or Upgrades, or a material impact on the cost, timing ~~or design or reliability~~ of any Interconnection Application with a later queue priority date. A Material Modification shall include, but may not be limited to, a modification from the approved Interconnection Application that: (1) increases the Nameplate Rating, Export Capacity, Operating Profile, or output characteristics of the proposed interconnection or increases the level of interconnection service above the values in the approved Interconnection Application; (2) changes or replaces generating equipment, such as generator(s), inverter(s), transformers, relaying, controls, etc., and substitutes equipment that is not a like-kind substitution in certification, size, ratings, impedances, efficiencies or capabilities of the equipment; (3) changes transformer connection(s) or grounding; ~~and/or (4) changes the type, fuel source, or fundamental operating characteristics of the Distributed Generation System (e.g., from photovoltaic to wind, from inverter-based to synchronous, or the addition of Energy Storage to a system not originally proposed with Energy Storage); (5) alters the electrical characteristics of the interconnection, including but not limited to reactive power capability, fault current contribution, harmonic profile or dynamic response characteristics; and/or (5) changes to certified inverters with different specifications or different inverter control specifications or set-up.~~

A Material Modification shall not include a modification from the approved Interconnection Application that: (1) changes in ownership; (2) changes the address, so long as the proposed interconnection remains on the same parcel(s); (3) changes or replaces generating equipment such as generator(s), inverter(s), solar panel(s), Energy Storage device(s), transformers, relaying, controls, etc. and substitutes equipment that is a like-kind substitution in certification, size, ratings, impedances, efficiencies or capabilities of the equipment; and/or (4) changes the DC/AC ratio but does not increase the maximum AC output capability of the proposed interconnection.

Commented [A20]: Proposed additions to address changes in electrical characteristics not originally contemplated.

~~(36)~~(41) “Meter” or “Metering” – means the equipment or instruments which function is to measure and register the bi-directional flow of electric energy (i.e., energy delivered and received) by a Distributed ~~Generation System or Microgrid~~Energy Resource interconnected to the EPS.

~~(37)~~(42) “Microgrid” – means a type of Distributed Energy Resource consisting of a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity that can with respect to the Electric Power System that can seamlessly connect and disconnect from the Electric Power System to enable it to operate in either Parallel (grid-connected) or Islanded (off-the-grid) mode. This shall include the Interconnection Customer’s Interconnection Facilities. In some cases, the EPS Operator’s Interconnection Facilities may also be included in the Microgrid. For purposes of this Regulation, the interconnection of a Microgrid to the Electric Power System is subject to the same processes, technical requirements, and timelines applicable to all Distributed Energy Resources; operational characteristics unique to Microgrids, including island mode operation, registration, and ongoing compliance requirements, are addressed in Regulation 9028.

~~(38)~~“Microgrid Operator” – means the registered operator of a Microgrid, which shall be the primary party responsible for overseeing the operation of the microgrid equipment (including, but not limited to, Distributed Energy Resources and Distribution Infrastructure), providing maintenance, delivering contracted services, billing for such services, and serving as the primary point of contact. The Microgrid Operator may or may not be the owner of the Microgrid.

~~(39)~~(43) “Minor System Modifications” – means modifications to the Electric Power System or other minor system changes that the Electric Power System Operator estimates will entail less than ten (10) hours of work and five thousand dollars (\$5,000) in materials. The Electric Power System Operator may also deem other more substantial work, including the upgrade of transformers, as Minor System Modifications at its discretion.

~~(40)~~(44) “Nameplate Rating” – means the sum total of maximum rated power output of a Distributed ~~Generation System, Community Solar, or Microgrid’s~~Energy Resource constituent generating units or Energy Storage system, as identified on the manufacturer’s nameplate, regardless of whether it is limited by export controls pursuant to Section 7.09 and Section 7.09.A. in aggregate, regardless of whether it is limited by export controls pursuant to Section 7.10. Unless otherwise stated in this Regulation, the Nameplate Rating is the capacity metric used for all technical evaluations, interconnection studies, system impact assessments, Fast Track and Study Process screens, upgrade determinations, cost allocations, and planning activities under this Regulation. This ensures the EPS Operator has visibility of the total installed

Commented [A21]: Include 5 MW threshold for PREB approval, as referenced in Article 6, Interconnection Agreement

Commented [A22]: Act 17-2019 defines Microgrid as ‘a group of interconnected loads and distributed energy resources within electrical boundaries clearly defined by the Bureau that acts as a single controllable entity.’ This definition establishes that Microgrids are composed of DER and function as a DER when interconnected to the Electric Power System. From the EPS Operator’s engineering perspective, the interconnection of a Microgrid presents the same technical evaluation as any DER: the screening and study processes assess fault current, voltage regulation, protection coordination, and power quality at the Point of Common Coupling. The ability to island—while operationally significant—does not change the technical requirements for interconnection; it affects post-interconnection operation, which is properly addressed in Regulation 9028 (Microgrid Development). This revision ensures that Microgrids follow the same interconnection process as all DER while directing business model, registration, and operational requirements to the appropriate regulatory vehicle.

Commented [A23]: The original definition included language regarding ‘delivering contracted services, billing for such services’ and other operational functions that constitute business model or customer program elements. These aspects are properly addressed in Regulation 9028, which governs microgrid development, registration, and operation. For interconnection purposes, the critical identification is that the Microgrid Operator is the Interconnection Customer—the party responsible for the interconnection application, compliance with technical requirements, and execution of the Interconnection Agreement. This revision maintains clarity for interconnection processing while directing business model considerations to Regulation 9028.

Commented [A24]: For purposes of interconnection, Microgrids are evaluated as Distributed Energy Resources at their Point of Common Coupling. The unique characteristics of Microgrids— island mode operation, multi-customer service, internal distribution infrastructure, energy services provision, billing arrangements—are operational and business model elements that occur post-interconnection. Regulation 9028 (Microgrid Development) already establishes the framework for microgrid registration, classification (Personal, Cooperative, Third-Party), renewable content requirements, and operational compliance. The EPS Operator recommends that this interconnection Regulation focus exclusively on technical interconnection requirements, with all microgrid-specific operational, registration, and business model provisions addressed through Regulation 9028 or its amendments. This division ensures regulatory clarity: LUMA processes interconnection applications under this Regulation; the Energy Bureau oversees microgrid operations under Regulation 9028.

generating capacity for grid protection, system planning, and protection coordination purposes.

(7) The Nameplate Rating may be distinct from the Export Capacity where a facility uses export controls pursuant to Section 7.09 and Section 7.09.A.

(42)(45) “Nationally Recognized Testing Laboratory” or “NRTL” – means an accredited laboratory that performs certification tests required by Institute of Electrical and Electronics Engineers and American National Standards Institute (ANSI) standards.

(8) “Net Consumption” means the resulting amount from subtracting the Interconnection Customer’s consumed energy from the energy exported to the EPS and credits for energy export, if any. Applied when the energy the Customer consumes is greater than the energy exported and any applicable exported energy credits.

~~$C_{net} = kWh_{con} - kWh_{exp} - CR_{exp}$~~

~~Where:~~

~~C_{net} = net consumption~~

~~kWh_{con} = kWh kilowatt-hours consumed~~

~~kWh_{exp} = kWh kilowatt-hours exported~~

~~CR_{exp} = credit for energy export (from previous billing period)~~

(9) “Net Exports” means the resulting amount when the sum of the energy exported by the Interconnection Customer’s to the EPS and credit for energy export, if any, are subtracted from the energy consumed by the Customer. Applied when the energy consumed by the Customer is less than the sum of the energy exported and any applicable credits for energy exports.

~~$E_{net} = kWh_{exp} + CR_{exp} - kWh_{con}$~~

~~Where:~~

~~E_{net} = net export~~

~~kWh_{con} = kWh kilowatt-hours consumed~~

~~kWh_{exp} = kWh kilowatt-hours exported~~

~~CR_{exp} = credit for energy export (from previous billing period)~~

Commented [A25]: Specifying that Nameplate Rating is the metric for all technical purposes ensures consistent evaluation across the Regulation and protects the grid from adverse effects if export control equipment fails. This revision ensures the EPS Operator has visibility of the total installed generating capacity for grid protection, system planning, and protection coordination purposes.

~~(10) “Net Metering Program” means the Basic Net Metering Program established in Act 114-2007; the Aggregate Net Metering Program established by the Energy Bureau’s Amended Order CEPR-MI-2014-0001; and the Shared Net Metering Program established by the Energy Bureau’s Amended Order CEPR-MI-2014-0001. The rules for these programs are described in Article 9 of this Regulation.~~

~~(11) “Net Metering System” means a Distributed Generation System or Microgrid based on one or more Renewable Energy Sources that participates in the Basic Net Metering Program, the Aggregate Net Metering Program, or the Shared Net Metering Program.~~

~~(36)~~(46) “Network Upgrades” – means additions, modifications, and upgrades to the Transmission System to accommodate the interconnection. Network Upgrades are at or beyond the Point of Common Coupling. Network Upgrades do not include Distribution Upgrades.

~~(37)~~(47) “Non-Export” or “Non-Exporting” - means the Distributed ~~Generation System or Microgrid~~Energy Resource is sized and designed using any of the methods identified for non-export in ~~Section 7.09 and Section 7.09.A, Section 7.11,~~ such that the output is used for Host Load only and no electrical energy (except for any Inadvertent Export) is transferred from the Distributed ~~Generation System or Microgrid~~Energy Resource to the Electric Power System.

~~(38)~~(48) “Operating Profile” - means how the Distributed ~~Generation System or Microgrid~~Energy Resource is designed to be operated, as designated in the Interconnection Application, including the amount of export, the times of year, hours of the day and other relevant conditions.

~~(39)~~(49) “Operator” – means any natural or legal person responsible for the interconnection, operation, and/or maintenance of a Distributed ~~Generation System or Microgrid~~Energy Resource.

~~(40)~~(50) “Parallel Operation” – means the simultaneous operation of the Distributed ~~Generation System or Microgrid~~Energy Resource such that power can be transferred across the Point of Common Coupling from or to the Electric Power System. This is also referred to as operating in “grid connected” mode, operating in parallel, or paralleling.

~~(41)~~(51) “Party” or “Parties” – means the Electric Power System Operator and the Interconnection Customer, individually or collectively, as applicable.

~~(42)~~(52) “Point of Common Coupling” ~~or “PCC”~~ – means the single point of connection between the Distributed ~~Generation System or Microgrid~~Energy Resource and the Electric Power System. Each Interconnection Application submitted under this Regulation shall designate only one Point of Common

Coupling. For Microgrids, the Point of Common Coupling is the single point at which the entire Microgrid interfaces with the Electric Power System.

~~(43)~~(53) “Power Control System” – means systems or devices which electronically limit or control the steady state AC currents, or DC currents, to a programmable limit or level.

~~(44)~~(54) “Puerto Rico Electric Power Authority” or “PREPA” – means the Puerto Rico Electric Power Authority, a corporate entity created by virtue of Act No. 83 of May 2, 1941, as amended, known as the *Puerto Rico Electric Power Authority Act* (“Act 83-1941”), and any of its affiliates or subsidiaries.

~~(45)~~(55) “Pre-Application Report” – means the report issued by the EPS Operator under ~~Section 2.02~~ **Section 2.1** of this Regulation.

~~(46)~~(56) “Queue Position” – means the sequential order of a valid Interconnection Application, relative to all other pending valid Interconnection Applications, that is established based upon the date and time of receipt of the valid Interconnection Application by the EPS Operator.

~~(12) “Reasonable Efforts” – means regarding an action required to be attempted or taken by a Party under this Regulation, efforts timely and consistent with Good Utility Practice and are otherwise substantially equivalent to those a Party would use to protect its own interests.~~

~~(57) “Reasonable Efforts” – means, with respect to any action required to be attempted or taken by a Party under this Regulation, good-faith efforts that are timely, diligent, and consistent with Prudent Utility Practice and the nature and purpose of the applicable interconnection obligations under this Regulation, taking into account the totality of the circumstances, including: (i) the facts and circumstances known or reasonably ascertainable at the time of the action or decision; (ii) the condition, capacity, and operational constraints of the Electric Power System at the relevant time; (iii) the availability of resources, personnel, materials, and equipment; (iv) the need to maintain safe, reliable, and efficient operation of the Electric Power System; and (v) the requirement to comply with Applicable Law, including applicable safety codes and standards. Reasonable Efforts does not require any Party to take actions that would: (a) violate Applicable Law or applicable safety standards; (b) jeopardize the safety of any person or the reliability of the Electric Power System; (c) require expenditures or actions that are disproportionate to the expected benefit; or (d) require the Party to undertake obligations beyond those expressly set forth in this Regulation or the applicable Interconnection Agreement. Reasonable Efforts shall not be construed to require the achievement of any particular result, and a Party shall be deemed to have satisfied its Reasonable Efforts obligation if the Party has undertaken actions~~

Commented [A26]: Emphasizing that each application covers a single Point of Common Coupling provides clarity for Interconnection Customers, ensures consistent application processing, and aligns with the eligibility requirements in Articles 3 and 4.

that a prudent operator would take to accomplish the intended objective at a just and reasonable cost consistent with reliability, safety, and expedition.

~~(47)~~(58) “Renewable Energy” – means “sustainable renewable energy,” “alternative renewable energy,” and “distributed renewable energy,” jointly, as such terms are defined in Act No. 82-2010, as amended, known as the “Public Policy on Energy Diversification by Means of Sustainable and Alternative Renewable Energy in Puerto Rico Act.”

~~(48)~~(59) “Return to Service” – means the reentry into service following recovery from a Trip.

~~(13) “Shared Net Metering Program” – means the extension of the Basic Net Metering Program, created to comply with the Energy Bureau’s Amended Order CEPR MI 2014-0001. This permits the use of renewable energy produced by a single Distributed Generation System based on Renewable Energy Sources among multiple participants whose service agreements are located in the same locality as the Distributed Generation System, provided that it complies with the conditions set forth in Article 9, Section 9.04 of this Regulation.~~

~~(62)~~(60) “Simplified Interconnection Notification” – means the form submitted to the EPS Operator by Interconnection Customers with Distributed Generation Systems qualifying for the Distributed Generation System Simplified Process found in ~~Article 3~~. Article 3.

~~(63)~~(61) “Simplified Process” – means the expedited procedure for evaluating ~~and~~ Simplified Interconnection Notification available to small inverter-based systems that interconnect to the Distribution System. The eligibility requirements are found in ~~Article 3~~ Article 3 and the Simplified Interconnection Notification and Agreement is found in Attachment X of the Technical Interconnection Requirements.

~~(64)~~(62) “Small inverter based system” – means an inverter-based Distributed Generation System with a Nameplate Rating of ~~50 kW or less, and an Export Capacity of 25 kW or less.~~

~~(64)~~(63) “Subscriber” – means a customer of the EPS Operator that: (i) holds a subscription to ~~a community solar~~ energy generating system; and (ii) has identified one or more individual meters or accounts to which the subscription shall be attributed.

(64) “Study Process” – means the procedure for evaluating an Interconnection Application that includes the scoping meeting, the system impact study under review, which may include a Scoping Meeting, Feasibility Study, System

Commented [A27]: The expanded definition aligns with the Prudent Utility Practice standard in the LUMA T&D O&M Agreement, provides clear boundaries protecting the EPS Operator from disproportionate obligations, and ensures the standard is measured by process (actions taken) rather than outcome (results achieved).

Commented [A28]: Using only Nameplate Rating for this definition eliminates confusion and ensures consistency with the Nameplate-based evaluation approach.

This is also aligned with Act 114-2007 which utilizes the term “generation capacity.”

Impact Study, Transmission or Subtransmission System Impact Study, and the facilities studyFacilities Study, as applicable.

(53)(65) “Supplemental Review” – means a focused engineering review procedure established under Article 5 in Section 3.4 of this Regulation, for further evaluation of an Interconnection Application that did not pass the initial Fast Track screens under Section 4.2, including the minimum load screen, type of generation screen, voltage and power quality screen, and safety and reliability screen

(66) “Pass” or “Passes a Screen” - means that the proposed interconnection satisfies the numerical or technical criterion stated in the Regulation or the applicable criterion and method stated in the TIR. Failure of a screen does not, by itself, constitute denial of interconnection.

(67) “System Impact Study” - means the engineering study performed by the EPS Operator to evaluate the impact of a proposed Distributed Energy Resource on the safety, reliability, and operation of the Electric Power System, and to identify the Interconnection Facilities, Distribution Upgrades, Network Upgrades, operating limitations, and mitigation measures necessary to accommodate the proposed interconnection.

(67)(68) “Technical Interconnection Requirements” or “TIR” – means the technical document prepared by the EPS Operator pursuant to this Regulation, establishing the engineering, operational, protection, communications, interoperability, metering, commissioning, testing, safety, and other technical requirements applicable to interconnections governed by this Regulation. The TIR shall be subject to the review and approval of the Energy Bureau through Resolution and Order issued under the applicable docketpursuant to Section 8.03 and shall not amend, modify, supersede, or conflict with this Regulation.

(68)(69) “Transmission System” – means the facilities used to provide subtransmission (38kV) and transmission (115kV) service.

(69)(70) “Trip” – means inhibition of immediate Return to Service, which may involve disconnection. Trip executes or is subsequent to Cessation of Energization.

(70)(71) “Unintentional Island” – means an unplanned Island event.

(71)(72) “Upgrades” – means the required additions and modifications to the Electric Power System. For an application to interconnect, Upgrades must be at or on the Electric Power System side of the Point of Common Coupling. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Commented [A29]: The definition should reference the expedited approval process established in Section 8.03 rather than the generic 'Resolution and Order' language, ensuring consistency with the new 30-day review timeline and deemed approval mechanism.

~~(72)~~(73) “Voltage Flicker” - means a voltage fluctuation or instability in the EPS that can cause changes in lighting, damage equipment, or that may adversely affect the quality of customer’s electric service.

~~Section 1.12.~~**SECTION 1.11.**
Controlling Version

Should any discrepancy between the Spanish version and the English version of this Regulation arise, the English version shall prevail.

~~Section 1.13.~~**SECTION 1.12.**
Severability

If any article, provision, word, sentence, paragraph, subsection, or section of this Regulation is disputed before a court and declared unconstitutional or null and void, such ruling shall not affect, damage, or invalidate the remaining provisions of this Regulation, rather the effect shall be limited to the article, provision, word, sentence, paragraph, subsection, or section declared unconstitutional or null and void. The nullity or invalidity of any article, word, sentence, paragraph, subsection, or section, in any specific case, shall not affect or jeopardize in any way its application or validity in any other case, unless it has been specifically and expressly invalidated for all cases.

~~Section 1.14.~~**SECTION 1.13.**
Cyber Portal and Forms

The Energy Bureau, with the recommendation of the EPS Operator, shall establish the forms (printed or electronic) it deems necessary to conduct the proceedings pursuant to this Regulation and shall timely inform the public via its website and/or the EPS Operator’s website, as applicable.

The EPS Operator shall commence the operations of the Cyber Portal required under this Regulation on or before one-hundred eighty (180) calendar days from the effective date of this Regulation. ~~Until a transitory process, until~~ the commencement of operations of the Cyber Portal, the filing, processing and notification of any document required under this Regulation will be executed by the Parties will be carried out by email and digital files in PDF format or using the EPS Operator’s existing online portal at the time of adoption of this Regulation, to the extent practical.

Consistent with the foregoing, the EPS Operator shall submit to the Energy Bureau for evaluation and approval, the Cyber Portal before its commencement of operations. The fact that the Energy Bureau has not approved or adopted one or more forms, including the Cyber Portal, is reviewing them, or the Internet website is out of service, shall relieve no party of its obligation to comply with the provisions stated, provide the information required by this Regulation, or otherwise comply with any Energy Bureau Order.

Accordingly, these forms will be proposed by the EPS Operator to the Energy Bureau and will be adopted as reviewed and approved by the Energy Bureau and may be revised

Commented [A30]: 180 days is an insufficient period for lifting up a completely revamped portal and is likely going to require continued split process with the current portal set. RFP process likely to far exceed this timeline as well as testing and deployment/retraining developers/users. Manual outside the portal process will be required for many steps if the current portals are still in use

from time to time as proposed by the EPS Operator, subject to the review and approval of the Energy Bureau. The EPS Operator will provide public notice of any revised or new form at least forty-five (45) days prior to requiring the use of the form.

~~Section 1.15.~~SECTION 1.14.

Mode of Submission

The forms, documents, and appearances required by this Regulation or any Order of the Energy Bureau must be submitted to the EPS Operator as applicable in electronic format according to the instructions which, from time to time, the EPS Operator publishes on its website.

If the electronic filing system is temporarily not operating or functioning, the forms, documents, and appearances required by this Regulation or by any Order of the Energy Bureau shall be submitted to the EPS Operator in accordance with any instructions the Energy Bureau shall provide through an Order from time to time.

~~Section 1.16.~~SECTION 1.15.

Effect of Submission

In filing any document with the EPS Operator, the party undersigning such document shall be deemed to have certified that the content of the document is true and that, according to the signer's best knowledge, information, and belief, formed after reasonable inquiry, the document is based on reliable and trustworthy facts, arguments, judicial sources, and information.

~~Section 1.17.~~SECTION 1.16.

Confidential Information

If in compliance with the provisions of this Regulation or any of the Energy Bureau's Orders, a Party has the duty to disclose information to the Energy Bureau considered to be confidential, a commercial or industrial secret under Act 80-2011, known as the *Puerto Rico Trade Secrets Act*, or privileged, pursuant to applicable evidentiary privileges, said Party shall identify the alleged privileged information and request in writing for the Energy Bureau to treat such information as confidential, pursuant to Article 6.15 of Act 57-2014. In identifying privileged information and requesting confidential treatment by the Energy Bureau, the requesting party shall follow the rules and procedures established by the Energy Bureau in Resolution CEPR-MI-2016-0009¹, as such resolution may be amended from time to time, for the filing, handling, and treatment of confidential information. Except with information protected under the attorney-client privilege, the claim of confidential treatment shall, under no circumstances, be grounds for denying such information from being filed with the Energy Bureau.

Commented [A31]: Both the front end (180 days and a revamp) and the back end (administrative load) will require new funding as the number of applications is unlikely to support the amount required for a completely new portal

¹ See, In re: Policy on Management of Confidential Information in Procedures Before the Commission, Case No.: CEPR-MI-2016-0009, August 31, 2016.

~~Section 1.2. – Validity~~

~~Pursuant to Section 2.8 of LPAU, this Regulation shall enter into effect thirty (30) days after its submission to the Puerto Rico Department of State and the Legislative Library of the Office of Legislative Services.~~

SECTION 1.17.

[Reserved]

[Reserved]

~~Section 1.19.~~SECTION 1.18.

Compliance with Other Applicable Legal Requirements

Compliance with this Regulation shall relieve no Party affected by this Regulation from complying with other applicable legal and regulatory requirements enforced by any other Government Entity.

Preliminary Draft

ARTICLE 2. INTERCONNECTION APPLICATION PROCESS

Section 1.3. Process Overview

There are three ~~paths~~processes for interconnection of Distributed ~~Generation Systems and Community Solar Energy Resources~~ in Puerto Rico.

- A. Simplified Process: This is for small inverter-based systems that meet the eligibility criteria in ~~Article 3.1.1.1~~ and the combined Simplified Interconnection Notification and Agreement contained in Attachment X of the TIR.
- ~~C.B.~~ Fast Track Process: This is available to an Interconnection Customer proposing to interconnect a certified system with the Distribution System, if the proposed interconnection does not exceed the size limits and other eligibility requirements identified in ~~Section 4.01.B.1~~. The Fast Track Process includes the optional supplemental review.
- ~~D.C.~~ Study Process: This is for all applications to interconnect that do not meet the eligibility requirements for either the Simplified or Fast Track Process. Such applications shall be evaluated under the Study Process in ~~Article 5.1.1.1~~. The Study Process may include a feasibility study, a system impact study, a Transmission System impact study, and a facilities study.

Capacity Requirements by type of Proposed DER and/or Process Eligibility	
Process	Nameplate Rating
<u>Simplified</u>	<u>≤ 25 kW</u>
<u>Fast Track</u>	<u>≤ 200 kW</u>
<u>Study</u>	<u>> 200kW</u>

For ~~Microgrids~~ Distributed Energy Resources, with a Nameplate ~~Capacity Rating at or above five (5) MW~~, Interconnection Customers must apply to interconnect to the Transmission System and must be approved by the Energy Bureau in a process that includes citizen participation ~~in Section 6.03 as provided in Section 6.1~~. This threshold applies equally to all DER types; no separate capacity threshold or approval process applies to Microgrids Section 6.3

~~Section 2.02~~SECTION 2.1.
Pre-Application Report and Interconnection Application Filing Mechanisms

Interconnection Customers may request a Pre-Application Report to acquire information about system conditions at their proposed Point of ~~Interconnection~~Common

Commented [A32]: Consistent with the restructured regulatory framework, all interconnection processes apply to Distributed Energy Resources regardless of whether they are characterized as Distributed Generation Systems, Microgrids, or standalone storage. From the EPS Operator's operational perspective, the screening and study processes evaluate technical impacts at the Point of Common Coupling without distinguishing based on resource type. Unified DER terminology ensures applicants understand that Microgrids follow the same interconnection pathway as all other DER.

Commented [A33]: Using Export Capacity rather than Nameplate Capacity avoids unnecessarily capturing CHP and other high-generation/low-export systems in the Energy Bureau citizen participation process, consistent with Regulation 9028's focus on grid impact rather than total generation capacity.

Commented [A34]: Using Nameplate Rating for the 5 MW threshold ensures that all large systems are subject to Energy Bureau approval based on total installed capacity, regardless of export limitations.

Commented [A35]: The EPS Operator's technical experience demonstrates that the 5 MW threshold for Energy Bureau approval should apply uniformly based on system impact, not resource classification. A 6 MW solar facility presents the same transmission-level interconnection considerations as a 6 MW Microgrid: both require Transmission System impact studies, both affect transmission planning, and both warrant citizen participation due to their scale. Applying different thresholds or approval processes based solely on whether a DER is classified as a Microgrid creates arbitrary distinctions without technical justification. IEEE Std 1547-2018 makes no distinction between DER types for interconnection purposes. The 5 MW Nameplate Rating threshold ensures consistent regulatory treatment of all large-scale DER while maintaining appropriate Energy Bureau oversight.

Coupling without submitting a full Interconnection Application. Interconnection Customers shall submit all Pre-Application Report requests and Interconnection Applications through the Cyber Portal. Pre-Application Report requests are generally not applicable to Small Inverter-based Systems.

~~E.A.~~ Besides the information described in ~~Section 2.04, Section 2.101~~ which may be provided in response to an informal request, ~~an Interconnection Customer may submit a formal written request form along with a non-refundable fee of three hundred dollars (\$300.00)refer to TIR for a Pre-Application Report on a proposed project at a specific site,applicable fees.~~

~~E.B.~~ The EPS Operator shall provide the Pre-Application Report described in ~~Section 2.02.G Section 2.101~~ to the Interconnection Customer within ten (10) Business Days of receipt of the completed request form.

~~E.C.~~ The Pre-Application Report produced by the EPS Operator is non-binding, confers no rights, and the Interconnection Customer must still apply to interconnect to the Electric Power System.

~~E.D.~~ The written Pre-Application Report request form shall include the information in ~~Section 2.02.E Section 2.101~~ to clearly and sufficiently identify the location of the proposed Point of Common Coupling. ~~Each Pre-Application Report request shall be for a single proposed Point of Common Coupling.~~

~~E.E.~~ The Pre-Application Report request shall include the following information:

- (1) Project contact information, including name, address, phone number, and email address;
- (2) Project location (street address(es) with nearby cross streets and town, or place registered with the Property Registry Office);
- (3) Meter number, pole number, or other equivalent information identifying proposed Point of Common Coupling(s), if available;
- (4) For Microgrids, Microgrid type (*e.g.*, Personal, Cooperative, Third-Party);
- (5) Distributed Generation type(s) (*e.g.*, solar, wind, combined heat and power, etc.);
- (6) Whether the Distributed Generation System or Microgrid is paired with Energy Storage;
- (7) Nameplate Rating and Export Capacity (*i.e.*, alternating current kW);

Commented [A36]: Requiring a single Point of Common Coupling per Pre-Application Report ensures that system condition information is specific to the proposed connection point and facilitates accurate feasibility assessment.

- (8) Single or three phase generator configuration; and
- (9) Whether new service is requested. If there is existing service, include the customer account number(s), site minimum, and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.

F. The EPS Operator shall notify the Interconnection Customer through Cyber Portal or email address within five (5) Business Days of receiving the Pre-Application Report request whether the Pre-Application Report request is complete. If the Pre-Application Report request is incomplete, a written list detailing all the information that must be provided to complete the Pre-Application Report request. The Interconnection Customer will have five (5) Business Days after receipt of the notice to submit the listed information. If the Interconnection Customer does not provide the listed information within the deadline, the Pre-Application Report request will be deemed withdrawn, unless mutual agreement of the Interconnection Customer and EPS Operator this deadline is extended.

F.G. Using the information provided in the Pre-Application Report request form, the EPS Operator will use ~~best efforts~~ Reasonable Efforts to identify the substation/area bus, bank, or circuit likely to serve the proposed Point of Common Coupling. If any information required to be provided to the Interconnection Customer is considered Confidential Information, then an NDAa Non-Disclosure Agreement will need to be signed with the Interconnection Customer or that information will not be provided. This selection by the EPS Operator does not necessarily indicate, after application of the screens and/or study, this would be the circuit the project ultimately connects to. The Interconnection Customer must request additional Pre-Application Reports if information about multiple Points of Common Coupling is requested. If any information required to be provided to the Interconnection Customer is considered Confidential Information, then the Interconnection Customer will be required to sign a Non-Disclosure Agreement in order to receive the required information.

G. Within ten (10) Business Days of receipt of a completed Pre-Application Report Request, the ~~Utility~~ EPS Operator shall provide a Pre-Application Report to the applicant. Subject to Section 2.02.H, the Interconnection Customer. The Pre-application Report shall include the following information, if available:

- (1) Total capacity (in megawatts (MW)) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Common Coupling.
- (2) Existing aggregate Nameplate Rating ~~and Export Capacity~~ (in MW) interconnected to a substation/area bus, bank or circuit (i.e.,

amount of generation online) likely to serve the proposed Point of Common Coupling.

- (3) Aggregate queued Nameplate Rating ~~and Export Capacity~~ (in MW) for a substation/area bus, bank or circuit (*i.e.*, amount of generation in the queue) likely to serve the proposed Point of Common Coupling.
- (4) Available Nameplate Rating ~~and Export Capacity~~ (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Common Coupling (*i.e.*, total capacity less the sum of existing aggregate ~~Nameplate Rating~~ ~~Export Capacity~~ and aggregate queued ~~Export Capacity~~ ~~Nameplate Rating~~).
- (5) Substation nominal distribution voltage and/or transmission nominal voltage if applicable.
- (6) Nominal circuit voltage at the proposed Point of Common Coupling.
- (7) Approximate circuit distance between the proposed Point of Common Coupling and the substation.
- (8) Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in ~~Section 4.6.4 C(1)~~ ~~Section 4.6.4~~ below and absolute minimum load, when available.
- (9) Number, type and rating of protective devices, and number, type and rating (standard, bi-directional) of voltage regulating devices between the proposed Point of Common Coupling and the substation/area. Identify whether the substation has a load tap changer.
- (10) Number of phases available at the proposed Point of Common Coupling. If only a single phase is available, specify the distance from the three-phase circuit.
- (11) Limiting conductor ratings from the proposed Point of Common Coupling to the distribution substation.
- (12) Whether the Point of Common Coupling is located on a spot network, grid network, or radial supply.
- (13) Based on the proposed Point of Common Coupling, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity

issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.

H.I. The Pre-Application Report need only include existing data. A Pre-Application Report request does not bind the EPS Operator to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the EPS Operator cannot complete all or some of a Pre-Application Report due to lack of available data, the EPS Operator shall provide the Interconnection Customer with a Pre-Application Report that includes the data that is available and shall list what additional data is not provided, if any. The provision of information on “available capacity” pursuant to Section 2.03.6(4) does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the Pre-Application Report may become outdated at the time of the submission of the complete Interconnection Application. Notwithstanding the provisions of this section, the EPS Operator shall, in good faith consistent with Prudent Utility Practice, include data in the Pre-Application Report that represents the best available information at the time of reporting.

H.I. Once the Pre-Application Report is conducted for a particular substation, area bus, bank, or circuit, the EPS Operator will publish all relevant generation information, grid data, and reports in a publicly accessible location on its website within 30 days. Confidential customer information, and any other information deemed confidential by the EPS Operator or customer, shall be redacted.

Section 2.03. SECTION 2.2. Electronic Signatures

All required applications, agreements and forms must be signed using electronic signatures. Electronic signatures must have a digital audit trail or an image of the signature with timestamp.

Section 1.4. Communications

- A. The EPS Operator shall designate an Interconnection Coordinator(s), and this person or persons shall serve as a single point of contact from which information on the status of an application process can be obtained, other than the information provided by the Cyber Portal.
- B. The name, telephone number, and e-mail address of such contact employee or office shall be made available on the EPS Operator’s website.
- C. The EPS Operator may have several Interconnection Coordinators assigned, based on the geographical size of its electrical service territory and/or the amount of Interconnection Applications.

Commented [A37]: Adding "consistent with Prudent Utility Practice" provides a clearer, industry-standard benchmark for evaluating the EPS Operator's data-inclusion obligations, replacing the subjective "good faith" standard.

- ~~D. The Interconnection Coordinator(s) shall be available to answer questions, connect Interconnection Customers with persons who can address and resolve questions, and otherwise help facilitate communication with the EPS Operator about the status of the Interconnection Application.~~
- ~~E. Upon request, EPS information provided to the Interconnection Customer should include materials useful to an understanding of an interconnection at a particular point on the EPS, including system studies, interconnection studies, workpapers, and supporting documentation (i.e., relevant power flow, short circuit and stability databases), to the extent such provision does not violate confidentiality provisions of prior agreements or critical infrastructure requirements.~~
- ~~F. Upon request of either party, the EPS Operator and the Interconnection Customer shall each identify one (1) point of contact with technical expertise for their respective organizations.~~
- ~~G. Upon the request of either party, status calls could be established every other week.~~

~~Section 2.05.~~ **SECTION 2.3.**

Submittal of the Interconnection Application or the Simplified Interconnection Notification

- ~~N.A.~~ **A.** The Interconnection Customer shall submit its Interconnection Application (Attachment X of the TIR) or Simplified Interconnection Notification and Agreement (Attachment X of the TIR) to the EPS Operator through the Cyber Portal, together with the applicable processing fee or deposit specified in the Interconnection Application or Simplified Interconnection Notification. Additional fees or deposits shall not be required, except as otherwise specified in this Regulation or by an Energy Bureau Order.
- ~~O.B.~~ **B.** The Interconnection Application shall be date- and time-stamped upon receipt by the EPS Operator. The original date- and time-stamp applied to the Interconnection Application at the time of its original complete submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in this Regulation.
- ~~P.C.~~ **C.** The Interconnection Customer shall be notified of receipt by the EPS Operator within ~~one (1)~~ three (3) Business Day of receiving the Interconnection Application; this may be an automatic e-mail that includes the date and time stamped on the Interconnection Application.
- ~~D.K.~~ **K.** For Interconnection Customers using the Simplified Interconnection Notification and Agreement, the EPS Operator shall notify the Interconnection Customer within five (5) Business Days of receiving the Simplified Interconnection Notification whether the Simplified Interconnection

Commented [A38]: SGIP language: 3 Business Days (Sec. 1.3)

Notification is complete. If the Interconnection Notification is incomplete, the EPS Operator shall provide, along with the notice that the Interconnection Notification is incomplete, a written list detailing all information that must be provided to complete the Interconnection Notification. The Interconnection Customer will have five (5) Business Days after receipt of the notice to submit the listed information. The EPS Operator shall review the additional material and notify the Interconnection Customer that the Interconnection Notification is complete within five (5) Business Days. If the Interconnection Customer does not provide the listed information within the deadline, the Interconnection Notification will be deemed withdrawn, unless by mutual agreement of the Interconnection Customers and the EPS Operator this deadline is extended.

~~E.D.~~ For Interconnection Customers using the Interconnection Application, the EPS Operator shall notify the Interconnection Customer within five (5) Business Days of receiving the Interconnection Application whether the Interconnection Application is complete. If the Interconnection Application is incomplete, the EPS Operator shall provide, along with the notice that the Interconnection Application is incomplete, a written list detailing all information that must be provided to complete the Interconnection Application. The Interconnection Customer will have ten (10) Business Days after receipt of the notice to submit the listed information. The EPS Operator shall have an additional five (5) Business Days to review the additional material and notify the Interconnection Customer that the Interconnection Application is complete. If the Interconnection Customer does not provide the listed information within the deadline, the Interconnection Application will be deemed withdrawn, unless by mutual agreement of the Interconnection Customers and the EPS Operator this deadline is extended.

~~F.E.~~ An Interconnection Application will be deemed complete, not approved, upon the correct submission of all of the listed information or documentation to the EPS Operator.

~~Section 2.06. SECTION 2.4~~

~~Modification of the Interconnection Application~~

~~T.A.~~ At any time, including after receiving Simplified Process, Fast Track, supplemental review, feasibility, system impact, and/or facilities study results, the Interconnection Customer or the EPS Operator may identify modifications to the planned interconnection that may improve ~~the change costs, as provided in the TIR, that may improve~~ costs and benefits (including reliability) of the interconnection, and/or the ability of the EPS Operator to accommodate the interconnection. The Interconnection Customer shall submit to the EPS

Operator, in writing, all proposed modifications to any information provided in the Interconnection Application.

~~U.B.~~ Within ten (10) Business Days of receipt of a proposed modification, the EPS Operator shall evaluate whether a proposed modification constitutes a Material Modification.

~~V.C.~~ If the proposed modification is determined to be a Material Modification, then the EPS Operator shall notify the Interconnection Customer in writing that the Interconnection Customer may: (1) withdraw the proposed modification; or (2) proceed with a new Interconnection Application for such modification. The Interconnection Customer shall notify the EPS Operator of its determination in writing within ten (10) Business Days after being provided the Material Modification determination results. If the Interconnection Customer does not provide its determination, the Interconnection Customer's Application shall be deemed withdrawn.

~~W.D.~~ If the proposed modification is determined not to be a Material Modification, then the EPS Operator shall notify the Interconnection Customer in writing that the modification has been accepted and that the Interconnection Customer shall retain its eligibility for interconnection, including its place in the interconnection queue.

~~X.E.~~ Any dispute as to the EPS Operator's determination that a modification constitutes a Material Modification shall proceed in accordance with ~~Article 10~~ **Article 11** of this Regulation.

~~Y.F.~~ Any modifications to an Interconnection Application not agreed to in writing by the EPS Operator and the Interconnection Customer may be deemed a withdrawal of the Interconnection Application and may require submission of a new Interconnection Application. The EPS Operator shall notify the Interconnection Customer within five (5) Business Days of deeming the Interconnection Application as withdrawn.

SECTION 2.5.

Additional Study for Modification

~~If within the ten (10) Business Day period established in Section 2.4, the EPS Operator determines that additional study is necessary to evaluate whether a proposed modification constitutes a Material Modification, the EPS Operator~~

shall notify the Interconnection Customer in writing of such determination. Such notice shall include:

- (1) a description of the scope of the study required;
- (2) identification of the technical data and information the Interconnection Customer must provide to the EPS Operator to conduct the study; and
- (3) a non-binding good faith estimate of the cost to perform the study.

B. The Interconnection Customer shall have ten (10) Business Days from receipt of the notice described in Section 2.3(3) to return an executed study agreement and submit a deposit in the amount of the EPS Operator's good faith estimated cost. If the Interconnection Customer does not return the executed study agreement and deposit within such period, the proposed modification shall be deemed withdrawn.

C. The Interconnection Customer shall be responsible for the EPS Operator's actual costs for conducting the Material Modification study. The Interconnection Customer must pay any study costs that exceed the deposit within twenty (20) Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the EPS Operator shall return such excess within twenty (20) Business Days of the invoice without interest. The EPS Operator shall complete the Material Modification study and transmit the results to the Interconnection Customer within thirty (30) Business Days

~~after receipt of the executed study agreement, required deposit, and all technical data identified in Section 2.07.~~

D. ~~The study shall evaluate the impact of the proposed modification on the cost, timing, design, or reliability of:~~

- ~~(1) any Interconnection Facilities or Upgrades associated with the Interconnection Application; and~~
- ~~(2) any Interconnection Application with a later Queue Position.~~

E. ~~The Material Modification study results shall include:~~

- ~~(1) the underlying assumptions of the study;~~
- ~~(2) a description of the analyses performed;~~
- ~~(3) the EPS Operator's determination of whether the proposed modification constitutes a Material Modification; and~~
- ~~(4) if the proposed modification is determined to constitute a Material Modification, the basis for such determination, including identification of impacts to cost, timing, design, or reliability.~~

F. ~~Upon completion of the Material Modification study, the provisions of Section 2.07(c), (d), (e), and (f) shall apply based on the EPS Operator's determination. During the pendency of the Material Modification study, the Interconnection Customer shall retain its Queue Position. The time period for the Material Modification study shall not count toward any other timeline or deadline otherwise applicable to the Interconnection Application under this Regulation.~~

~~Section 2.07. SECTION 2.6.~~
Site Control

The Interconnection Application must include evidence of site control ~~over the proposed Interconnection Site~~. Site control may be demonstrated through the following:

- ~~7. Ownership of, a leasehold interest in, or a right to develop a site or sites the Interconnection Site for the purpose of constructing the Distributed Generation System or Microgrid Energy Resource. Documents that show ownership of, a leasehold interest in, or a right to develop a site, listing the Interconnection Site, including a deed, lease, purchase agreement, option, concession, or license, are acceptable. In the case of a leasehold interest, the lease agreement must include, or be accompanied by, acknowledgment or authorization from the property owner granting the lessee the right to develop the Interconnection Site for interconnection purposes.~~ In the case of a Fast Track application, the

Commented [A39]: Clarifies that site control evidence must pertain to the proposed Interconnection Site.

Commented [A40]: A leasehold interest alone does not ensure the property owner has consented to the development of interconnection facilities on the property. Requiring explicit acknowledgment or authorization protects both the EPS Operator and the Interconnection Customer from disputes regarding the scope of the lessee's rights.

applicant may submit a sworn statement from the property owner when the applicant resides there under a lease agreement;

AA.B. An option to purchase or acquire a leasehold ~~site(s) interest in the~~ Interconnection Site for such purpose; or

C. ~~It refers to customers with active electric service account with the public electric system operator.~~

D. ~~In an option-to-purchase agreement for a parcel of land, the signor of the option may later decide not to proceed with the purchase. Therefore, the applicant must either be the owner or the lessee of the land, and the landowner must sign the sworn statement granting permission to install the photovoltaic system on the property, ensuring that the agreement remains valid for a minimum period of five years~~

EE. An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy ~~a site(s) the~~ Interconnection Site for such purpose.

~~Section 2.08.~~ **SECTION 2.7.**
Queue Position

EE.A. The EPS Operator shall assign the Interconnection Application a Queue Position based upon the date and time stamp of when it is deemed complete under Section 2.05.

DD.B. The Queue Position of each Interconnection Application will be used to determine the cost responsibility for the Upgrades required to accommodate the interconnection. ~~The EPS Operator shall maintain a single sequential queue.~~

EE.C. Subject to the provisions of ~~Section 2.02, Section 2.05, Section 2.1, Section 2.3, and Section 2.06, Section 2.4~~ Interconnection Customers shall generally retain the Queue Position assigned to their initial Interconnection Application throughout the review process, including when moving through the processes covered by Article 3, Article 4, and Article 5. Article 3, Article 4, and Article 5. Notwithstanding the foregoing, the EPS Operator may adjust or reassign Queue Positions as necessary to reflect changes in project status, study results, milestone compliance, withdrawal or abandonment of higher-queued applications, cluster study groupings, or other circumstances that materially affect the sequential order of pending Interconnection Applications. The EPS Operator shall notify affected Interconnection Customers of any such adjustment within ten (10) Business Days and shall document the basis for the adjustment in the Interconnection Customer's application record.

Commented [A41]: Uses the newly defined term 'Interconnection Site' and corrects the grammatical error ('listing deed' to 'including a deed').

Commented [A42]: A leasehold interest alone does not ensure the property owner has consented to the development of interconnection facilities on the property. Requiring explicit acknowledgment or authorization protects both the EPS Operator and the Interconnection Customer from disputes regarding the scope of the lessee's rights.

Commented [A43]: Uses the newly defined term 'Interconnection Site' for consistency.

Commented [A44]: Uses the newly defined term 'Interconnection Site' for consistency.

Commented [A45]: The queue should prioritize projects that are ready to move forward, not just those that applied first. Projects keep their place by meeting required milestones, and upgrade costs will be shared or paid in phases according to a process set by the Utility.

Commented [A46]: Same as review timelines for EPS, the timeline for customer may also vary depending on type of project (i.e. Dx vs Tx interconnection, size, etc)

Commented [A47]: Provides operational flexibility for the EPS Operator to adjust queue positions as circumstances change during the review process while ensuring transparency through notice and documentation requirements.

D. Queue Position is not a guarantee of interconnection approval, interconnection timing, or cost allocation. The relative Queue Position of an Interconnection Application may change during the course of review due to, among other things: (i) withdrawal, suspension, or termination of higher-queued Interconnection Applications; (ii) Material Modifications to higher-queued Interconnection Applications that require restudy or result in loss of queue priority; (iii) results of cluster studies or coordinated evaluations that affect the processing order of electrically related projects; (iv) failure of higher-queued Interconnection Customers to meet required milestones, respond to information requests, or execute required agreements within applicable deadlines; (v) reactivation of previously suspended Interconnection Applications; or (vi) other circumstances identified in the Technical Interconnection Requirements.

D.E. If a Distributed Energy Resource Generation System has a prior Queue Position and is now seeking to join or convert to a Microgrid then the prior Queue Position will be abandoned in favor of the Queue Position of the Microgrid. Queue position shall not be transferred to a different proponent, project, or application.

Commented [A48]: Provides transparency to Interconnection Customers regarding the circumstances under which queue positions may change during the review process, addressing operational realities without undermining the queue management system.

**ARTICLE 3. DISTRIBUTED GENERATION SYSTEM ENERGY RESOURCE
SIMPLIFIED PROCESS**

A-SECTION 3.1.
Eligibility

- (1) The Simplified Process is available to Interconnection Customers for inverter-based Distributed ~~Generation Systems~~ Energy Resources with a Nameplate Rating of 50 kW or less, an Export Capacity of 25 kW or less, and who submit the Simplified Interconnection Notification and Agreement.
- (2) ~~To be~~ A proposed Distributed Energy Resource is eligible for the Simplified Process ~~the interconnection must pass the following screens; only if all requirements in this Section are satisfied:~~
- (i) Have a single Point of Common Coupling;
 - (ii) Have a Point of Common Coupling on a radial distribution circuit, or a spot network serving one customer;
 - (iii) Have no more than one service drop;
 - ~~(iv) The system is inverter-based and uses Certified Equipment meeting the applicable standards identified in Article 8 of the TIR.~~
 - ~~(v) The Point of Common Coupling is located on the Distribution System at secondary voltage, including 120/240 V single-phase, 120/208 V three-phase, 277/480 V three-phase, or another secondary voltage expressly permitted by the TIR.~~
 - ~~(vi)~~ (vi) Be certified in accordance with Section 9.02 Article 9 of this Regulation;
 - ~~(v)~~ (vii) Meet the technical requirements in Article 8 Article 9 as well as the codes, standards, and certification requirements of Attachment X of the TIR. Alternatively, if the interconnection varies from those requirements, the EPS Operator may review the design and/or test the interconnection to ensure it is safe to operate.

Commented [A49]: Using only Nameplate Rating for Simplified Process eligibility ensures consistent evaluation and eliminates confusion between capacity metrics.

Commented [A50]: The Simplified Process eligibility criteria are technical—inverter-based technology, capacity limits, distribution system location—and apply to the resource characteristics rather than its classification. Using DER terminology ensures that small inverter-based storage systems and hybrid systems are clearly eligible alongside traditional generation systems. This revision also reflects the prior change consolidating the capacity metric to Nameplate Rating for consistency.

Commented [A51]: Consistent with the restructured DER framework, the Simplified Process applies to eligible Distributed Energy Resources. The technical screening criteria—inverter-based, capacity limits, radial distribution circuit—apply regardless of whether the applicant characterizes the resource as a DGS. Using DER terminology ensures uniform application and avoids suggesting that different resource types require separate simplified processes.

Commented [A52]: Maintaining the single Point of Common Coupling requirement ensures that the Simplified Process screening can properly evaluate system impacts at a defined connection point.

Commented [A53]: Technical eligibility requirements apply to the resource seeking interconnection regardless of its classification. Using DER terminology ensures consistent application across all resource types meeting the technical criteria.

B. SECTION 3.2.

Fees

(1) The Simplified Interconnection Notification and Agreement shall be accompanied by the submittal of a Net Metering Interconnection Notification Fee of \$300 dollars, or an amount subsequently determined as identified through the TIR as approved by the Energy Bureau.

Commented [A54]: Removes customer program terminology from this technical interconnection Regulation.

C. SECTION 3.3.

Timeline

(1)A. Receipt of the Simplified Interconnection Notification and Agreement and the applicable fee will start the process of enrollment for Basic Net Metering described in Section 9.02. Simplified Process for technical interconnection review.

(2)B. The EPS Operator shall review the Interconnection Notice and Agreement within fifteen (15) Business Days after notifying the Interconnection Customer it has received a complete Simplified Interconnection Notification and Agreement. If the interconnection passes the screens described in Article 3.A(2), Section 3.3(2), the EPS Operator shall countersign the Simplified Interconnection Notification and Agreement and provide the executed interconnection agreement to the Interconnection Customer when it provides the results of the screens.

D. SECTION 3.4.

Supplemental Studies Review

(1)A. The EPS Operator at its discretion may conduct a Supplemental Review as described in Section 4.04.C, Section 3.3(1), provided that the Supplemental Review does not impede the review and approval of the Interconnection Notice and Agreement. Should the EPS Operator conduct a Supplemental Review, no Supplemental Study Fees (including deposits) will be charged to Interconnecting Customers utilizing the Simplified Process.

(2)B. Notwithstanding any other provisions of Section 4.04, Section 3.3, if after completion of the Supplemental Review, the EPS Operator determines that the interconnection requires system modifications, including but not limited to restrictions on the amount of power that can be transferred from the Distributed Generation System to the Electric Power System, then the EPS Operator will notify the Interconnecting Customer of the Supplemental Study Review results. Within five (5) Business Days, the Interconnection Customer must inform the EPS Operator if the Interconnection Customer elects to continue. If the Interconnection Customer makes such an election, the EPS Operator shall provide an Interconnection Agreement, along with a non-binding good faith cost estimate and construction schedule for such upgrades,

to the Interconnection Customer within fifteen (15) Business Days after the EPS Operator receives such an election.

(1) In determining what costs of the system modifications are the responsibility of the Interconnecting Customer, the EPS Operator shall use the following criteria:

(i) The fact that the feeder exceeds its capacity [and requires system modifications] shall not constitute an obstacle for the interconnection of photovoltaic or renewable energy systems with a ~~generation capacity~~ Nameplate Capacity that does not exceed 25 kilowatts. In such cases, the necessary improvements and/or changes to be made to the feeder shall be defrayed by the requesting company. ~~(Art. 114 2007)~~

(ii) The costs related to the modifications or improvements, which may be required, will be determined in accordance with the principles of reasonableness, proportionality and benefit received, preventing such costs from being unfairly transferred to all the customers of the electricity system. ~~(Joint Resolution 193)~~

(2) If the Interconnecting Customer disagrees with the cost allocation determined by the EPS Operator, the Interconnecting Customer may ~~request an Administrative Review by the Energy Bureau as provided for in Section 13.02.~~ proceed as provided in Article 11.

ARTICLE 4. DISTRIBUTION SYSTEM FAST TRACK PROCESS

~~Section 4.01.~~SECTION 4.1.
Applicability and eligibility requirements

~~KK.A.~~ The Fast Track Process is available to an Interconnection Customer proposing to interconnect a Distributed Energy Resource, including a Distributed Generation System or Microgrid, with the Distribution System if the proposed interconnection does not exceed the size limits and other eligibility requirements identified in this ~~Section 4.01.~~ ~~Section 3.3.~~ However, eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that an Interconnection Application will pass the Fast Track screens ~~in Section 4.02~~ ~~under Section 3.3~~ or the supplemental review ~~screens in Section 4.04~~ ~~under Section 3.3~~. The Fast Track Process is not applicable to projects utilizing the Simplified Process.

~~B.~~SECTION 4.2.
Fast Track Eligibility

~~A.~~ An Interconnection Application is eligible for Fast Track if the proposed interconnection includes:

- (1) A single Point of Common Coupling, ~~consistent with Section 1.6;~~
- (2) A Point of Common Coupling on a radial distribution circuit, or a spot network serving one customer;
- (3) No more than one service drop;
- (4) Only certified Distributed Generation Systems certified in accordance with ~~Section 8.02~~ ~~Section 8.2~~ of this Regulation; and
- (5) Has ~~an Export Capacity~~ a Nameplate Rating that does not exceed the limits defined in ~~Table 1~~ Table 1 below.

Commented [A55]: The Fast Track Process heading is updated for consistency; the underlying technical screens and processes apply to all eligible DER. No separate Fast Track pathway exists for Microgrids—they are evaluated through the same screening process as all DER based on their technical characteristics at the Point of Common Coupling.

Commented [A56]: The EPS Operator's interconnection processing experience confirms that Fast Track eligibility is determined by technical criteria—capacity limits, voltage levels, certified equipment—rather than resource classification. A Microgrid meeting the Fast Track eligibility requirements proceeds through the same screening process as any other DER; no separate pathway or additional requirements apply based on classification. This unified approach reflects the technical reality that IEEE Std 1547-2018 applies identical interconnection requirements regardless of whether a DER includes microgrid functionality. The explicit inclusion of Microgrids eliminates any ambiguity that they require separate processing.

Commented [A57]: Cross-referencing the Applicability section reinforces that the single Point of Common Coupling requirement applies consistently across all interconnection processes.

Commented [A58]: Using Nameplate Rating for Fast Track eligibility ensures the EPS Operator evaluates the full installed capacity for process assignment.

Table 1- ~~Export Capacity~~ **Nameplate Rating** for Fast Track Eligibility
(1) _____

Capacity Requirements by type of Proposed DER and/or Process Eligibility	
Process	Nameplate Rating
<u>Simplified</u>	<u>≤ 25 kW</u>
<u>Fast Track</u>	<u>< 200 kW</u>
<u>Study</u>	<u>≥ 200kW</u>

Additional criteria for the fast-track process of DER evaluation with Nameplate Rating capacity at or above 200 kW	
Line Voltage	Maximum feeder length/Distance from the substation to the delivery point
<u>< 5 kV</u>	<u>0.5 mi</u>
<u>> 5 kV and < 10 kV</u>	<u>1.5 mi</u>
<u>> 10 kV and < 15 kV</u>	<u>2.0 mi</u>
<u>> 15 kV</u>	<u>2.5 mi</u>

Table 1: Capacity for Fast Track Eligibility

Line Voltage	Nameplate Rating Regardless of Location	Export Capacity	Distance
<u>< 5 kV</u>	<u>≤ 25 kW</u>	<u>≤ 10 kW</u>	<u>0.5 mi</u>
<u>< 5 kV and < 10 kV</u>	<u>≤ 50010 kW</u>	<u>≤ 25 kW</u>	<u>1.5 mi</u>
<u>≥ 510 kV and < 15 kV</u>	<u>≤ 5 MW</u>	<u>≤ 1 MW</u>	<u>2.0 mi</u>
<u>≥ 15 kV</u>	<u>≤ 20 MW</u>	<u>≤ 5 MW</u>	<u>2.5 mi</u>

G.B. _____ In addition to the requirements of ~~Section 4.01~~, this **3003.3** the proposed interconnection must meet the technical requirements in the TIR document, which will include the applicable codes, standards, and certification requirements. Alternatively, if the proposed interconnection varies from those requirements, the

Commented [A59]: Renaming the table to Nameplate Rating ensures consistency with the requirement that all technical evaluations use installed capacity.

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EPS Operator may review the design and/or test the proposed interconnection to ensure it is safe to operate.

~~Section 4.02.~~SECTION 4.3.
Initial Review.

~~A.A.~~ Screening Timeline

The EPS Operator shall perform an initial review of the Interconnection Application using the Fast Track screens set forth below and shall notify the Interconnection Customer of the initial review results, and include with the notification copies of the analysis and data underlying the EPS Operator’s determinations under the screening requirements.

- (1) For Interconnection Customers using the Interconnection Application, the EPS Operator shall provide these results within fifteen (15) Business Days after notifying the Interconnection Customer it has received a complete Interconnection Application.

~~B.B.~~ Fast Track Screens:

- (1) For interconnection to a distribution circuit, the aggregated ~~Export Capacity~~~~Nameplate Rating~~, including the proposed ~~Distributed Generation System or Microgrid~~~~Distributed Energy Resource~~, on the circuit shall not exceed fifteen percent (15%) of the line section annual peak load as most recently measured at the substation. A line section is that portion of the Distribution System connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line. ~~This screen does not apply to a Non-Exporting Distributed Generation System or Non-Exporting Microgrid, or existing facilities proposing to add no new Export Capacity.~~
- (2) For interconnection to the load side of spot network protectors, the proposed interconnection must utilize an inverter-based equipment package and, the Nameplate Rating of the Distributed Generation System or Microgrid, together with the aggregated other inverter-based generation, shall not exceed the smaller of five percent (5%) of a spot network’s maximum load or ~~5025kW~~ kW.²
- (3) The Nameplate Rating of the proposed Distributed Generation System or Microgrid, in aggregate with the Nameplate Rating of other generation on the distribution circuit, shall not contribute

²A spot network is a type of distribution system found within modern commercial buildings to provide high reliability of service to a single customer. See STANDARD HANDBOOK FOR ELECTRICAL ENGINEERS, 11th Edition, Donald Fink, McGraw-Hill Book Company.

over ten percent (10%) to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed Point of Common Coupling. The EPS Operator may allow ~~Generating Facilities~~Distributed Generation System or Microgrids with a Nameplate Rating of ~~5025 kW~~ kW or less to skip this screen.

- (4) The Nameplate Rating of the proposed Distributed Generation System or Microgrid, in aggregate with the Nameplate Rating of other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed ninety ~~percent~~ (90%) of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds ninety percent (90%) of the short circuit interrupting capability. ~~The proposed interconnection shall not cause any EPS or Interconnection Customer protective device or equipment to exceed the applicable short-circuit interrupting-duty limit established in the Energy Bureau approved TIR.~~ The EPS Operator may allow ~~Generating Facilities~~Distributed Generation System or Microgrids with a Nameplate Rating of ~~5025~~ kW or less to skip this screen.

- (5) Using the applicable criteria in the TIR, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnection Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on the EPS due to a loss of ground during the operating time of any anti-islanding function.

This screen does not apply to ~~Generating Facilities~~Distributed Generation System or Microgrids with a Nameplate Rating of ~~5025~~ kW or less.

- (6) If the proposed interconnection is on single-phase shared secondary, the aggregate ~~Export Capacity~~Nameplate Rating on the shared secondary, including the proposed Distributed Generation System or Microgrid, shall not exceed sixty five percent (65%) of the transformer nameplate ~~rating~~.
- (7) If the proposed interconnection is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of over 20% of the nameplate power rating of the service transformer.

Commented [A60]: Referencing the Energy Bureau-approved TIR ensures that short-circuit interrupting-duty limits are applied consistently with the technical standards adopted for the Electric Power System.

Commented [A61]: Using Nameplate Rating for the transformer capacity screen ensures the transformer is properly sized for the full installed generation capacity.

- (8) The Nameplate Rating of the Distributed Generation System or Microgrid, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Microgrid proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (*e.g.*, three (3) or four (4) transmission busses from the Point of Common Coupling).

C. SECTION 4.4.

Notifications and Execution of Applicable Agreements

A. —If the proposed interconnection passes the screens, or if the proposed interconnection fails the screens, but the EPS Operator determines, consistent with Prudent Utility Practice, that the proposed interconnection may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Interconnection Application shall proceed as follows:

- (1) If the proposed interconnection requires no construction of facilities on the Electric Power System, the EPS Operator shall provide the Interconnection Customer with an executed Interconnection Agreement within fifteen (15) Business Days after the determination.
- (2) If the proposed interconnection requires only Minor System Modifications, the EPS Operator shall notify the Interconnection Customer of such requirement when it provides initial review results and copies of the analysis and data underlying the determinations under the screens. Within five (5) Business Days, the Interconnection Customer must inform the EPS Operator if the Interconnection Customer elects to continue the Application. If the Interconnection Customer makes such an election, the EPS Operator shall provide an Interconnection Agreement, along with a non-binding good faith cost estimate and construction schedule for such upgrades, to the Interconnection Customer within thirty (30) Business Days after the EPS Operator receives such an election.
- (3) If the proposed interconnection requires more than Minor System Modifications, the EPS Operator shall notify the Interconnection Customer of such requirement when it provides the initial review results and copies of the analysis and data underlying the screen determinations. Within five (5) Business Days, the Interconnection Customer must inform the EPS Operator if the Interconnection Customer elects to proceed with the proposed interconnection. If the Interconnection Customer makes such an election, the EPS

Commented [A62]: Adding "consistent with Prudent Utility Practice" provides EPS Operator with appropriate discretion in making technical interconnection determinations based on industry-accepted standards.

Operator may elect to (i) provide an Interconnection Agreement, along with a non-binding good faith cost estimate and construction schedule for such upgrades, within forty (40) Business Days after the EPS Operator receives such an election or (ii) notify the Interconnection Customer that an interconnection facilities study must be performed pursuant to ~~Section 5.05, Section 5.10~~, and provide a facilities study agreement within ten (10) Business Days after the EPS Operator receives such an election.

- (4) If the proposed interconnection fails the screens, and the EPS Operator cannot determine from the initial review, consistent with Prudent Utility Practice, that the proposed interconnection may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer considers minor modifications or further study, the EPS Operator shall provide the Interconnection Customer with the opportunity to attend the customer options meeting in ~~Section 4.03, Section 4.5~~ of this Regulation.

- (5) When notifying the Interconnection Customer that an Interconnection Application has failed one or more of the Fast Track screens, the EPS Operator shall provide: (1) identification of the specific screen or screens that the Interconnection Application failed; (2) the data and calculations used in evaluating each failed screen, including the relevant system parameters, load data, and penetration levels; (3) an explanation of why the Interconnection Application failed each screen; and (4) if known, a description of any modifications to the proposed Distributed Energy Resource that could allow the Interconnection Application to pass the screen or proceed through the Supplemental Review.

~~Section 4.03, SECTION 4.5~~ Customer Options Meeting

~~PP-A~~ If the EPS Operator determines the Interconnection Application cannot be approved without (1) a ~~supplemental study~~ Supplemental Review or other additional studies or actions or (2) incurring significant cost to address safety, reliability, or power quality problems, the EPS Operator shall notify the Interconnection Customer of that determination and provide a detailed explanation supporting its conclusion.

~~QQ-B~~ If requested by the Interconnection Customer, within ten (10) Business Days of the EPS Operator's determination, the EPS Operator shall convene a customer options meeting with the Interconnection Customer and the EPS Operator.

Commented [A63]: Adding "consistent with Prudent Utility Practice" ensures the EPS Operator's determination is evaluated against industry-accepted standards rather than subjective criteria.

Commented [A64]: Transparent screen results enable Interconnection Customers to understand the basis for screen failures and to make informed decisions about modifications or further review.

Commented [A65]: "Supplemental study" is not a defined term; replacing with the defined term "Supplemental Review" (Section 1.11(68)) ensures consistency throughout the Regulation.

~~RR.C.~~ At the customer options meeting, the Parties shall review the screen analysis and related results, possible Distributed ~~Generation System or Microgrid~~Energy Resource modifications, and determine what further steps are needed to permit the safe and reliable interconnection.

~~SS.D.~~ At the time of notification of the EPS Operator’s determination, or at the customer options meeting, the EPS Operator shall:

~~(1)(6)~~ Offer to perform a supplemental review in accordance with ~~Section 4.04~~ Section 4.6 and provide a non-binding good faith estimate of the costs of such review; or

~~(2)(7)~~ Obtain the Interconnection Customer’s agreement to continue evaluating the Interconnection Application under the Study Process in ~~Article 5~~ Section 5.

~~Section 4.04~~SECTION 4.6. Supplemental Review

~~TT.A.~~ To accept the offer of a supplemental review, the Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of the EPS Operator’s good faith estimate of the costs of such review, both within fifteen (15) Business Days of the offer. If only the written agreement, but not the deposit, has been received by the EPS Operator within that timeframe, the Interconnection Application shall continue to be evaluated under the ~~Article 5~~ Article 5 Study Process unless it is withdrawn by the Interconnection Customer. If the deposit is not received within 90 Business Days from the date of submission of the written agreement, the application is deemed withdrawn.

~~UU.B.~~ Interconnection Customers submitting an Interconnection Application shall be responsible for the EPS Operator’s actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within twenty (20) Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the EPS Operator will return such excess within twenty (20) Business Days of the invoice without interest. Interconnection Customers eligible for the Simplified Process shall not be responsible for any of the EPS Operator’s costs for conducting the supplemental review.

~~VV.C.~~ Within thirty (30) Business Days following receipt of the deposit for a supplemental review, the EPS Operator shall (1) perform a supplemental review using the screens set forth below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the determinations under the screens.

Commented [A66]: We propose substituting this Section 4.6 with the following:

SECTION 4.6. Supplemental Review

A. To accept the offer of a supplemental review, the Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of the EPS Operator’s good faith estimate of the costs of such review, both within fifteen (15) Business Days of the offer. If only the written agreement, but not the deposit, has been received by the EPS Operator within that timeframe, the Interconnection Application shall continue to be evaluated under the Article 5 Study Process unless it is withdrawn by the Interconnection Customer. If the deposit is not received within 90 Business Days from the date of submission of the written agreement, the application is deemed withdrawn.

B. Interconnection Customers submitting an Interconnection Application shall be responsible for the EPS Operator’s actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within twenty (20) Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the EPS Operator will return such excess within twenty (20) Business Days of the invoice without interest. Interconnection Customers eligible for the Simplified Process shall not be responsible for any of the EPS Operator’s costs for conducting the supplemental review.

C. Within thirty (30) Business Days following receipt of the deposit for a supplemental review, the EPS Operator shall (1) perform a supplemental review using the screens set forth below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the determinations under the screens.

(1) Minimum Load Screen. The EPS Operator may use minimum load or Daytime Minimum Load as an engineering screen only in accordance with the methodology established in the Energy Bureau-approved Technical Interconnection Requirements. For solar photovoltaic systems without energy storage, the applicable minimum load shall correspond to the daytime production period. For battery energy storage systems, hybrid systems, microgrids, or other DER technologies, the applicable minimum load shall correspond to the proposed Operating Profile and approved Nameplate Rating. Estimated or modeled minimum load shall not be used unless the EPS Operator documents the data source, assumptions, calculation method, and applicable safety margin.

(2) Power Flow and Voltage Screen. The EPS Operator shall determine whether the proposed interconnection, together with existing and higher-queued DERs, may cause unacceptable voltage rise, voltage deviation, voltage regulator operation, thermal loading, reverse power flow, phase imbalance, or other system impacts under the applicable loading and generation conditions.

(3) Protection and Safety Screen. The EPS Operator shall determine whether the proposed interconnection may affect protection coordination, exceed interrupting capability, create or contribute to an Unintentional Island, require non-routine protection modifications, affect grounding, or create an unacceptable overvoltage or safety condition.

(4) Power Quality Screen. The EPS Operator shall determine whether the proposed interconnection may cause rapid voltage changes, flicker, harmonics, DC injection, imbalance, or other power quality impacts outside the limits established in the Technical Interconnection Requirements.

(5) Mitigation Review. The EPS Operator may evaluate whether the identified impacts can be resolved through approved smart inverter settings, verified Nameplate Rating, operating limits, phase balancing, equipment settings, Minor System Modifications, or other mitigation measures permitted by the Technical Interconnection Requirements.

D. System modifications or upgrades identified during Supplemental Review shall not be presumed to be minor, required, or automatically available solely because they may allow the proposed interconnection to proceed. The EPS Operator shall determine whether any proposed modification is technically feasible, limited in scope, constructible, consistent with prudent utility practice, and capable of being implemented without adversely affecting safety, reliability, power quality, protection coordination, operational flexibility, other customers, or higher-queued Interconnection Application...

- (1) ~~Minimum Load Screen:~~ Where 12 months of line section minimum load data (including Host Load but not station service load served by the proposed Distributed Generation System or Microgrid Energy Resources) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate ~~Export Capacity of the Generating Facilities~~ Nameplate Rating on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed interconnection. If minimum load data is not available, or cannot be calculated, estimated or determined, the EPS Operator shall include the reason(s) that it is unable to calculate, estimate or determine minimum load in its supplemental review results notification under Section 4.04.D. ~~This screen does not apply to a Non-Exporting Distributed Generation System or Non-Exporting Microgrid, or existing facilities proposing to add no new Export Capacity.~~ Section 4.04.D
- (2) ~~Type of generation:~~ The type of generation used by the proposed interconnection will be considered when calculating, estimating, or determining circuit or line section minimum load relevant for applying screening requirements of Section 4.04.C(1). Section 4.04.D Solar photovoltaic (PV) generation systems with no Energy Storage use daytime minimum load (i.e., 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load. The EPS Operator shall apply this screen using the ~~Operating Profile~~ Nameplate Rating and system design designated in the Interconnection Application. ~~For example, the EPS Operator shall evaluate the maximum Export Capacity only during the hours of the day designated by the customer as operational, and shall consider any export controls that comply with Section 7.09.~~
- (i) ~~Only the net injection of power into the EPS will~~ Nameplate Rating shall be considered as part of the ~~used for determining aggregate Export Capacity~~ generation capacity on the line section.
- (ii) For the purposes of this screen, the EPS Operator will not consider as part of the aggregate ~~Export Capacity~~ Nameplate Rating any existing ~~Export Capacity~~ generation capacity already reflected in the minimum load data.
- (iii) Although export will not be considered, load reducers that are applying to interconnect, that do not export, will be considered to effectively reduce circuit or circuit section load by the amount of load the generator is displacing.

- (3) ~~Voltage and Power Quality Screen:~~ In aggregate with existing generation on the line section: (1) the voltage regulation on the line section can be maintained in compliance with requirements under all system conditions; (2) the voltage fluctuation, including Rapid Voltage Change is within acceptable limits as defined by Institute of Electrical and Electronics Engineers (IEEE) Standard 1453 or Standard 1547-2018, or utility practice similar to IEEE Standard 1453 or Standard 1547-2018; ~~and its subsequent amendments;~~⁴
- (4) ~~Safety and Reliability Screen:~~ The location of the proposed interconnection and the aggregate generation on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of the Study Process. The EPS Operator shall consider the following and other factors in determining potential impacts to safety and reliability in applying this screen:
- (i) ~~Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).~~
 - (ii) ~~Whether the loading along the line section is uniform or even.~~
 - (iii) ~~Whether the proposed interconnection is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles), and whether the line section from the substation to the Point of Common Coupling is a Mainline rated for normal and emergency ampacity.~~
 - (iv) ~~Whether the proposed interconnection reduces operational flexibility, such that transfer of the line section(s) of the Distributed Generation System or Microgrid Energy Resource to a neighboring distribution circuit/substation may trigger overloads or voltage issues.~~
 - (v) ~~Whether the proposed interconnection employs equipment or systems certified by recognized standards organization to~~

³ Voltage fluctuation and harmonics limits are both addressed by IEEE 1547-2018. However, until full adoption of IEEE 1547-2018 is complete, IEEE 1453 and IEEE 519 may be used for the respective requirements. Equipment tested to comply with the updated harmonics requirements of IEEE 1547-2018 will not be available until approximately 18 months or more after publication of the revision of IEEE 1547.1.

⁴ Voltage fluctuation and harmonics limits are both addressed by IEEE 1547-2018. However, until full adoption of IEEE 1547-2018 is complete, IEEE 1453 and IEEE 519 may be used for the respective requirements. Equipment tested to comply with the updated harmonics requirements of IEEE 1547-2018 will not be available until approximately 18 months or more after publication of the revision of IEEE 1547.1.

~~address technical issues such as, but not limited to, islanding, reverse power flow, or voltage quality.~~

~~WW.D. If the proposed interconnection passes the supplemental screens in Section 4.04.C, Section 4.04.C above, or if the proposed interconnection fails the screens, but the EPS Operator determines, consistent with Prudent Utility Practice, that it may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the interconnection shall proceed as follows:~~

- ~~(1) If the proposed interconnection passes the supplemental screens in Sections Section 4.04.C Section 4.04.C and does not require construction of facilities on the Electric Power System, the EPS Operator shall provide the Interconnection Customer an executed Interconnection Agreement at the time it provides the supplemental review results in accordance with the timeline in Section 4.04.C, Section 4.04.C. If using the Simplified Process, the EPS Operator shall countersign the Simplified Interconnection Notification and Agreement and provide the fully executed interconnection agreement to the Interconnection Customer at the same time it provides the supplemental review results.~~
- ~~(2) If the proposed interconnection requires only Minor System Modifications, the EPS Operator shall notify the Interconnection Customer of such requirement when it provides supplemental review results. Within five (5) Business Days, the Interconnection Customer must inform the EPS Operator if the Interconnection Customer elects to continue. If the Interconnection Customer makes such an election, the EPS Operator shall provide an Interconnection Agreement, along with a non-binding good faith cost estimate and construction schedule for such upgrades, to the Interconnection Customer within fifteen (15) Business Days after the EPS Operator receives such an election.~~
- ~~(3) If the proposed interconnection requires more than Minor System Modifications, the EPS Operator shall notify the Interconnection Customer of such requirement when it provides the supplemental review results. Within five (5) Business Days, the Interconnection Customer must inform the EPS Operator if the Interconnection Customer elects to proceed with the proposed interconnection. If the Interconnection Customer makes such an election, the EPS Operator may elect to (i) provide an Interconnection Agreement, along with a non-binding good faith cost estimate and construction schedule for such upgrades, within twenty (20) Business Days after the EPS Operator receives such an election or (ii) notify the Interconnection Customer that an interconnection facilities study must be performed pursuant to Section 5.05, Section 5.1, and~~

Commented [A67]: Adding "consistent with Prudent Utility Practice" provides EPS Operator with appropriate discretion in making technical interconnection determinations following Supplemental Review.

provide a facilities study agreement within ten (10) Business Days after the EPS Operator receives such an election.

~~XX.E.~~ If the proposed interconnection fails the screens, and the EPS Operator does not or cannot determine, consistent with Prudent Utility Practice, that it may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer will consider minor modifications or further study, the EPS Operator shall provide the customer the option of commencing the Study Process in ~~Article 5.~~ Article 5. If the Interconnection Customer wishes to proceed it shall notify the EPS Operator within fifteen (15) Business Days to retain its queue position.

ARTICLE 5. STUDY PROCESS

~~Section 5.01.~~SECTION 5.1.
Purpose

The Study Process shall be used by an Interconnection Customer proposing to interconnect with the EPS if the Interconnection Application (1) is not eligible for Fast Track Process, or (2) did not pass the Fast Track Process. The Study Process is not applicable to projects utilizing the Simplified Process. The size (capacity) of the Distributed Generation System should not be larger than the interconnection (load) transformer.

~~Section 5.02.~~SECTION 5.2.
Scoping Meeting.

~~YY.A.~~ The purpose of the scoping meeting is to discuss the Interconnection Application and review existing studies relevant to the Interconnection Application. The Parties shall further discuss whether the EPS Operator should perform a feasibility study, or proceed directly to a system impact study or studies, a facilities study, or an Interconnection Agreement. If the EPS Operator and Interconnection Customer determine there is no potential for adverse system impacts, the Interconnection Customer shall proceed directly to a facilities study or an executable Interconnection Agreement, as agreed to by the Parties

~~ZZ.B.~~ A scoping meeting shall be held within fifteen (15) Business Days after the Interconnection Application is deemed complete and, if applicable, the Fast Track Process has been completed. The EPS Operator and the Interconnection Customer will bring the relevant personnel to the meeting, including system engineers and others that may be required to accomplish the purpose of the meeting.

~~AAA.C.~~ The scoping meeting may be waived by agreement of the Parties.

Commented [A68]: Adding "consistent with Prudent Utility Practice" ensures the EPS Operator's determination is evaluated against industry-accepted standards.

SECTION 5.3.

Distributed Generation System Cluster Study

- A. The DER Cluster Study process shall provide a coordinated engineering evaluation of two or more proposed or existing Distributed Energy Resource facilities that are electrically related and whose aggregate operation may result in cumulative impacts on the Electric Power System that cannot be adequately evaluated through individual interconnection reviews.
- B. The EPS Operator shall initiate or require a DER Cluster Study when the aggregate DER capacity connected to, or proposed for, an applicable feeder or line section equals or exceeds fifteen percent (15%) of the annual peak load of that feeder or line section. The fifteen percent (15%) threshold shall serve as a screening trigger for coordinated evaluation and shall not, by itself, constitute a hosting capacity limit, an automatic denial, or a determination that additional system upgrades are required.
- C. A DER Cluster Study may also be required below the fifteen percent (15%) threshold when system conditions, project concentration, feeder configuration, voltage performance, protection requirements, reverse power flow, thermal limitations, or other engineering considerations indicate that cumulative impacts may be significant.
- D. The DER Cluster Study shall include, as applicable, existing DERs, pending interconnection applications with a higher or equal queue priority, and proposed DERs located on the same feeder, line section, substation, or other electrically related portion of the EPS. The EPS Operator shall define the Cluster Study Area based on electrical configuration and expected cumulative impact rather than geographic proximity alone.
- E. The DER Cluster Study shall evaluate, as applicable:
- (i) thermal loading
 - (ii) voltage performance
 - (iii) reverse power flow
 - (iv) protection coordination
 - (v) fault current contribution
 - (vi) power quality
 - (vii) daytime minimum load conditions
 - (viii) peak-load conditions
 - (ix) smart inverter performance and;

(x) required Distribution Upgrades

- F. The study shall identify whether each participating project may be approved as proposed, approved with operating conditions or minor modifications, required to fund or participate in system upgrades, or transferred to an individual or more detailed study process.
- G. The completion of a DER Cluster Study shall not, by itself, approve or deny any individual Interconnection Application. Each application shall receive an individual determination based on the cluster results, its queue position, its contribution to identified impacts, and compliance with the Regulation and the TIR.
- H. The fifteen percent (15%) penetration value is used as the point at which the cumulative effect of DER on a feeder should be considered through coordinated evaluation. It is not treated as a conclusive hosting-capacity limit because actual interconnection capability also depends on minimum load, feeder topology, voltage performance, protection, transformer capability, smart inverter behavior, and the location and operating profile of the DER facilities. The Cluster Study therefore begins with the fifteen percent (15%) threshold but relies on the TIR for the detailed engineering methodology needed to determine actual system impacts and feasible mitigation.
- I. The TIR shall establish the detailed clustering criteria, calculation method for the fifteen percent (15%) threshold, required models and data, study assumptions, study scenarios, technical acceptance criteria, mitigation hierarchy, cost allocation methodology, restudy requirements, and timelines applicable to the DER Cluster Study process.

SECTION 5.4.

Coordination of Local Minimum Technical Requirements (MTRs) and IEEE Std 2800

The technical assessment framework for transient verification, plant performance macro-modeling, and full-through simulation for the Facility shall align with EPS Operator Minimum Technical Requirements (MTRs) and IEEE Std 2800 (Standard for Interconnection and Interoperability of Inverter-Based Resources Interconnecting with Associated Transmission Systems).

- (1) Interconnection Scale Applicability: This alignment framework is mandatory for all transmission-connected assets, including both Transmission-Connected Mid-Scale IBRs (1 MW to 5 MW) and Transmission-Connected Large-Scale IBRs (> 5 MW). Both asset classifications require identical high-fidelity validation and performance compliance checks when interconnecting directly to transmission network nodes (115 kV or 230 kV).
- (2) Jurisdictional Precedence: The specific localized engineering parameters, baseline physical boundaries, and design thresholds

established within EPS Operator Minimum Technical Requirements (MTRs) constitute the mandatory compliance criteria for project approval. Wherever localized grid stability requirements or equipment constraints within EPS Operator MTRs specify more restrictive metrics than the default provisions of IEEE Std 2800 (such as localized fault-clearing windows, narrow overvoltage ride-through parameters, or physical grounding architecture), the local MTR provisions dictate the engineering and performance baseline for design verification and final Interconnection Facilities approval.

SECTION 5.5. **Transmission-Connected Mid-Scale IBRs (1 MW to 5 MW) Winding and Grounding Configurations**

For all Inverter-Based Resources (IBRs) with an aggregate capacity between 1 MW and 5 MW interconnecting directly to the transmission system (115 kV or 230 kV nodes), the high-side winding configuration and grounding assets shall be determined based on system topology and the results of the Interconnection Study:

- (1) Networked Transmission Nodes: If the Interconnection Study determines the 1-5 MW facility connects to a networked transmission with a high-side zero-sequence ground source (via a grounded-wye winding or a supplemental grounding transformer) is required. This configuration ensures that if the facility becomes isolated or islanded during a disturbance, an effective ground remains active to isolate zero-sequence components, provide third-harmonic filtering, and prevent protection blindness on utility-side ground devices. If a grounded wye-grounded wye configuration is utilized, a buried delta tertiary stabilizing winding is required.
- (2) Radial Transmission Nodes: An ungrounded high-side delta connection may be utilized if the facility connects to a strictly radial transmission segment. However, if the Interconnection Study or utility evaluation identifies that the effective grounding status of that radial segment is unknown, unverified, or prone to isolation overvoltages, the Developer shall be required to design, fund, and integrate an appropriately sized high-side Grounding Transformer (Zig-Zag or Grounded Wye-Delta) to clamp transient surges within standard equipment tolerances.

SECTION 5.6.
Transmission-Connected Large-Scale IBRs (> 5 MW) Winding and Grounding Configurations

For all IBR systems with an aggregate capacity greater than 5 MW interconnecting directly to transmission system network nodes (115 kV or 230 kV):

- (1) Winding Configuration Requirements: The Developer's main step-up transformer requires an interconnection configuration featuring a grounded-wye winding on the high-side (transmission side) to establish a permanent zero-sequence ground source. This setup is necessary to mitigate Transient Overvoltage (TOV) conditions during system ground faults or sudden fault isolation events. For configurations using grounded wye-grounded wye designs, an integrated buried delta tertiary winding is required to suppress harmonic distortions.
- (2) Alternative Grounding Transformer Integration: In project-specific engineering applications where an ungrounded high-side delta connection is utilized on a radial segment, or where the Interconnection Study indicates that network parameters cannot guarantee a continuous effective ground during all switching configurations, the Developer is required to design, fund, and integrate an appropriately sized high-side Grounding Transformer (Zig-Zag or Grounded Wye-Delta) to protect utility infrastructure from fault-induced overvoltages.

Section 5.03-SECTION 5.7.
Feasibility Study.

~~BBB.A.~~ A feasibility study shall be conducted only upon the request of the Interconnection Customer. The EPS Operator shall not require a feasibility study.

~~CCC.B.~~ If the EPS Operator determines a feasibility study is necessary, the EPS Operator shall perform a feasibility study; the EPS Operator shall provide the Interconnection Customer, as soon as possible, but not later than five (5) Business Days after the scoping meeting, a feasibility study agreement ~~in~~ the form proposed by the EPS Operator and approved by the Energy Bureau.

~~DDD.C.~~ If the scoping meeting is omitted but the Parties agree that the EPS Operator should conduct a feasibility study, the EPS Operator shall provide the Interconnection Customer a feasibility study agreement within ten (10) Business Days after the Interconnection Application is deemed complete and, if applicable, the Fast Track Process has been completed. If the Interconnection Customer decides not to proceed with the feasibility study the Interconnection Application will be considered withdrawn.

~~EEE.D.~~ The scope of and cost responsibilities for the feasibility study are described in the attached feasibility study agreement (Attachment X of the TIR). The feasibility study agreement shall specify that the Interconnection Customer is responsible for the actual cost of the feasibility study and require the Interconnection Customer to include with the signed agreement certain technical data identified in (Attachment X of the TIR) to the Feasibility Study Agreement (Attachment X of the TIR). The EPS Operator will be required to make an upfront full payment of the cost of the study. A true up cost will be done at the end of the study.

~~FFF.E.~~ If an Interconnection Customer requests that the feasibility study evaluate multiple potential Points of Common Coupling, any additional evaluations shall be paid for by the Interconnection Customer.

~~GGG.F.~~ To remain in consideration for interconnection, an Interconnection Customer must return the executed feasibility study agreement and pay the required study deposit within five (5) Business Days.

~~HHH.G.~~ The feasibility study shall consider a base case,⁵ as well as all Distributed Generation Systems and Microgrid Energy Resource (and any identified Network Upgrades) that, on the date the study commenced: (i) are directly interconnected to the EPS; (ii) have a pending higher or lower queued Interconnection Application depending on the geographical location of the project; and (iii) have no Queue Position but have executed an Interconnection Agreement. The feasibility study will consist of a power flow and short circuit analysis. The feasibility study shall ~~consider the proposed interconnection's Export Capacity, design, and operating characteristics and study the project according to how it is proposed to be operated if~~ evaluate the proposed interconnection ~~complies with Section 7.09, uses devices tested to national standards, and is approved by the EPS Operator based on its Nameplate Rating, regardless of any proposed export limitations pursuant to Section 7.10, to ensure the Electric Power System is adequately protected and sized for the full installed generating capacity.~~

~~HHH.I.~~ A feasibility study report shall be completed and transmitted to the Interconnection Customer within forty (40) Business Days after the feasibility study agreement is signed by the Parties. The feasibility study report shall identify any potential adverse system impacts that would result from the interconnection as proposed, including but not limited to:

- (1) Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

⁵ Base case means the power flow, short circuit, and stability data reflecting the current system conditions.

- (2) Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
- (3) Initial review of grounding requirements per IEEE C62.92.6 for inverter-based systems, and electric system protection; and
- (4) Description and non-binding good faith estimated cost and construction schedule of facilities required to interconnect and to address the identified short circuit and power flow issues, including identification of potential increased expenses due to location, Distribution System assets, or other relevant factors. Good faith cost estimates provided in each instance should be itemized and break down costs by equipment, labor and other cost categories. They should also provide the components for direct, indirect, and other identified cost categories.

~~HHH.L~~ The EPS Operator may not require a system impact study when the feasibility study concludes there is no adverse system impact, or when the study identifies an adverse system impact, but the EPS Operator is able to identify a remedy without the need for a system impact study.

~~Section 5.04~~ **SECTION 5.8.**
System Impact Study.

~~KKK.A~~ A system impact study shall identify and detail the incremental EPS impacts that would result if the proposed Distributed ~~Generation System or Microgrid Energy Resource~~ interconnected without project modifications or EPS modifications, and study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the EPS based on the Nameplate Rating, regardless of any proposed export limitations. This may include evaluation of impacts to portions of the EPS within the boundaries of a Microgrid. A system impact study shall consider all ~~Generating Facilities~~ and Microgrids Distributed Energy Resource (and any identified Network Upgrades) that, on the date the study commenced: (i) are directly interconnected to the EPS; (ii) have a pending higher queued Interconnection Application; and (iii) have no Queue Position but have executed an Interconnection Agreement. The system impact study shall ~~consider the proposed interconnection's Export Capacity, design, and operating characteristics and study the project according to how it is proposed to be operated if evaluate~~ the proposed interconnection complies with Section 7.09, uses devices tested to national standards, or is approved by the EPS Operator based on its Nameplate Rating to ensure all upgrades, protection coordination, and system modifications are sized for the full installed generating capacity.

Commented [A69]: "Generating Facilities" is undefined; conforming to the defined "Distributed Energy Resource" avoids ambiguity and matches the operative pairing used throughout the Regulation.

~~LLL.B.~~ The EPS Operator shall provide the Interconnection Customer a system impact study agreement (Attachment X of the TIR) according to the following timeline:

- (1) In tandem with the results of the Interconnection Customer's feasibility study.
- (2) If the feasibility study is omitted, as soon as possible, but not later than five (5) Business Days after the scoping meeting.
- (3) If the scoping meeting and feasibility study are omitted, within ten (10) Business Days after the Interconnection Application is deemed complete and, if applicable, the Fast Track Process has been completed.

SECTION 5.9.

~~C.A.~~ The system impact study agreement (Attachment X of the TIR) shall include an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement. A deposit of the good faith estimated costs for each system impact study shall be provided by the Interconnection Customer when it returns the study agreements.

~~D.B.~~ To remain in consideration for interconnection, an Interconnection Customer who has requested a system impact study must return the executed system impact study agreement and pay the required study deposit detailed in (Attachment X of the TIR) within five (5) Business Days.

~~E.C.~~ A system impact study shall be completed and the results transmitted to the Interconnection Customer within forty-five (45) Business Days after the system impact study agreement is signed by the Parties. The system impact study report shall provide:

- (1) The underlying assumptions of the study.
- (2) A summary of the analyses.
- (3) The results of the analyses, including detailed information on any impacts identified, the drivers and reasons for those impacts, including load, voltage, thermal and other limitations as well as the boundaries of the impacts to the extent possible.
- (4) Identification of any equipment short circuit capability limits exceeded as a result of the interconnection and information regarding technical thresholds that drive modifications.

- (5) Identification of any thermal overload or voltage limit violations resulting from the interconnection and information regarding technical thresholds that drive modifications.
- (6) Identification of any instability or inadequately damped response to system disturbances resulting from the interconnection, and information regarding technical thresholds that drive modifications.
- (7) Identification of any protection elements being de-sensitized and reduction in performance grounding as a result of the interconnection and information regarding technical thresholds that drive modifications.
- (8) A non-binding construction schedule and good faith estimate of cost and time to construct any required ~~distribution upgrades~~ **Distribution Upgrades**. Good faith cost estimates should be itemized and break down costs by equipment, labor and other cost categories. They should also provide the components for direct, indirect, and other identified cost categories.

~~F.D.~~ Where the system impact study shows potential for Transmission System adverse system impacts, within five (5) Business Days following the identification of such impacts, the EPS Operator shall send the Interconnection Customer a Transmission System impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

~~G.E.~~ To remain in consideration for interconnection, an Interconnection Customer must return the executed Transmission System impact study agreement within fifteen (15) Business Days.

~~H.F.~~ A Transmission System impact study, if required, shall be completed within thirty (30) Business Days and the results transmitted to the Interconnection Customer after the Transmission System impact study agreement is signed by the Parties.

~~Section 5.05~~ **SECTION 5.10.**
Facilities Study

~~SSS.A.~~ The EPS Operator shall provide the Interconnection Customer a facilities study agreement according to the following timeline:

- (1) In tandem with the results of the system impact study or, if required, Transmission System impact study.

- (2) If no system impact studies are required and feasibility study is performed, in tandem with the results of the feasibility study.
- (3) If no studies are performed, as soon as possible, but not later than five (5) Business Days after the scoping meeting.
- (4) If the scoping meeting is omitted by agreement and no studies are performed, within ten (10) Business Days after the Interconnection Application is deemed complete and, if applicable, the Fast Track Process has been completed.

~~TTT.B.~~ The facilities study agreement shall come with an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement. A deposit of the good faith estimated costs for the facilities study shall be provided by the Interconnection Customer when it returns the study agreement.

~~UUU.C.~~ To remain under consideration for interconnection, the Interconnection Customer must return the executed facilities study agreement and pay the required study deposit within ten (10) Business Days.

~~VVV.D.~~ The facilities study shall specify and estimate the cost of the equipment, permitting, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

~~WWW.E.~~ Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The EPS Operator may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and the EPS Operator may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified before acceptance by the EPS Operator, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the EPS Operator shall provide sufficient information to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

~~XXX.F.~~ The facilities study must be completed and provided to Interconnection Customer within ~~Sixty~~ (60) Business Days of receiving the executed facilities study agreement. The facilities study shall estimate the cost of the equipment, engineering, procurement and construction work, including overheads, needed to implement the conclusions of the interconnection

feasibility study and the interconnection system impact study. Good faith cost estimates shall be itemized and break down costs by equipment, labor and other cost categories. They should also provide the components for direct, indirect, and other identified cost categories. ~~The facilities study shall consider the proposed interconnection's Export Capacity, design and operating characteristics and study the project according to how it is proposed to be operated if the proposed interconnection complies with Section 7.09, uses devices tested to national standards, or is approved by the EPS Operator. The facilities study shall evaluate and design Interconnection Facilities and Upgrades based on the Nameplate Rating, regardless of any proposed export limitations pursuant to Section 5.3.1, to ensure all facilities are sized for the full installed generating capacity.~~ The facilities study shall identify:

- (1) The electrical switching configuration of the equipment, including transformer, switchgear, meters and other station equipment.
- (2) The nature and estimated cost of the EPS Operator's ~~I~~interconnection ~~F~~facilities and upgrades necessary to accomplish the interconnection.
- (3) A good faith estimate for the time required to complete the construction and installation of the facilities.

~~YYY.G.~~ Once the facilities study is completed, a draft facilities study report shall be prepared and transmitted to the Interconnection Customer. Upon request, the EPS Operator shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed to prepare the facilities study, subject to confidentiality arrangements consistent with these Regulations and the facilities study agreement.

~~ZZZ.H.~~ Within three (3) Business Days of providing a draft Facilities Study Report to the Interconnection Customer, the EPS Operator and Interconnection Customer shall set up a mutually agreeable meeting date to discuss the results of the facilities study.

~~AAA.~~ Interconnection Customer may, within eight (8) Business Days after receipt of the draft report, provide written comments to the EPS Operator, which the EPS Operator shall include in the final report.

~~BBB.I.~~ The EPS Operator shall issue the final facilities study report and provide it to the Interconnection Customer within nine (9) Business Days of receiving Interconnection Customer's comments or within five (5) Business Days upon receiving Interconnection Customer's statement it will not provide comments.

Commented [A70]: Sizing all facilities based on Nameplate Rating ensures that interconnection infrastructure is adequate for the full installed capacity, preventing grid damage if export controls fail.

ARTICLE 6. INTERCONNECTION AGREEMENT

~~Section 6.01.~~SECTION 6.1. Simplified Process

For the Simplified Process, the Interconnection Customer will sign ~~an~~ interconnection agreement form at the time it submits its Interconnection Notification, and the EPS Operator will return a counter-signed interconnection agreement with the screen results.

~~Section 6.02.~~SECTION 6.2. Fast Track and Study Process

~~RECC-A~~ Except for ~~microgrids~~Microgrids with a Nameplate Rating above 5 MW as provided in ~~Section 6.03, section 6.3~~, the EPS Operator shall provide the Interconnection Customer an executable Interconnection Agreement according to the following timeline:

- (1) Within five (5) Business Days after completing the final facilities study report.

Commented [A71]: Aligning Section 6.02 with Section 6.03 ensures consistent application of the Export Capacity metric for determining when Energy Bureau approval is required.

- (2) If no facilities study is required, within five (5) Business Days after completing the system impact study or, if required, Transmission System impact study.
- (3) If no facilities or system impact study is required, within five (5) Business Days after completing the feasibility study.
- (4) If no feasibility, facilities, or system impact study is required, within fifteen (15) Business Days after the scoping meeting.
- (5) If no feasibility, facilities, or system impact study is required, and the scoping meeting is omitted by agreement, within ten (10) Business Days after the Interconnection Application is deemed complete and, if applicable, the Fast Track Process has been completed.

~~DDDD.B.~~ After receiving an Interconnection Agreement from the EPS Operator, the Interconnection Customer shall have thirty (30) Business Days to sign and return the Interconnection Agreement.

~~EEEE.C.~~ The Interconnection Agreement must be signed by the Interconnection Customer and include a signed certification from a professional engineer that the interconnection meets the specifications established through regulations by the Energy Bureau and that the same was completed according to the laws, regulations, and rules applicable to interconnections.

~~FFFF.D.~~ If the Interconnection Customer does not sign the Interconnection Agreement or request an extension pursuant to these Regulations, within thirty (30) Business Days, the Interconnection Application shall be deemed withdrawn.

~~GGGG.E.~~ The EPS Operator shall provide the Interconnection Customer an executed Interconnection Agreement within five (5) Business Days after receiving a signed Interconnection Agreement from the Interconnection Customer.

~~HHHH.F.~~ The EPS Operator shall install (if necessary) and configure any meters required for operation of the Distributed Generation System within twenty (20) working days after the Interconnection Customer signs the executed Interconnection Agreement, provided that the Interconnection Application included such a request,

~~HHH.G.~~ After the Interconnection Agreement is signed by the Parties, the interconnection of the ~~Microgrid~~Distributed Energy Resource shall proceed under the provisions of the Interconnection Agreement, except to the extent ~~these Regulations remain~~this Regulation remains applicable, including, but not limited to, Section 7.03, Section 7.04, Section 7.09, Section 7.3, Section 7.5, Section 7.9, and Article 8. For Microgrids, post-interconnection

operational requirements, including island mode operation, registration, and ongoing compliance, are governed by Regulation 9028.

Section 6.03. SECTION 6.3.

Energy Bureau's Approval for Microgrids DER Above 5 MW

For DER Microgrids with an Export Capacity Nameplate Rating above 5 MW, after the Facilities Study has been completed according to Section 5.05, Section 5.10, the Interconnection Customer or the EPS Operator shall submit the completed System Impact Study and Facilities Study to the Energy Bureau for approval. If approved by the Energy Bureau, the EPS Operator shall issue the corresponding Interconnection Agreement in accordance with Section 6.02 as applicable. Section 6.04 as applicable. The Energy Bureau shall issue its determination on the approval of the DER interconnection within ninety (90) calendar days of receipt of the completed System Impact Study and Facilities Study. The citizen participation process shall be conducted within this period. If the Energy Bureau does not issue a determination within this period, the Interconnection Customer may request that the Energy Bureau act within an additional thirty (30) calendar days. The Interconnection Customer shall retain its Queue Position during the pendency of the Energy Bureau's review.

The Energy Bureau shall make its determination based on the System Impact Study, Facilities Study and considerations of safety, reliability and energy public policy as established under applicable laws.

The period during which the Energy Bureau's review under this Section is pending shall not count toward any deadline or timeline otherwise applicable to the EPS Operator under this Regulation. The EPS Operator shall not be subject to any fine, penalty, or claim of delay under 1603A.12 or any other provision of this Regulation with respect to any action that is contingent upon the Energy Bureau's determination under this Section. The EPS Operator's obligation to issue the Interconnection Agreement under Section 6.04 shall commence upon receipt of the Energy Bureau's written approval.

SECTION 6.4.

Modifications to Existing Interconnections

- A. This Section applies to any Interconnection Customer that has an executed Interconnection Agreement and seeks to modify the Distributed Energy Resource in a manner that would increase the Nameplate Rating or Export Capacity, or make a Material Modification to the operating characteristics, of the interconnected system. This Section does not apply to modifications

Commented [A72]: Section 6.03 as currently drafted requires Energy Bureau approval with citizen participation for large Microgrids but establishes no review timeline, no standard for the Bureau's determination, and no protection for the EPS Operator for delays outside its control. The revisions establish a 90-day review deadline, identify the criteria for the Bureau's determination, preserve the customer's queue position, toll the EPS Operator's regulatory obligations during the review, without diminishing the Energy Bureau's substantive oversight authority.

proposed during the pendency of an Interconnection Application, which are governed by Section 4.

Commented [A73]: Clarifying the scope of this section ensures that modifications during the application process continue to be governed by Section 2.4, while post-Agreement modifications follow Section 6.04.

B. Prior to making any modification to an interconnected Distributed Energy Resource that would increase the Nameplate Rating or Export Capacity, or that may constitute a Material Modification, the Interconnection Customer shall submit a new Interconnection Application pursuant to Article 4 of this Regulation. The Interconnection Customer shall not implement such modification until the EPS Operator has completed the applicable review process and issued an amended or new Interconnection Agreement authorizing the modification.

Commented [A74]: Requiring a new Interconnection Application before modifications ensures that LUMA can evaluate the impact of the proposed change on the Electric Power System and determine whether additional studies, upgrades, or facilities are required.

C. Upon receipt of an Interconnection Application for a modification to an existing interconnection, the EPS Operator shall evaluate the proposed modification to determine the appropriate review process. The EPS Operator may require the Interconnection Customer to proceed through the Fast Track Process or the Study Process, as applicable, based on the scope and nature of the proposed modification and its potential impact on the Electric Power System. The evaluation shall consider the incremental impact of the proposed modification on the existing interconnection, including but not limited to thermal loading, voltage regulation, protection coordination, fault current contribution, and the need for additional Interconnection Facilities or Upgrades. During the pendency of the EPS Operator’s review of an Interconnection Application for a modification to an existing interconnection, the Interconnection Customer may continue to operate the Distributed Energy Resource in accordance with the existing Interconnection Agreement, but shall not implement any aspect of the proposed modification until authorized by the EPS Operator.

Commented [A75]: Establishing the evaluation criteria ensures that LUMA can properly assess whether the proposed modification requires additional studies or upgrades to protect system reliability.

D. Upon completion of the applicable review process, the EPS Operator shall issue an amended Interconnection Agreement reflecting the approved modification, or a new Interconnection Agreement if required by the scope of the modification. The amended or new Interconnection Agreement shall specify the revised Nameplate Rating, Export Capacity, and any other modified operating characteristics, as well as any additional Interconnection Facilities, Upgrades, or operating requirements resulting from the modification.

Commented [A76]: Allowing continued operations at the originally approved capacity during the modification review process prevents unnecessary disruption while protecting the grid from unauthorized changes.

Commented [A77]: Requiring an amended or new Interconnection Agreement ensures that the approved modification is properly documented and that any additional requirements are binding on the Interconnection Customer.

SECTION 6.5.
Modifications to Existing Interconnections

Commented [A78]: A dedicated section addresses the gap in the Regulation regarding modifications to systems that have already executed an Interconnection Agreement.

A. If an Interconnection Customer implements a modification to an interconnected Distributed Energy Resource without first obtaining authorization from the EPS Operator pursuant to this Section, the EPS Operator may take any or all of the following actions: (i) require the Interconnection Customer to submit an

Interconnection Application for the unauthorized modification within ten (10) Business Days; (ii) require the Interconnection Customer to restore the Distributed Energy Resource to its previously authorized configuration; (iii) disconnect the Distributed Energy Resource pursuant to ~~Section 7.1~~ until the modification has been reviewed and authorized; or (iv) terminate the Interconnection Agreement pursuant to ~~Section 7.1~~. The EPS Operator's exercise of remedies under this subsection shall not preclude any other remedies available under this Regulation, the Interconnection Agreement, or applicable law.

Commented [A79]: Establishing clear consequences for unauthorized modifications ensures LUMA has the authority to protect the Electric Power System and provides an incentive for Interconnection Customers to comply with the modification process.

~~B. Notwithstanding the foregoing, an Interconnection Customer may make like-kind equipment replacements and other modifications that do not constitute a Material Modification without submitting a new Interconnection Application, provided that the Interconnection Customer notifies the EPS Operator in writing of such modification within ten (10) Business Days of completion. The EPS Operator may, within fifteen (15) Business Days of receipt of such notification, determine that the modification constitutes a Material Modification and require the Interconnection Customer to submit an Interconnection Application. If the EPS Operator does not respond within such period, the modification shall be deemed accepted.~~

Commented [A80]: Providing a streamlined notification process for like-kind replacements and non-Material Modifications reduces administrative burden while ensuring LUMA retains oversight of changes that may affect grid operations.

ARTICLE 7. PROVISIONS THAT APPLY TO ALL INTERCONNECTION APPLICATIONS

SECTION 7.1.
Interconnection Customer Responsibility for Distributed Energy Resources

Commented [A81]: Establishes the principle that the Interconnection Customer is solely responsible for the design, installation, operation, maintenance, and costs of its DER, preventing requests for the EPS Operator to correct design deficiencies.

Commented [A82]: Ensures Interconnection Customers understand they bear sole responsibility for their DER and cannot require the EPS Operator to correct design deficiencies identified during review or operation.

Commented [A83]: Interconnection Customer Responsibility - Regulatory Continuity with Regulation 8916

This new Section establishes the fundamental principle that the Interconnection Customer is solely responsible for the design, installation, operation, maintenance, and costs of its Distributed Energy Resource. The EPS Operator's operational experience has demonstrated that this allocation of responsibility is essential to prevent:

~~A. The Interconnection Customer shall be solely responsible for the design, installation, operation, maintenance, and all associated costs of its Distributed Energy Resource, including all Interconnection Customer's Interconnection Facilities. The EPS Operator shall have no obligation to design, modify, or correct any aspect of the Interconnection Customer's Distributed Energy Resource or Interconnection Customer's Interconnection Facilities. If the EPS Operator identifies deficiencies, violations, or non-compliance with applicable technical requirements during the Interconnection Application review process, commissioning, inspection, or ongoing operation, the Interconnection Customer shall be solely responsible for correcting such deficiencies at its own expense.~~

1. Design correction requests: Interconnection Customers requesting the EPS Operator to update or modify DER designs to address violations or deficiencies identified during the application review process;
2. Post-interconnection remediation demands: Interconnection Customers expecting the EPS Operator to correct deficiencies discovered during commissioning, inspection, or ongoing operation;
3. Cost-shifting attempts: Interconnection Customers seeking to transfer DER design, installation, or maintenance costs to the EPS Operator.

This responsibility allocation is consistent with the policy established under Regulation 8916. Because Regulation 8916 will be repealed upon the effectiveness of this Regulation, this Section does not incorporate or depend on the content of Regulation 8916. The provisions in this Section are self-contained and independently establish the Interconnection Customer's sole responsibility for its Distributed Energy Resource. The EPS Operator's role is limited to evaluating whether the DER meets technical requirements—not designing, modifying, or correcting the DER to achieve compliance.

Section 7.01, SECTION 7.2.
Time Frames and Extensions

~~HHH~~A. The EPS Operator shall make Reasonable Efforts to meet all time frames provided in these Regulations. If the EPS Operator cannot meet a deadline provided herein, it shall notify the Interconnection Customer and the Energy Bureau, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

~~KKKK~~B. The Energy Bureau may fine the EPS Operator ~~one thousand dollars (\$1,000) per day if it fails to comply~~ non-compliance with the time frames is recurrent and other requirements of this Regulation. The Energy Bureau also maintains the authority to impose other applicable fines or administrative penalties to enforce its orders and regulations.

C. The EPS Operator shall not be subject to fines under Section 7.01(B) where the failure to comply with a time frame or requirement of this Regulation is caused by:

- (1) Force Majeure Event as defined in Section 1.10 of this Regulation;
- (2) The Interconnection Customer's failure to provide required information, documents, deposits, or responses within the time frames established in this Regulation;
- (3) Delays caused by coordination with Affected Systems or third parties whose cooperation is required to complete studies or construct facilities;
- (4) The Interconnection Customer's request for an extension under Section 7.01(C); or;
- (5) Circumstances beyond the EPS Operator's reasonable control, provided the EPS Operator has made Reasonable Efforts to meet the applicable deadline and has complied with the notification requirements of Section 7.01(A).

D. Notice and Opportunity to Respond. Before imposing any fine under Section 7.01(B), the Energy Bureau shall provide the EPS Operator with written notice of the alleged noncompliance, including the specific time frame or requirement at issue and the dates of the alleged violation. The EPS Operator shall have twenty (20) Business Days from receipt of such notice to submit a written response, including any applicable defenses under Section 7.01(B) and supporting documentation.

Commented [A84]: Define term under 1.10

E. Proportionality. In determining the amount of any fine under Section 7.2(d) the Energy Bureau shall consider:

- (1) The duration and cause of the delay;
- (2) the EPS Operator's good faith efforts to comply;
- (3) whether the delay caused actual harm to the Interconnection Customer;
- (4) the volume of Interconnection Applications being processed by the EPS Operator at the time; and
- (5) any corrective actions taken by the EPS Operator.

G.F. For all applicable time frames described in this Regulation, the Interconnection Customer may request in writing one extension equivalent to half of the time originally allotted (e.g., ten (10) Business Days for a twenty (20) Business Day original time frame). No further extensions shall be granted absent a Force Majeure Event or other similarly extraordinary circumstances.

Section 7.02. SECTION 7.3.

Non-Warranty

Neither by inspection, if any, or non-rejection, nor in any other way, does the EPS Operator give any warranty, expressed or implied, as to the adequacy, safety, or other characteristics of any structures, equipment, wires, appliances or devices owned, installed, or maintained by the Interconnection Customer or leased by the Interconnection Customer from third parties, including without limitation the Distributed Generation System and any structures, equipment, wires, appliances, or devices pertinent thereto.

Section 7.03. SECTION 7.4.

Commissioning, Inspection, Testing, Authorization

MMMM.A. The Interconnection Customer shall test and inspect its Distributed Generation System Microgrid Energy Resource, and Interconnection Facilities before interconnection in accordance with the commissioning tests required by IEEE 1547-2018, as revised, or other applicable standard. Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards and the EPS Operator's Technical Interconnection Requirements approved by the Energy Bureau.

NNNN.A. The Interconnection Customer shall notify the EPS Operator of such activities at least ten (10) Business Days (or as agreed to by the Parties) before such testing and inspection. The Interconnection Customer shall send the notification electronically if the Cyber Portal is available. If the Cyber Portal is not available, the Interconnection Customer shall use a notification form

provided by the EPS Operator, if such a form is posted on the EPS Operator's website. Testing and inspection shall occur on a Business Day. The EPS Operator may, at its own expense, send qualified personnel to the ~~interconnection site~~ Interconnection Site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the EPS Operator a written test report within five (5) Business Days when such testing and inspection is completed.

~~0000-A.~~ The EPS Operator shall provide the Interconnection Customer written acknowledgment it has received the Interconnection Customer's written test report within three (3) Business Days of its receipt. If no written acknowledgement is received by the Interconnection Customer within three (3) Business Days it shall be deemed accepted by the EPS Operator. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the EPS Operator of the safety, durability, suitability, or reliability of the interconnection.

~~A.~~ If the EPS Operator's inspection or observation of testing identifies any deficiency, non-compliance, or violation of this Regulation, the Technical Interconnection Requirements, or applicable standards, the Interconnection Customer shall be solely responsible for correcting such deficiency at its own cost and expense. The EPS Operator shall not be responsible for identifying, designing, or implementing any correction or modification to the Interconnection Customer's Distributed Energy Resource or Interconnection Facilities. Authorization to commence Parallel Operation shall not be granted until all identified deficiencies have been corrected and verified to the EPS Operator's satisfaction.

~~D-B.~~ For interconnections using the Simplified Process, the field inspection and testing process shall conform with, and not exceed, the following, instead of the requirements of ~~Section 7.03~~ Section 7.04 A, B, and C:

- (1) The field inspection shall include verification that the installation matches the EPS Operator's evaluation of the design, including:
- (2) Inverter model matches application;
- (3) Certified inverter(s) is utilized;
- (4) Correct labeling/signage;
- (5) Installation matches application one-line (*i.e.*, connections, location of protection, disconnect switch, Metering, etc.);
- (6) Electrical inspection sticker;
- (7) Operational and protection settings;

- (8) Field testing; and
- (9) On-off testing shall be completed.

~~Section 7.04.~~**SECTION 7.5.**

Authorization Required Prior to Parallel Operation

~~QQQQ.A.~~ The EPS Operator shall use Reasonable Efforts to list applicable Parallel Operation requirements in an attachment to the Interconnection Agreement. Additionally, the EPS Operator shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The EPS Operator shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements for the Interconnection Customer to commence Parallel Operations by the in-service date.

~~RRRR.B.~~ The Interconnection Customer shall not operate its Distributed ~~Generation System or Microgrid~~Energy Resource in Parallel with the EPS without prior written authorization of the EPS Operator. The EPS Operator will provide such authorization within three (3) Business Days from when the EPS Operator receives notification that the Interconnection Customer has complied with all applicable Parallel Operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.

~~SSSS.C.~~ If the EPS Operator identifies a Distributed ~~Generation System~~Energy Resource Operating in Parallel without an Interconnection Agreement, the EPS Operator may disconnect the ~~Distributed Generation System~~Energy Resource.

~~Section 7.05.~~**SECTION 7.6.**

Confidentiality

~~TTTT.A.~~ Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.

~~UUUU.B.~~ Each Party may have equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages and may seek other remedies available at law or in equity for breach of this provision.

~~Section 7.06.~~**SECTION 7.7.**

Insurance

~~VVVV.A.~~ The EPS Operator may only require an Interconnection Customer to purchase General Public Liability Insurance covering damages to the EPS Operator or PREPA, and then only in the following amounts:

~~B.(1)~~ Up to one million dollars (\$1,000,000) per occurrence and up to one million dollars (\$1,000,000) in the aggregate if the Distributed ~~Generation System or Microgrid's Export Capacity~~ Energy Resources Nameplate Rating is greater than 300 kW;

~~C.(2)~~ No insurance is required if the Distributed ~~Generation System or Microgrid's Export Capacity~~ Energy Resource Nameplate Rating is less than or equal to 300 kW.

C. ~~[B]~~ Notwithstanding the foregoing, the EPS Operator reserves the right to require additional insurance and endorsements where the specific characteristics of the interconnection present risks beyond those contemplated by the standard requirements in subsection A. Any additional insurance requirements shall be applied on a non-discriminatory basis consistent with section 2.7 and shall be based on the specific risk characteristics of the interconnection, not the identity of the Interconnection Customer. In these cases, the Interconnection Customer has to sign an Agreement for the Exemption of Insurance Requirement (see Attachment X). The Interconnection Customer has the option of electronically signing this agreement through the EPS Operator's Cyber Portal.

D. ~~[C]~~ The General Public Liability policy will be endorsed as follows:

(1) As an additional insured, LUMA Energy ServCo, LLC PO Box 364267 San Juan, PR 00936-4267 and the Puerto Rico Electric Power Authority [address to be inserted].

(2) An endorsement that includes the Agreement under the contractual liability cover identifying the Parties to the Interconnection Agreement.

(3) Release of subrogation in favor of the EPS Operator and PREPA.

(4) Notification of cancellation or non-renewal thirty days in advance and acknowledgment of receipt to the previous address.

(5) The violation of any guarantee or condition of this policy will not prejudice the right of EPS Operator or PREPA under said policy.

(6) The requested insurance policy must be presented in a manner acceptable to the EPS Operator. The Interconnection Customer must provide a certificate of insurance in digital format, originated by an insurance company or agency authorized to do business in Puerto Rico, that describes the coverage it maintains. This certification has to be issued on the Acord form, generally used by insurers. In addition, you must include the endorsements in digital format.

Commented [A85]: The Draft Regulation eliminates the EPS Operator's ability to require additional insurance in higher-risk interconnection scenarios which was a right expressly reserved under Regulations 8915 and 8916. The added language restores this flexibility while ensuring that the requirements are applied on a non- discriminatory basis.

Commented [A86]: Incorporated insurance verbiage mandated by Regulation 8915

- (7) The EPS Operator, within a period of fifteen (15) business days, will evaluate the policy presented and determine its acceptance. In the event that the policy does not comply with the requirements of the EPS Operator, the latter will notify the proponent, within fifteen (15) business days, to make the corresponding corrections and present the policy again to the EPS Operator. Once the Interconnection Customer submits the corrected information, the EPS Operator will have a term of five (5) business days to approve said insurance. In the event that the EPS Operator does not notify the Interconnection Customer of the approval or corrections corresponding to the insurance within the terms previously indicated, it will be understood that it is approved and it will be presumed that the Interconnection Customer meets all the requirements.
- (8) This policy must be renewed annually and sent to the EPS Operator. In the event that this policy renewal requirement is not met, the EPS Operator will immediately cancel the Interconnection Agreement.

Section 7.07. SECTION 7.8.

Comparability

The EPS Operator shall receive, process and analyze all Interconnection Applications as set forth in this Regulation. The EPS Operator shall use the same Reasonable Efforts in processing and analyzing Interconnection Applications from all Interconnection Customers, whether the proposed interconnection is owned or operated by the EPS Operator, PREPA, their subsidiaries or affiliates, or others.

Section 7.08. SECTION 7.9.

Design, Procurement, Installation and Construction of Interconnection Facilities and Upgrades

The Interconnection Customer shall be solely responsible for the design, engineering, procurement, installation, construction, operation, maintenance, and all associated costs of the Distributed Energy Resource and the Interconnection Customer's Interconnection Facilities. The EPS Operator shall not be responsible for designing, modifying, or correcting any deficiency in the Interconnection Customer's Distributed Energy Resource or Interconnection Facilities. If the EPS Operator identifies deficiencies during the application review, studies, commissioning, or operation, the Interconnection Customer shall correct such deficiencies at its sole cost and expense prior to proceeding with interconnection or continued operation, as applicable.

Commented [A87]: Reinforces that the Interconnection Customer, not the EPS Operator, is responsible for correcting deficiencies identified during commissioning or inspection.

~~A.B.~~ The Interconnection Customer shall pay for the cost of the Interconnection Facilities and Distribution Upgrades as described and itemized pursuant to the Interconnection Agreement and its attachments.

~~B.C.~~ If Network Upgrades are required, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer; provided, however, that the Interconnection Customer may have a cash repayment pursuant to the Interconnection Agreement. As stated in the Interconnection Agreement, the EPS Operator shall provide a best estimate cost, including overheads, for the purchase and construction of the Interconnection Facilities, Distribution Upgrades, and Network Upgrades, and provide a detailed itemization of such costs (i.e. the estimates shall break out the materials, labor and other costs for major components of the Upgrades).

~~C.D.~~ The Interconnection Customer and the EPS Operator shall agree on milestones for which each Party is responsible and list them in an attachment to the Interconnection Agreement. To the greatest extent possible, the Parties will identify all design, procurement, installation and construction requirements associated with a project, and clear associated timelines, at the beginning of the design, procurement, installation and construction phase, or as early within the process as possible. All timelines shall comport with industry best practices. In addition, whenever possible to capture additional efficiency, the EPS Operator will rely on template designs applicable to certain types of interconnections. These templates shall be publicly available on the EPS Operator's web site and/or provided directly to any interested entity upon request.

~~D.E.~~ Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) request appropriate amendments to the Interconnection Agreement and its attachments. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment. If the Party affected by the failure to meet a milestone disputes the proposed extension, the affected Party may pursue dispute resolution pursuant to ~~Article 10~~ **Article 11** of this Regulation.

~~F.~~ **RESERVED.**

~~E.G.~~ At least twenty (20) Business Days before the commencement of the design, procurement, installation, or construction of a discrete portion of the EPS

Operator's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the EPS Operator, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security reasonably acceptable to the EPS Operator and is consistent with the Puerto Rico Uniform Commercial Code. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the portion of the EPS Operator's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the EPS Operator under the Interconnection Agreement during its term. In addition:

- (1) The guarantee must be made by an entity that meets the creditworthiness requirements of the EPS Operator and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
- (2) The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the EPS Operator and must specify a reasonable expiration date.

F.H. The EPS Operator shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades described in the Interconnection Agreement monthly, or as otherwise agreed by the Parties in the Interconnection Agreement. The Interconnection Customer shall pay each bill within twenty (20) Business Days of receipt, or as otherwise agreed to by the Parties in the Interconnection Agreement.

G.I. Within three (3) months of completing the construction and installation of the EPS Operator's Interconnection Facilities and/or Upgrades described in the Interconnection Agreement and its attachments, the EPS Operator shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the EPS Operator for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the EPS Operator shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall pay to the EPS Operator within twenty (20) Business Days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under the Interconnection Agreement, the EPS Operator shall refund to the Interconnection Customer an amount equal to the difference within twenty (20) Business Days of the final accounting report.

Section 7.09, SECTION 7.10.

Export Capacity of a Distributed Generation System or Microgrid

~~FFFFF.A.~~ The technical specifications in this ~~Section 7.09~~Section are intended to identify acceptable Export Control methods to facilitate the interconnection and Parallel Operation of Limited-Export and Non-Export ~~Generating Facilities and Microgrids~~Distributed Energy Resource with the EPS.

~~Export controls identified in this section are not all inclusive. Alternative controls may be used but only if approved by the EPS Operator.~~ If a Distributed ~~Generation System or Microgrid~~Energy Resource uses any configuration or operating mode in this ~~Section 7.09, Section~~, to limit the export of electrical power across the Point of Common Coupling, then the Export Capacity shall be only the amount capable of being exported (not including any Inadvertent Export). To prevent impacts on system safety and reliability, any Inadvertent Export must comply with the limits identified in this section. The Export Capacity specified in the Interconnection Application will be included as a limitation in the Interconnection Agreement. An Interconnection Customer seeking to interconnect using the operating modes under this ~~Section 7.09~~Section shall submit proposed control and/or protection settings in their Interconnection Application for review by the EPS Operator to verify compliance with the requirements of this Section.

~~GGGGG.B.~~ The export controls identified in this subsection are for Non-Exporting systems only.

- (1) ~~Reverse Power Protection~~: To limit export of power across the Point of Common Coupling, a reverse power protective function is implemented using a utility grade protective relay. The default setting for this protective function shall be 0.1% (export) of the Interconnection Transformer's nominal base Nameplate Rating, with a maximum 2.0 second time delay to limit Inadvertent Export.
- (2) ~~Minimum Power Protection~~: To limit export of power across the Point of Common Coupling, a minimum import protective function is implemented utilizing a utility grade protective relay. The default setting for this protective function shall be 5% (import) of the generating unit's total Nameplate Rating, with a maximum 2.0 second time delay to limit Inadvertent Export.
- (3) ~~Relative Distributed Generation System~~Energy Resource Rating: This option requires the Distributed ~~Generation System or Microgrid's~~Energy Resource Nameplate Rating to be so small compared to the minimum Host Load that using additional protective functions does not have to ensure that power will not be exported to the EPS. This option requires the Distributed

Commented [A88]: "Generating Facilities" is undefined; conforming to the defined "Distributed Generation Systems" avoids ambiguity and matches the operative pairing used throughout the Regulation.

~~Generation System or Microgrid's~~ Energy Resource Nameplate Rating be no greater than ~~50%~~ 30% of the verifiable minimum Host Load over the past ~~twelve~~ (12) months.

For ~~Generating Facilities or Microgrids~~ Distributed Energy Resource with a Nameplate Rating above 250 kW, the EPS Operator may require additional assurances, equipment or agreements based upon evaluation of the stability and reliability of the minimum Host Load ~~data~~.

~~HHHHH.C.~~ C. The export controls identified in ~~in this subsection~~ this subsection are for Limited Export systems only.

- (1) Directional Power Protection: To limit export of power across the Point of Common Coupling, a directional power protective function is implemented using a utility grade protective relay. The default setting for this protective function shall be the Export Capacity value, with a maximum 2.0 second time delay to limit Inadvertent Export.
- (2) Configured Power Rating: A reduced output active or apparent power rating utilizing the power rating configuration setting may be used to ensure the Distributed ~~Generation System or Microgrid's~~ Energy Resource does not generate power beyond a certain value lower than the Nameplate Rating. The reduced power rating shall be indicated with a Nameplate Rating replacement, or by a supplemental adhesive Nameplate Rating tag to indicate the reduced Nameplate Rating. At the discretion of the EPS Operator, the applicant may additionally be required to provide a letter from the manufacturer confirming the reduced Nameplate Rating.

~~HHH.D.~~ D. The export controls identified in this subsection are for either Non-Export or Limited Export systems.

- (1) Power Control Systems: This option is not available for interconnections to Networked Secondary Systems. A Distributed ~~Generation System or Microgrid's~~ Energy Resource may utilize a NRTL certified Power Control System⁶ and inverter system with a maximum open loop response time of no more than 30 seconds. Failure of the control or inverter system resulting from abnormal conditions must result in the Distributed ~~Generation System or Microgrid's~~ Energy Resource entering an operational mode where

Commented [A89]: "Generating Facilities" is undefined; conforming to the defined "Distributed Generation Systems" avoids ambiguity and matches the operative pairing used throughout the Regulation.

⁶ NRTL testing to the UL Power Control System Certification Requirements Decision shall be accepted until similar test procedures for Power Control Systems are included in a standard.

no energy is exported across the Point of Common Coupling to the EPS.

If a Distributed ~~Generation System or Microgrid~~ Energy Resource with a Nameplate Rating greater than 1 MW uses an NRTL certified Power Control System, the EPS Operator and the Interconnection Customer must mutually agree on an acceptable open loop response time.

- (2) ~~Limited Export Using Mutually Agreed-Upon Means: Generating Facilities or Microgrids~~ Distributed Energy Resource may be designed with other control systems and/or protective functions to limit export and Inadvertent Export by agreement between the EPS Operator and the Interconnection Customers. The limits may be based on technical limitations of the Interconnection Customer's equipment or EPS equipment. To ensure Inadvertent Export remains within mutually agreed-upon limits, the Interconnection Customer may use an uncertified Power Control System, an internal transfer relay, energy management system, or other customer facility hardware or software if approved by the EPS Operator.

~~###E.~~ If the Interconnection Application proposes to limit export pursuant to this ~~Section 7.09, Section~~, the Fast Track screens, and feasibility, system impact, and transmission studies shall study the project according to how it intends to operate. When performing these studies, the EPS Operator:

- (1) Shall consider the proposed design, operating characteristics, Export Capacity, and Operating Profile found in the Interconnection Application.
- (2) Shall use the Export Capacity unless assessing fault current contribution, when the use of the Nameplate Rating may be appropriate. The EPS Operator may use Export Capacity when assessing fault current contribution if the Interconnection Customer demonstrates that fault currents are controlled by some means. The Fast Track screens identify when it is appropriate to use Export Capacity or Nameplate Rating.

SECTION 7.11. Cost Allocation for Upgrades

A. General Principles

The cost of Upgrades required to accommodate the interconnection of Distributed Energy Resource shall be allocated in accordance with the following principles:

- (1) Costs shall be determined in accordance with the principles of reasonableness, proportionality, and benefit received, preventing such costs from being unfairly transferred to all customers of the electricity system.
- (2) Interconnection Facilities are sole-use facilities and their costs shall be directly assigned to the Interconnection Customer that requires them.
- (3) Distribution Upgrades shall be directly assigned to the Interconnection Customer or Customers that require them, as further provided in this Section.
- (4) Network Upgrades shall be funded by the Interconnection Customer.

B. Cost Allocation Methodology for Individual Interconnection Requests

- (1) Where an Interconnection Customer's proposed interconnection triggers the need for Upgrades, the full cost of those Upgrades shall be assigned to that Interconnection Customer.
- (2) Distribution Upgrades are directly assigned to the Interconnection Customer whose interconnection requires them. The necessary improvements or changes to be made to a feeder shall be defrayed by the requesting company, consistent with Act 114-2007.
- (3) Costs associated with Interconnection Facilities may be shared with other entities that benefit from such facilities, by written agreement among the Interconnection Customer and such other entities, but never the EPS Operator.

C. Transparency and Dispute Resolution

- (1) All cost allocations under this Section shall be documented in the applicable study report and provided to each affected Interconnection Customer.
- (2) The EPS Operator shall apply the cost allocation methodology under this Section on a non-discriminatory basis, consistent with **Section 7-140B**, without regard to the identity, affiliation, technology type, or business model of the Interconnection Customer.
- (3) If an Interconnection Customer disagrees with the cost allocation determined by the EPS Operator, the Interconnection Customer may request dispute resolution pursuant to Article 11 of this

Regulation, or request an Administrative Review by the Energy Bureau as provided for in ~~Section 8.11~~.

SECTION 7.11. Validity Period and Construction Deadlines

The approval of the interconnection by the EPS Operator shall have a validity of one (1) year from the date of issuance. If during this period the EPS Operator approves the construction plans for the Distributed Energy Resource, the interconnection approval shall maintain its validity during the validity period of such plans.

The approval of the construction plans shall have a validity of two (2) years. Such approval shall expire if during that period the Interconnection Customer does not commence construction of the Distributed Energy Resource.

After commencing construction, the Interconnection Customer shall have eighteen (18) months to complete the same. Otherwise, the plan approval shall lose its validity.

In the event that the plan approval expires, it shall be necessary to submit a new Interconnection Application for a new evaluation of the project.

Commented [A90]: The Draft Regulation omits the explicit validity periods and construction deadlines that Regulations 8915 and 8916 established, creating the risk of stale applications that will never achieve operation. Restoring these deadlines prevents speculative projects from blocking later-queued viable interconnections and is consistent with the predecessor regulatory framework.

ARTICLE 8. TECHNICAL REQUIREMENTS

**~~Section 8.01.~~SECTION 8.1.
General Technical Requirements**

The EPS Operator shall develop and maintain Technical Interconnection Requirements consistent with the requirements of this Regulation, which shall be submitted to the Energy Bureau for the Energy Bureau’s review and approval pursuant to Section 8.05

and shall not become effective unless approved, or deemed approved, by ~~Resolution and Order of the Energy Bureau~~ in accordance with Section 8.5.

In addition, the Technical Interconnection Requirements may be amended by the EPS Operator from time to time provided that any such amendment shall be submitted to the Energy Bureau for review and approval pursuant to Section 8.5 and shall not become effective unless and until approved, or deemed approved, by the Energy Bureau ~~through a Resolution and Order~~ in accordance with Section 8.5.

~~KKKKK.A.~~ The technical requirements apply to Distributed Generation Systems and Energy Resource Microgrids when designed to operate in Parallel and shall be met at the single Point of Common Coupling—designated in the Interconnection Application. Each Distributed Energy Resource evaluated under this Regulation shall have only one Point of Common Coupling with the Electric Power System per Interconnection Application.

~~LLLLL.B.~~ The technical requirements are established in accordance with standards from IEEE, UL and ANSI, and subsequent revisions as applicable for the interconnection of Distributed Generation Systems and Microgrids Energy Resource to the EPS. Compliance with these requirements is intended to prevent the Distributed Generation System or Microgrid Energy Resource from causing adverse effects to the EPS such that it may have to be disconnected due to unsafe operating conditions.

~~MMMMM.C.~~ This regulation Regulation incorporates IEEE Std 1547-2018. Where conflicts exist between IEEE Std 1547-2018 and this regulation Regulation, this Regulation and the Technical Interconnection Requirements approved by the Energy Bureau shall govern.

~~NNNNN.D.~~ A Distributed Generation System Energy Resource interconnecting to the Distribution System must interconnect through an Interconnection Service Transformer. A direct interconnection to the Distribution System without a transformer is not permitted.

~~H.~~ For Microgrids, the technical requirements may be satisfied by the individual Distributed Generation Systems within the Microgrid, by other Microgrid equipment, or by coordination between Generating Facilities and other Microgrid equipment.

~~I.~~ For further information regarding these interconnection requirements, see the TIR approved by the Energy Bureau.

~~E.~~ The physical circuits, conduits, and distribution lines interconnecting the various individual Distributed Generation assets, energy storage banks, and customer loads within the defined boundary of a Microgrid must consist exclusively of private infrastructure located entirely behind the property line. Under no circumstances shall internal microgrid routing utilize public-use

Commented [A91]: Ensures the expedited approval process and deemed approval mechanism in Section 8.03 govern all TIR submissions.

Commented [A92]: Specifying that technical requirements are evaluated at the single designated Point of Common Coupling ensures consistent assessment of voltage, power quality, protection coordination, and other performance criteria.

distribution equipment, poles, or rights-of-way owned by the EPS Operator. The entire private microgrid network shall interface with, parallel to, or isolate from the public Electric Power System through a single, clearly designated, and pre-established Point of Common Coupling (PCC) evaluated under the rules of this Regulation. Microgrids proposing to connect to the Electric Power System at more than one point shall submit a separate Interconnection Application for each Point of Common Coupling.

- F. For Microgrids, the technical requirements must be satisfied both individually by each Distributed Energy Resource and collectively through the coordinated operation of all Microgrid components. Compliance may be achieved through the capabilities of individual Distributed Generation System, through other Microgrid equipment, or through integrated protection, control, and operational coordination across the Microgrid. This ensures that the Microgrid as a whole meets all applicable performance, safety, and interoperability criteria required for interconnection with the EPS.

Commented [A93]: Clarifying that Microgrids must interface through a single Point of Common Coupling per application ensures proper technical evaluation of grid impacts and consistent regulatory treatment.

~~Section 8.02.~~SECTION 8.2.

Approval of Use of Certified Equipment

- A. All equipment that forms part of a Distributed Generation System based on renewable energy sources must be approved by the Public Energy Policy Program (“PEPP”), of the Department of Economic Development and Commerce (“DEDC”) including, but not limited to, photovoltaic modules, wind turbines, synchronous generators, induction generators, inverters and control systems. PEPP must certify that the inverters and control systems that interconnect the renewable energy sources with the electrical network comply with the applicable standards. The list of equipment and components certified by the PEPP is available on the Energy Bureau’s website (<http://energia.pr.gov>).
- B. The EPS Operator allows the use of equipment with inverter technology, generators, relays and other devices that comply with applicable standards and codes. These have to be evaluated and approved by the EPS Operator.
- C. The EPS Operator has a list of approved inverters and control systems periodically updated, which is made available on the ~~DGE~~EPS Operator’s Website and/or Cyber Portal website. The EPS Operator shall keep this list updated annually. The first review and update shall occur no later than thirty (30) Business Days after the approval of this ~~Rule~~Regulation. The EPS Operator shall issue a notice to customers that all inverters and control equipment must be approved by the EPS Operator in order to connect to the grid. The EPS Operator does not need to submit or seek the

Energy Bureau's approval to update the list of approved inverters and control systems.

- D. If the equipment has not been evaluated and approved by the EPS Operator, it may request that the manufacturer, distributor or owner send to the EPS Operator, in digital file in PDF format, documents certifying that the inverter complies with the following:

~~(1)~~i. Are certified by a Nationally Recognized Testing Laboratory. This ensures that they meet the acceptance criteria of the tests required in the IEEE 1547 or UL 1741 standard and its Supplements, as applicable, for equipment that operates continuously in parallel with the systems of the electricity companies.

~~Article 2~~ii. Comply with the permitted harmonic content distortion limits, according to the IEEE 1547-2018 standard and other applicable ones.

~~Article 3~~iii. Comply with the Voltage Flicker limits, depending on the IEEE 1547-2018 ~~standard, IEEE 2800 standards, or subsequent revisions,~~ and other applicable.

~~Article 4~~iv. Comply with these regulations. Should any conflict arise with other standards, these regulations will prevail.

~~Article 5~~v. Have the ability to Operate in Parallel with the EPS.

~~Article 6~~vi. Have the ability to adjust in the field of frequency, voltage and operating times.

- E. For further information regarding these interconnection ~~requirement~~requirements, see the TIR.

Article 2. NET ENERGY METERING

Section 2.1. Participation in Net Metering Programs

SECTION 8.3.A
Protection and Control

~~A. The protection requirements detailed below are to establish the security of the Distributed Generation System fueled by Renewable Energy Sources may participate in net metering if it is:~~

~~(1)A. Not more one (1) MW for commercial, governmental, industrial or agricultural customers, or educational institutions or medical hospital facilities connected to Interconnection with the Distribution SystemEPS Operator's electrical distribution voltages (up to 13.2kV); andsystem. These protection requirements have the purpose of:~~

~~(1) Not more than five (5) MW for commercial, governmental, industrial, or agricultural customers, or educational institutions or medical-hospital facilities connected to subtransmission or transmission voltages (38kV or 115kV).~~

~~B. An Interconnection Customer that meets these requirements may participate in net metering if the Simplified Interconnection Notification or Interconnection Application includes a request to participate in one of the following Net Metering Programs: the Basic Net Metering Program, the Aggregate Net Metering Program and the Shared Net Metering Program.~~

~~C. Energy Storage Paired with Net Metering Systems~~

~~(1) While an Energy Storage device may be paired with a Net Metering System, an Energy Storage device standing alone does not qualify as a Net Metering System.~~

~~(2) When an Energy Storage Device is paired with a Net Metering System, Disconnect the Distributed Generation System or shall be programmed with one or both of the following when it stops operating restrictions:~~

~~(i) Restricted from exporting electricity to the Electric Power System, beyond inadvertent export, and/or~~

~~(ii) Restricted to being charged solely from the customer's Net Metering System and not from the Electric Power System.~~

~~(3) An election to operate an Energy Storage Device with an operating restriction shall be identified in the Application, including a description of the operating restriction.~~

~~(4) A signed attestation of the operating restriction shall be provided by the Operator of the Energy Storage Device.~~

~~(5) (1) The customer may propose to modify the operating restriction by submitting a revised attestation to the EPS Operator. The in parallel with the Electric Power System EPS Operator must approve the proposed revision in writing; approval shall not be unreasonably withheld or delayed. Operator's system.~~

Section 2.2. SECTION 1.2. Basic Net Metering Program

A. In the Basic Net Metering Program, a Distributed Generation System connected to the Distribution System shall have a maximum installed AC capacity of twenty-five (25) kW for residential customers and one (1) MW for commercial, governmental, industrial, agricultural, educational institutions and hospital

medical facilities. Generating Facilities connected to the subtransmission or transmission systems shall have a maximum installed AC capacity of 5 MW for commercial customers, governmental, industrial, agricultural, educational institutions and hospital medical facilities.

- B. Net metering for a Distributed Generation System whose maximum installed AC power capacity does not exceed twenty-five (25) kW shall be reflected in the customer's monthly bill not later than thirty (30) days after the receipt of notice of their certification of the distributed generator installed by a professional engineer or expert electrician.

~~Section 2.3~~ **SECTION 1.3. Aggregate Net Metering Program**

- A. The Aggregate Net Metering Program applies only to governmental Entities and non-profit academic institutions.
- B. For customers with service on distribution voltages, the maximum installed AC capacity of the Distributed Generation System must be 1 MW. For customers with service on transmission or subtransmission voltages, the maximum installed AC capacity of the Distributed Generation System must be 5 MW.
- C. All locations with service agreements that take advantage of this program must be included in the same account.
- D. The locations may be interconnected to primary distribution, secondary distribution, subtransmission, or transmission systems. However, all participating locations must receive service at the same voltage level.
- E. The service agreements to which the energy is to be accredited must be (1) within the same location where the Distributed Generation System is installed or (2) in other locations interconnected to the same power line at a distance not greater than two miles from the Distributed Generation System.
- F. The Agreement to interconnect the Distributed Generation System and participate in this program will be effective thirty (30) days after the first rate revisions established in Law 57, as amended.

~~Section 2.4~~ **SECTION 1.4. Shared Net Metering Program**

- A. The Shared Net Metering Program applies exclusively to residential and commercial customers with primary and secondary voltage distribution services under the horizontal property regime, such as residential, commercial or mixed-use condominiums. This Program also applies to public housing managed by the Department of Housing.

- B. The location of the service agreements to which the energy is to be accredited must be within the same location where the Distributed Generation System is installed.
- C. All service agreements must be serviced from the same point of delivery to which the Distributed Generation System is interconnected. The point of delivery can be the interconnection transformer in secondary distribution systems or the private substation in primary distribution systems.

~~00000~~L. For residential cases, the maximum capacity of the Generation Facility is 25 kW per participating customer or the capacity of the Interconnection Transformer, whatever smaller, up to a maximum of 1 MW.

- D. For commercial or mixed use cases, the maximum capacity of the Distributed Generation System is the same as the capacity of the Interconnection Transformer, up to a maximum of 1 MW.

~~PPPPP~~M. As required by these regulations, the owner of the Distributed Generation System must sign an Interconnection Agreement with the EPS Operator and Participate in the Net Metering Program. The owner of the Distributed Generation System can be the Board of Owners, the Owners Association, the owner of the building or any natural or legal entity with similar functions.

- E. Each participating customer that is not the owner of the Distributed Generation System must sign an Agreement for Participation in the Shared Net Metering Program (see Attachment X of the TIR).

~~Section 2.5~~SECTION 1.5 Energy Compensation for Customers that Participate in the Net Metering Programs

Energy exported by the customer shall be compensated as described below; except in those cases in which any federal law or regulation expressly and specifically orders otherwise:

- A. Energy compensation will be effective at the beginning of the billing period after the installation or configuration of the meter, and no later than 30 days after the installation or configuration of the meter.
- B. For each billing period, the EPS Operator will measure the energy that the customer consumes from and the energy that the customer exports to the EPS.
- C. If during a billing period, the EPS Operator supplies the customer more energy than the customer exports, the customer will be charged for their Net Consumption.

- D. If during a billing period, the customer exports more energy than supplied by the EPS Operator, the customer will be charged the minimum invoice amount corresponding to the rate at which the service is being received. The minimum invoice is the amount that the EPS Operator charges a customer who does not consume electricity during a billing period. The EPS Operator shall register an excess in exported energy during any billing period up to a daily maximum of 300 kWh for residential customers and 10 MWh for commercial customers connected to the Distribution System. For customers connected to the Transmission System, any excess in exported energy during a billing period will be registered up to a daily maximum of 50 MWh. The excess in exported energy will be carried over to the invoice for the next billing period.
- E. Any excess in exported energy, that the customer accumulates during the year and that has not been used by the close of the June billing period of each year, will be compensated as described below:
- (1) The EPS Operator shall use the greater of (a) ten cents per kilowatt-hour or (b) the price per kilowatt-hour that results from converting the average of the total price charged to customers throughout the year and subtracting the average of the fuel and power purchase adjustments.
 - (1) The customer will receive a credit on their monthly bill equal to 75% of the surplus energy and the remaining 25% of the surplus energy will be credited to the power bill of the Department of Education.
- F. For customers who participate in the Aggregate Net Metering Program, besides paragraphs A to E of this Section, the following applies:
- (1) Service agreements at the same location: The maximum amount of energy to be credited to all participating service agreements at the location where the Distributed Generation System is installed may be up to 100% of the consumption of all the service agreements. This energy will be credited first to the service agreement associated with the Distributed Generation System and the excess will be credited equally to the rest of the service agreements on the same account.
 - (2) Service agreements at different locations: The maximum amount of energy to be credited to all participating service agreements may be up to 120% of the consumption of the service agreements at the location where the Distributed Generation System is installed. This energy will be credited first to the service agreement associated with the Distributed Generation System and the excess will be credited equally to the rest of the service agreements, up to 100% of the consumption of the service agreements within the location where the Distributed Generation System is installed and the remaining 20% of the energy

production will be credited equally to the service agreements in the other locations on the same account.

- G. For customers participating in the Shared Net Metering Program, besides the provisions of paragraphs A to E of this Section, 100% of the energy produced by the Distributed Generation System will be credited equally among all participants of this program.

Article 3. ARTICLE 2. DISPUTE RESOLUTION

- A. The Parties agree to attempt to resolve all disputes arising out of the interconnection process and associated studies and Interconnection Agreements according to this Article.
- B. If a dispute occurs, the disputing Party shall provide the other Party a written Notice of Dispute containing the relevant known facts pertaining to the dispute, the specific dispute and the relief sought, and express notice by the disputing Party it is invoking the procedures under this Article. The notice shall be sent to the non-disputing Party's email address and physical address in the Interconnection Agreement or Interconnection Application, if there is no Interconnection Agreement. A copy of the notice shall also be sent to the Interconnection Ombudsperson at the Energy Bureau.

The non-disputing Party shall acknowledge the notice within three (3) Business Days of its receipt and identify a representative with the authority to decide for the non-disputing Party regarding the dispute.

- C. If the dispute is principally related to one or both Parties' compliance with timelines specified in these Regulations or associated agreements, the Parties shall seek assistance from the Interconnection Ombudsperson if the Parties cannot mutually resolve the dispute within eight (8) Business Days.
- D. If the dispute is not principally about one or both Parties' compliance with a timeline, then the non-disputing Party shall provide the disputing Party with all relevant regulatory and/or technical details and analysis regarding any interconnection requirements under dispute within ten (10) Business Days of the date of the notice of dispute. The confidentiality provisions of [Section 7.05](#) apply here. Within twenty (20) Business Days of the date of the notice of dispute, the Parties' authorized representatives will have to meet and confer to try to resolve the dispute. Parties shall operate in good faith and use best efforts to resolve the dispute.
- E. If a resolution is not reached in thirty (30) Business Days from the date of the notice, either:
 - (1) A Party may request to continue negotiations for an additional twenty (20) Business Days;

- (2) The Parties may by agreement make a written request for mediation to the Interconnection Ombudsperson; or
- (3) Both Parties by agreement may request mediation from an outside third-party mediator with costs to be shared equally between the Parties.
- F. If the results of the mediation are not accepted by one or more Parties and there is still disagreement, the dispute shall proceed to the Energy Bureau's process for reconsideration in accordance with [Article 13](#).
- G. At any time, either Party may request reconsideration by the Energy Bureau in accordance with [Article 13](#).
- A. ~~Party may proceed to file a request for reconsideration before the Energy Bureau in accordance with [Article 13](#) Reconsideration and Judicial Review.~~
- B. ~~For purposes of calculating the twenty (20) days from to file a request for reconsideration under [Article 13](#) Reconsideration and Judicial Review:~~
- (1) ~~If a Party elects mediation or arbitration under Regulation 8558 and subsequently withdraws from such proceeding, the term shall commence from the date the Party provides written notice to the other Party and to the mediator or arbitrator; and~~
- (2) ~~If a mediation proceeding under Regulation 8558 terminates without resolution, the term shall commence from the date the mediator files written notice of termination with the Energy Bureau as required under Section 5.04 of Regulation 8558.~~
- C. ~~Nothing in this Article shall prevent a Party from proceeding directly to reconsideration before the Energy Bureau at any time, regardless of whether the Party has previously elected to pursue mediation or arbitration under Regulation 8558.~~

~~Article 11~~ **ARTICLE 9. PENALTIES; INVESTIGATIONS**

- ~~99999~~ A. Anyone who infringes this Regulation or who alters all or part of the ~~Electric Power System~~ ~~EPS Operator~~ or an electric installation in a manner such that the operation of a Distributed ~~Generation System or Microgrid~~ ~~Energy Resource~~ cannot be accurately monitored including, but not limited to, its bi-directional energy flow shall be penalized by the ~~EPS Operator and/or~~ Energy Bureau with the corresponding administrative sanctions and penalties established in Act 83-1941 and Act 57-2014 and the regulations adopted pursuant to the same.

Commented [A94]: Act 83-1941 applies to PREPA not EPS Operator. Act 57-2014 states Energy Bureau imposes sanctions/penalties not EPS Operator.

Commented [A95]: As a private operator, the EPS Operator lacks authority to impose administrative sanctions under Act 83-1941 or Act 57-2014; only the Energy Bureau, as the regulatory agency, has this authority.

~~RRRR~~B. The EPS Operator is authorized to investigate matters regarding the interconnection of ~~Microgrids~~Distributed Energy Resource with the ~~EG~~EPS, including the veracity of the information stated in the certifications, inspection reports and any other documents filed with the EPS Operator under this Regulation ~~and can take the appropriate actions (administrative and judicial) authorized by laws.~~

(1) ~~If~~For purposes of this Section, “investigate” shall include:

- (i) ~~Conducting physical inspections of the Distributed Energy Resource, and Interconnection Facilities, subject to the access provisions of Section 104 of this Regulation;~~
- (ii) ~~Requesting that the Interconnection Customer provide, within twenty (20) Business Days, documents, records, test results, equipment specifications, or other information in the Interconnection Customer's possession that is relevant to compliance with this Regulation, the Technical Interconnection Requirements, or the Interconnection Agreement;~~
- (iii) ~~Conducting or commissioning technical testing of the Distributed Energy Resource equipment, including power quality measurements, protection system verification, and output monitoring; and~~
- (iv) ~~Reviewing publicly available records and filings relevant to the interconnection.~~

c. The EPS Operator's investigation authority under this Section extends to matters ~~directly related to~~

- (i) ~~Compliance with the technical requirements of this Regulation and the Technical Interconnection Requirements;~~
- (ii) ~~The accuracy and completeness of certifications, inspection reports, and other documents filed with the EPS Operator and/or Energy Bureau;~~
- (iii) ~~Whether the Distributed Energy Resource is being operated in accordance with the Interconnection Agreement; and~~
- (iv) ~~Whether the operation of the Distributed Energy Resource is causing or may cause adverse effects on the~~

Electric Power System as applicable, described in ~~Section 3.14~~.

- d. Nothing in this Section shall delay or limit the EPS Operator's right to take immediate operational action, including disconnection without prior notice, under ~~Section 3.14~~ of this Regulation when conditions warrant. The investigation process under this Section and the operational remedies under ~~Article 12~~ may proceed simultaneously and independently.
- e. If, as a result of an investigation under this Section, the EPS Operator determines that ~~a Distributed Generation System or Microgrid~~: (i) a Distributed Energy Resource was interconnected in violation of applicable legal provisions; (ii) there is irregularity, deficiency, omission, or fraud in any certification or document filed under this Regulation; or (iii) the Interconnection Customer is in material noncompliance with this Regulation, the TIR, or the Interconnection Agreement, the EPS Operator may:

(i) Take any operational remedies available under ~~Article 12~~ of this Regulation, including disconnection pursuant to the applicable provisions of that Article;

(ii) Refer the matter to the Energy Bureau for administrative enforcement action, including imposition of sanctions under Act 83-1941 and Act 57-2014; and

(iii) Refer the responsible professional to the pertinent professional association, the Public Energy Policy Program of the Department of Economic Development and Commerce, or other competent authority as applicable.

- f. Where an investigation under this Section and operational remedies under Article 12 arise from the same factual circumstances, resolution of the operational condition (including correction by the Interconnection Customer and reconnection) shall not preclude the EPS Operator from referring the underlying cause to the Energy Bureau for administrative enforcement under subsection (e)(ii) above.

g.h. If the Energy Bureau determines that a Distributed Energy Resource was interconnected in violation of applicable legal provisions, or detects any irregularity, deficiency, omission or fraud in the certifications filed, the ~~EPS Operator and/or~~ Energy Bureau, ~~as applicable~~, may impose the administrative sanctions established in Act 83-1941 and Act 57-2014, to the professional responsible ~~offor~~ such violation and

~~to refer the professional to the pertinent professional association, to the Public Energy Policy Program of the Department of Economic and, to Development and Commerce for the corresponding disciplinary action.~~

SECTION 9.1. Term and Termination of the Interconnection Agreement

- ~~A. The Interconnection Agreement is effective on the date it is signed and will be in force as long as the Interconnection Customer maintains an active service contract with the EPS Operator at the Interconnection Site or during the term mutually agreed by both the Interconnection Customer and the EPS Operator.~~
- ~~C. Termination of the Interconnection Agreement may be enforced by, but not limited to, the following:~~
- ~~(1) The Interconnection Customer, freely and voluntarily, terminates, cancels or transfers his active service contract with the EPS Operator.~~
 - ~~(2) Breach of the Interconnection Agreement by any of the signing parties.~~
 - ~~(3) Both the Interconnection Customer and the EPS Operator agree in writing to terminate the Interconnection Agreement. In the event that the Interconnection Customer wishes to terminate the Interconnection Agreement and permanently disconnects the Distributed Generation System from the Electric Power System EPS Operator's electrical system, the Interconnection Customer must notify the Distribution Engineering Department of the region where the Interconnection Site is located in writing at least twenty (20) Business Days in advance.~~
 - ~~(4) The term of the Interconnection Agreement was fulfilled, and the Interconnection Customer did not request its renewal.~~
 - ~~(5) The Interconnection Customer does not comply with a process, study or requirement mentioned in this Regulation.~~
- ~~D. The EPS Operator may terminate, cancel or accelerate the expiration of the Interconnection Agreement, with prior notification, in the event that the Interconnection Customer client breaches any of its obligations in the Interconnection Agreement.~~
- ~~E. Once the Interconnection Agreement is terminated, the Interconnection Customer shall proceeds to permanently disconnect the Distributed Energy Resource from the Electric Power System EPS Operator's electrical system to~~

Commented [A96]: Establishes a clear enforcement framework: the EPS Operator may detect violations and refer them to the Energy Bureau, which alone has authority to impose administrative sanctions.

Commented [A97]: he EPS Operator, as a private entity, may pursue judicial remedies (e.g., contract enforcement) but cannot take administrative actions, which are reserved to government agencies.

Commented [A98]: Uses the newly defined term 'Interconnection Site' instead of 'locality where the Distributed Generation System is located' for precision and consistency.

avoid any possibility of its parallel operation in the future. The EPS Operator reserves the right to inspect the Interconnection Customer's facilities to verify that the Distributed Energy Resource is permanently disconnected. After said disconnection, if the Interconnection Customer is interested in reconnecting the Distributed Energy Resource, they must start a new Distributed Energy Resource Application from the EPS Operator.

Article 12. ARTICLE 10. PUBLIC REPORTING AND RECORD RETENTION

Section 12.04. SECTION 1.2.
Section 13.1 Public Queue

The EPS Operator shall maintain a public interconnection queue pursuant to **Section 2.08** on its website in a tabular format, *i.e.*, a sortable spreadsheet, which it shall update on at least a monthly basis. The date of the most recent update shall be clearly indicated. The public queue should include, at a minimum, the following information about each Interconnection Application, where available:

- A.** Queue Position, *i.e.*, queue number
- B.** Nameplate Rating

- ~~G.B.~~ Export Capacity
- ~~D.C.~~ Primary fuel type (*e.g.*, solar, wind, bio-gas, etc.)
- ~~E.D.~~ Secondary fuel type (if applicable)
- ~~F.E.~~ Exporting or Non-Exporting
- ~~G.F.~~ City
- ~~H.G.~~ Zip code
- ~~I.H.~~ Substation
- ~~J.I.~~ Feeder
- ~~K.I.~~ Status (active, withdrawn, interconnected, etc.)
- ~~L.K.~~ Date application deemed complete
- ~~M.L.~~ Date of notification of Fast Track screen results, if applicable
- ~~N.M.~~ Fast Track Screen results, if applicable (pass or fail, and if fail, identify the screens failed)
- ~~O.N.~~ Date of notification of supplemental review results, if applicable
- ~~P.O.~~ Supplemental review results, if applicable (pass or fail, and if fail, identify the screens failed)
- ~~Q.P.~~ Date of notification of feasibility study results, if applicable.
- ~~R.Q.~~ Date of notification of system impact study results, if applicable
- ~~S.R.~~ Date of notification of Transmission System impact study results, if applicable
- ~~T.S.~~ Date of notification of Facilities Study results and/or construction estimates, if applicable
- ~~U.T.~~ If upgrades were needed, the estimated and final cost of the upgrades

~~Section 12.02.~~**SECTION 1.3.**
[Section 13.2] Biannual Interconnection Report

After the approval of this Regulation, the EPS Operator shall include the following information as part of its Interconnection Progress Reports as filed in Docket No. NEPR-MI-2019-0016:

~~000000.A.~~ The number, Nameplate Rating, and Export Capacity of, completed Interconnection Applications for ~~Generating Facilities and Microgrids~~Distributed Energy Resource received, approved, studied, installed, withdrawn, and denied under the Simplified Process, the Fast Track Process, and the Study Process.

Commented [A99]: "Generating Facilities" is undefined; conforming to the defined "Distributed Generation Systems" avoids ambiguity and matches the operative pairing used throughout the Regulation.

~~B.A.~~ The fuel type, number, Nameplate Rating, and Export Capacity of ~~Generation Facilities and Microgrids~~Distributed Energy Resource approved for interconnection.

~~C.B.~~ The fuel type, number, Nameplate Rating, and Export Capacity of all ~~Generation Facilities and Microgrids~~Distributed Energy Resource currently interconnected to the EPS.

~~D.C.~~ A narrative description of the data provided, including any trends identified by the EPS Operator.

~~E.D.~~ Fees collected under the Simplified Process, the Fast Track Process, and the Study Process.

~~F.E.~~ The underlying data in tabular format, *i.e.*, a searchable spreadsheet.

~~Section 12.03~~SECTION 1.4.
[Section 13.3] **Record Retention**

~~UUUUUU.A.~~ The EPS Operator shall maintain the records and reports specified in this Article for at least five years.

~~VVVVVV.B.~~ The EPS Operator shall retain copies of studies it performs to determine the feasibility ~~of~~, Distribution ~~system~~System impacts ~~of~~, Transmission System impacts ~~of~~, or facilities required ~~by~~for a proposed interconnection.

Commented [A100]: The original phrasing had inconsistent parallel structure with mismatched prepositions. This revision streamlines the list while preserving the intended scope.

Preliminary Draft

Article 13-ARTICLE 11. RECONSIDERATION AND JUDICIAL REVIEW**Section 13.01-SECTION 1.5.****[Section 14.1] Reconsideration**

~~WWW.A.~~ Any person who is not satisfied with a decision made by the EPS Operator under this Regulation may first follow the ~~process~~ procedures identified in ~~Article 10, Article 11~~, or may file, within the term of twenty (20) days from the date copy of the notice of such decision is filed by the Energy Bureau's Clerk, a request for reconsideration before the Energy Bureau within the term of twenty (20) days, calculated in accordance with ~~Article 11.01~~, wherein the petitioner sets forth in detail the grounds that support the request and the decisions that, in the opinion of the petitioner, the Energy Bureau should reconsider.

~~B.A.~~ **[B]** Any person who is not satisfied with a decision made by the Energy Bureau under this Regulation may file, within the term of twenty (20) days from the date copy of the notice of such decision is filed by the Energy Bureau's Clerk, a request for reconsideration before the Energy Bureau wherein the petitioner sets forth in detail the grounds that support the request and the decisions that, in the opinion of the petitioner, the Energy Bureau should reconsider.

Section 13.02-SECTION 1.6.**[Section 14.2] Administrative Review**

Any person who is not satisfied with a decision made by the EPS Operator under this Regulation may file, within the term of twenty (20) days from the date copy of the notice of such decision is issued and notified by the EPS Operator, a request for review before the Energy Bureau, pursuant to the provisions of Act 57-2014 and Regulation 8543, ~~the Regulation on Adjudicative, Notice of Noncompliance, Rate Review and Investigations Proceedings (December 18, 2014).~~

Section 13.03-SECTION 1.7.**[Section 14.3] Judicial Review**

Any person dissatisfied with a final decision of the Energy Bureau under this Regulation, may, within thirty (30) days from the date copy of notice of a final decision addressing a request for reconsideration is filed by the Energy Bureau's Clerk, or within thirty (30) days from the date a copy of the notice of an Energy Bureau final decision is filed by the Energy Bureau's Clerk, if a request for reconsideration has not been filed, appear before the Puerto Rico Court of Appeals by way of writ of judicial review.

Commented [A101]: Aligns the reconsideration provision with the revised Article 11 framework and Regulation 8558 by incorporating the term calculation rules.

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ARTICLE 12. REPEAL

This Regulation cancels and supersedes PREPA’s Regulation 8915, *Reglamento para interconectar generadores con el sistema de distribución eléctrica de la Autoridad de Energía Eléctrica y participar en los Programas de Medición Neta* (February 6, 2017) and PREPA’s Regulation 8916, *Reglamento para interconectar generadores con el sistema de transmisión o subtransmisión eléctrica de la Autoridad de Energía Eléctrica y participar en los Programas de Medición Neta* (February 6, 2017).

Additionally, this Regulation supersedes any provision included in any other prior regulation that is contrary to the provisions established in this Regulation.

Commented [A102]: This catch-all provision ensures that any conflicting provisions in other regulations are superseded, even if not specifically identified, providing comprehensive regulatory clarity.

ARTICLE 13. EFFECTIVE DATE

SECTION 1.1.
[Section 16.1] General Condition Precedent

Subject to Section 16.2, this Regulation shall enter into force thirty (30) days after its filing with the Puerto Rico Department of State in accordance with the provisions of Act No. 38-2017.

SECTION 1.2.
[Section 16.2] Special Condition Precedent

Notwithstanding Section 16.1, this Regulation shall not become effective until the Initial Technical Interconnection Requirements have been approved or deemed approved by the Energy Bureau pursuant to Section 8.03(j). Upon such approval or deemed approval, this Regulation and the Initial Technical Interconnection Requirements shall become effective fifteen (15) calendar days after publication of the approved Initial Technical Interconnection Requirements of the EPS Operator in accordance with Section 8.03(j)(8).

Commented [A103]: This provision ensures the Regulation does not take effect until the technical standards necessary for safe and reliable interconnection have been properly reviewed and approved, preventing a regulatory gap where the Regulation is in force but the implementing technical requirements are not yet established. This coordinates with Section 8.03(j)(1) and Section 8.03(j)(8).

Preliminary Draft

EXHIBIT 3



**LUMA Energy LLC comments
provided on August 14, 2026
Incorporates proposed revisions in clean version**

Distributed Energy Resources Interconnection Regulation

August 14, 2026 DRAFT

Preliminary Draft

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Distributed Generation and Microgrid Interconnection Regulation Draft – July 10, 2026

TABLE OF CONTENTS

Page

ARTICLE 1. GENERAL PROVISIONS.....	2
Section 1.01. Title 2	
Section 1.02. Legal Basis.....	2
Section 1.03. Purpose and Executive Summary.....	2
Section 1.04. Applicability	3
Section 1.05. Interpretation.....	3
Section 1.06. Provisions of Other Regulations.....	4
Section 1.07. Unforeseen Proceedings.....	4
Section 1.08. Dates and Time Periods.....	4
Section 1.09. Definitions.....	4
Section 1.10. Controlling Version	17
Section 1.11. Severability.....	17
Section 1.12. Cyber Portal and Forms.....	17
Section 1.13. Mode of Submission	18
Section 1.14. Effect of Submission.....	18
Section 1.15. Confidential Information.....	18
Section 1.16. Validity	19
Section 1.17. Compliance with Other Applicable Legal Requirements	19
ARTICLE 2. INTERCONNECTION APPLICATION PROCESS	19
Section 2.01. Process Overview	19
Section 2.02. Pre-Application Report and Interconnection Application Filing Mechanisms.....	20
Section 2.03. Electronic Signatures.....	24
Section 2.04. Communications.....	24
Section 2.05. Submittal of the Interconnection Application or the Simplified Interconnection Notification	24
Section 2.06. Modification of the Interconnection Application.....	25
Section 2.07. Site Control	27

CONFIDENTIAL DRAFT
ATTORNEY-CLIENT PRIVILEGED AND ATTORNEY WORK PRODUCT
Prepared by DLA Piper LLP (US)
For Review by Client and Counsel Only

Distributed Generation and Microgrid Interconnection Regulation	Draft – July 10, 2026
Section 2.08. Queue Position	28
ARTICLE 3. DISTRIBUTED GENERATION SYSTEM SIMPLIFIED PROCESS	29
ARTICLE 4. DISTRIBUTION SYSTEM FAST TRACK PROCESS	32
Section 4.01. Applicability and eligibility requirements.....	32
Section 4.02. Initial Review.....	33
Section 4.03. Customer Options Meeting.....	37
Section 4.04. Supplemental Review	38
ARTICLE 5. STUDY PROCESS	42
Section 5.01. Purpose	42
Section 5.02. Scoping Meeting.....	42
Section 5.03. Feasibility Study.	45
Section 5.04. System Impact Study.	49
Section 5.05. Facilities Study	51
ARTICLE 6. INTERCONNECTION AGREEMENT	53
Section 6.01. Simplified Process.....	53
Section 6.02. Fast Track and Study Process.....	54
Section 6.03. Energy Bureau’s Approval for Microgrids Above 5 MW	55
ARTICLE 7. PROVISIONS THAT APPLY TO ALL INTERCONNECTION APPLICATIONS	58
Section 7.01. Time Frames and Extensions	58
Section 7.02. Non-Warranty	60
Section 7.03. Commissioning, Inspection, Testing, Authorization.....	60
Section 7.04. Authorization Required Prior to Parallel Operation	61
Section 7.05. Confidentiality	62
Section 7.06. Insurance.....	62
Section 7.07. Comparability	64
Section 7.08. Design, Procurement, Installation and Construction of Interconnection Facilities and Upgrades	64
Section 7.09. Export Capacity of a Distributed Generation System or Microgrid	67
ARTICLE 8. TECHNICAL REQUIREMENTS	71
Section 8.01. General Technical Requirements.....	71

CONFIDENTIAL DRAFT
ATTORNEY-CLIENT PRIVILEGED AND ATTORNEY WORK PRODUCT
Prepared by DLA Piper LLP (US)
For Review by Client and Counsel Only

Distributed Generation and Microgrid Interconnection Regulation Draft – July 10, 2026

Section 8.02. Approval of Use of Certified Equipment.....73

Section 8.03. Protection and Control

Section 8.04 Metering.....

Section 8.05 Approval of Technical Interconnection Requirements51

ARTICLE 9. NET ENERGY METERING.....74

Section 9.01. Participation in Net Metering Programs74

Section 9.02. Basic Net Metering Program74

Section 9.03. Aggregate Net Metering Program74

Section 9.04. Shared Net Metering Program83

Section 9.05. Energy Compensation for Customers that Participate in the Net
Metering Programs.....83

ARTICLE 10. DISPUTE RESOLUTION87

ARTICLE 11. PENALTIES.....97

ARTICLE 12. PUBLIC REPORTING AND RECORD RETENTION100

Section 12.01.Public Queue101

Section 12.02.Annual Interconnection Report.....102

Section 12.03.Record Retention.....103

ARTICLE 13. RECONSIDERATION AND JUDICIAL REVIEW103

Section 13.01.Reconsideration.....103

Section 13.02.Administrative Review.....104

Section 13.03.Judicial Review104

ARTICLE 1. GENERAL PROVISIONS

Compliance with this Regulation shall relieve no Party affected by this Regulation from complying with other applicable legal and regulatory requirements enforced by any other Government Entity.

SECTION 1.1.**Title**

This Regulation shall be known as the Distributed Energy Resources Interconnection Regulation (“Regulation”).

SECTION 1.2.**Legal Basis**

The Energy Bureau of the Public Service Regulatory Board (“Energy Bureau”) adopted this Regulation pursuant to Act 82-2010, as amended, known as the *Public Policy on Energy Diversification by Means of Sustainable and Alternative Renewable Energy in Puerto Rico Act* (“Act 82-2010”); Act 17-2019, as amended, known as the *Puerto Rico Energy Public Policy Act* (“Act 17-2019”); Act 57-2014, as amended, known as the *Puerto Rico Energy Transformation and RELIEF Act* (“Act 57-2014”); and Act 38-2017, known as the *Uniform Administrative Procedures Act of the Government of Puerto Rico* (“LPAU” for its Spanish acronym). This Regulation shall be interpreted and implemented in a manner consistent with the authority granted to the Energy Bureau under the foregoing Acts.

SECTION 1.3.**Purpose**

The purpose of this Regulation is to establish the regulatory framework governing the interconnection of Distributed Energy Resources, including Distributed Generation Systems, to the Electric Power System in Puerto Rico through a single Point of Common Coupling per Interconnection Application.

This Regulation is intended to promote a safe, reliable, efficient, affordable, transparent, and nondiscriminatory interconnection process, while supporting the reliability and operational integrity of the Electric Power System and implementing the public policy established by the laws of Puerto Rico.

This Regulation is not intended to guide customer programs (i.e. net metering programs, virtual power plants, battery storage programs and community solar) or business models. Those mechanisms are addressed in separate laws and regulations and EPS Operator’s procedures and rules.

SECTION 1.4.**Executive Summary**

This Regulation establishes the requirements, procedures, technical standards, and responsibilities governing the interconnection of facilities subject to this Regulation to the Electric Power System.

It establishes the respective roles and responsibilities of the Interconnection Customer, the Electric Power System Operator, and other participants in the interconnection process, as well as the applicable technical requirements, procedures, and operational standards.

This Regulation is intended to provide a uniform and transparent framework for the interconnection process while supporting the safe and reliable operation of the Electric Power System.

SECTION 1.5. Applicability

This Regulation applies to any Distributed Energy Resources, including Distributed Generation Systems, seeking to interconnect to the Electric Power System through a single Point of Common Coupling, except those that only operate independently of the Electric Power System. Each Interconnection Application under this Regulation shall be for a single Point of Common Coupling. Distributed Energy Resources proposing to interconnect through multiple Points of Common Coupling shall submit a separate Interconnection Application for each proposed Point of Common Coupling. This Regulation governs only the technical requirements for interconnection and does not regulate customer programs, which are governed by Act 114-2007, Act 57-2014, Act 17-2019, other applicable laws, and the orders, resolutions, and regulations issued by the Energy Bureau.

SECTION 1.6. Interpretation

This Regulation shall be interpreted so it promotes the highest public benefit, consumer protection, and system reliability, and in such a way that proceedings are carried out rapidly, justly, and economically.

Nothing in this Regulation shall diminish or limit the EPS Operator's contractual, legal, and regulatory obligations to operate a safe, reliable, affordable, and resilient Electric Power System for all of its customers.

SECTION 1.7. Provisions of Other Regulations

This Regulation constitutes the regulatory framework governing the interconnection of Distributed Energy Resources subject to the jurisdiction of the Energy Bureau. Any regulation, tariff, manual, technical requirement, guideline, operating procedure, administrative policy, or other normative document applicable to such interconnections shall be interpreted and implemented in a manner consistent with this Regulation. To the extent any such document is inconsistent with this Regulation, the provisions of this Regulation shall govern.

**SECTION 1.8.
Unforeseen Proceedings**

When a specific proceeding has not been planned for in this Regulation, the Energy Bureau may attend to it in any way that is consistent with Act 114-2007, Act 57-2014, Act 17-2019, and any other applicable laws.

**SECTION 1.9.
Dates and Time Periods**

In computing any time period established in this Regulation, or by Order of the Energy Bureau, the day of the act, event, or noncompliance that triggers the period shall not be counted, and the established period shall begin to elapse on the following calendar day. Whenever a due date falls on a Saturday, Sunday, or legal holiday, said due date shall be extended until the next Business Day. All days if not specifically indicated shall be calculated as calendar days except for periods equal or less than seven (7) which shall be calculated as business days.

**SECTION 1.10.
Definitions**

- A. These definitions are to be used for this Regulation and are not intended to modify the definitions used in any other Energy Bureau Regulation or Order.
- B. For this Regulation, the following terms will have the meaning established below, unless the context of the content of any provision clearly indicates something else:
 - (1) “Business Day” – means Monday through Friday, excluding Federal and local holidays.
 - (2) “Cease to Energize” – means the cessation of active power delivery under steady-state and transient conditions and limitation of reactive power exchange. This does not necessarily imply, nor exclude disconnection, isolation, or a Trip. Limited reactive power exchange may continue as specified (*e.g.*, through filter banks).
 - (3) “Certified” – means a piece of equipment has been tested in accordance with the applicable requirements of IEEE Std 1547™-2018 and IEEE Std 1547.1™-2020 by any NRTL recognized by the United States Occupational Safety and Health Administration to test and certify equipment pursuant to the applicable standard and the equipment has been labeled and is publicly listed by such NRTL at the time of the interconnection application. Equipment installed prior to March 28, 2023 will also be considered certified if it has been tested in accordance with IEEE Std 1547™-2003 and 1547.1™-2005.

- (4) “Cluster Study Area” means the feeder, Line Section, substation transformer, distribution substation, or other electrically bounded portion of the EPS included within the DER Cluster Study.
- (5) “Confidential Information”- means any confidential and/or proprietary information provided by one Party to the other Party clearly marked or otherwise designated “Confidential.” For purposes of this Regulation all design, operating specifications, and Metering data provided by the Interconnection Customer shall be deemed confidential information regardless of whether it is clearly marked or otherwise designated as such. Confidential Information does not include information previously available in the public domain, required to be publicly submitted or divulged by Governmental Entity (after notice to the other Party and after exhausting any opportunity to oppose such publication or release), or necessary to be divulged in an action to enforce this Regulation. Each Party receiving Confidential Information shall hold such information in confidence and shall not disclose it to any third party nor to the public without the prior written authorization from the Party providing that information, except to fulfill obligations under this Regulation, or to fulfill legal or regulatory requirements.
- (6) “Cyber Portal” – means an internet site where Parties can electronically submit all documents required by this Regulation, monitor the Fast Track Process and Study Process, and approve the interconnection. This site also provides the ability to electronically sign agreements required in this Regulation.
- (7) “Daytime Minimum Load” or “DML” - means the minimum measured net electrical demand occurring during the applicable daytime evaluation window at the measurement point specified in the TIR, based on the data period, data-quality rules, treatment of existing generation, feeder transfers, outages, load reducers, and uncertainty margin established in the TIR.
- (8) “Distributed Energy Resource(s)” or “DER” - means a source of electric power, including both generators and energy storage technologies, capable of exporting active power to an Electric Power System. The interconnection system and any supplemental DER device required for compliance with interconnection standards are considered part of the DER. Distributed Generation Systems and Microgrids are types of Distributed Energy Resources. For purposes of this Regulation, DER is the primary classification for all resources seeking interconnection, and all references to Distributed Generation Systems or Microgrids shall be understood as references to specific types of DER subject to the same interconnection processes and technical requirements.
- (9) “Distributed Generation System(s)” or “DGS” – means a type of Distributed Energy Resource consisting of device(s) for the production and/or storage of electrical energy, including generators, inverters, protection and control

systems, interconnection equipment, and other associated devices, capable of operating in parallel with the Electric Power System. For the purpose of this Regulation, aggregate and individual systems are considered a Distributed Generation System. This shall not include the EPS Operator's Interconnection Facilities.

- (10) "DER Cluster" means two or more existing, proposed, or higher-queued DER facilities located on the same feeder, Line Section, substation transformer, distribution substation, or other electrically related portion of the EPS and grouped for coordinated technical evaluation.
- (11) "DER Cluster Study" means the coordinated engineering evaluation performed by the EPS Operator under Section 5.3 of this Regulation to assess the cumulative impacts of two (2) or more electrically related Distributed Energy Resource facilities on the Electric Power System. The DER Cluster Study evaluates, as applicable, thermal loading, voltage performance, reverse power flow, protection coordination, fault current contribution, power quality, daytime minimum load conditions, peak-load conditions, smart inverter performance, and required Distribution Upgrades. The DER Cluster Study shall identify whether each participating project may be approved as proposed, approved with operating conditions or minor modifications, required to fund or participate in system upgrades, or transferred to an individual or more detailed study process. The completion of a DER Cluster Study shall not, by itself, approve or deny any individual Interconnection Application.
- (12) "Distribution System" – means the physical equipment used to distribute electric power at voltages below 38,000 volts, including but not limited to poles, primary lines, secondary lines, service drops, transformers and Meters.
- (13) "Distribution Upgrades" – means the additions, modifications, and upgrades to the Distribution System at or beyond the Point of Common Coupling to facilitate interconnection of the Distributed Energy Resources and render the distribution service necessary to effectuate the connection to the Distribution System. For Microgrids with multiple Distributed Generation Systems connected to the Distribution System, Distribution Upgrades may occur behind the Microgrid Point of Common Coupling. Distribution Upgrades do not include Interconnection Facilities.
- (14) "Electric Power System" or "EPS" – means the Puerto Rico electric power Transmission and Distribution System, excluding equipment owned by Interconnection Customers.
- (15) "Electric Power System Operator" or "EPS Operator" – means the entity that controls or operates the Electric Power System. For purposes of this

Regulation, an EPS Operator may be an Electric Power Service Company or Electric Power Company as defined in Act 17-2019.

- (16) “Energy Bureau” – means the Puerto Rico Energy Bureau, established by virtue of the Reorganization Plan of the Puerto Rico Public Service Regulatory Board, and Act No. 211-2018, known as the *Reorganization Plan Execution Act of the Public Service Regulatory Board*, formerly the Puerto Rico Energy Commission created under Act 57-2014, known as the *Puerto Rico Transformation and RELIEF Act*, which is a specialized independent entity in charge of regulating, overseeing, and enforcing the public policy on energy of the Government of Puerto Rico.
- (17) “Energy Storage” – means any commercially available, customer-sited system, including batteries and batteries paired with on-site generation, that is capable of retaining, storing, and delivering electrical energy by chemical, thermal, mechanical, or other means. For the purposes of this Regulation, an Energy Storage system can be considered part of a Distributed Generation System in whole that operates in parallel with the distribution system.
- (18) “Enter Service” – means begin operation of the Distributed Energy Resources with an energized EPS.
- (1) “Export Capacity” - means the amount of power that can be transferred from the Distributed Energy Resource to the Electric Power System in aggregate via alternating current (AC). Export Capacity is the Nameplate Rating unless such capacity is limited by an acceptable means as identified in [Section 7.10](#). Export Capacity may be used for customer program purposes pursuant to applicable laws and Energy Bureau orders, but shall not be used for technical evaluations, interconnection studies, system impact assessments, upgrade determinations, or planning activities under this Regulation, which shall be based on Nameplate Rating, unless otherwise stated in this Regulation.
- (19) “Eligibility” - means qualification to enter or begin a particular interconnection review process. Eligibility does not constitute approval to interconnect and does not establish that the proposed interconnection passes the applicable technical screens.
- (20) “Facilities Study” - means the engineering study performed by the EPS Operator, following completion of the applicable Feasibility Study and/or System Impact Study, to identify, design, and develop the Interconnection Facilities, Distribution Upgrades, Network Upgrades, protection systems, communications, metering, control systems, and other modifications required to safely and reliably interconnect a proposed Distributed Energy Resource to the Electric Power System.
- (21) “Fast Track Process” – means the procedures in Article 4 for evaluating an Interconnection Application that meets the eligibility requirements of Section

4.1 and includes the initial review screens, customer options meeting, and optional supplemental review.

- (22) “Fast Track Initial Review” - means the standardized screen-based review performed under **Section 4.03** to determine whether an eligible interconnection may be approved without Supplemental Review or the Study Process.
- (23) “Line Section” - means the portion of a radial Distribution System bounded by automatic sectionalizing devices, protective devices, a substation source, a change in operating configuration, or the end of the distribution line, as further identified in the TIR.
- (24) “Measured Net Daytime Minimum Load” - means the demand measured at the applicable feeder or Line Section measurement point after the effects of behind-the-meter generation, storage operation, and other load reducers are reflected in the measured value.
- (25) “Feasibility Study” –means the preliminary engineering study performed by the EPS Operator to evaluate the potential impacts of a proposed Distributed Energy Resource on the Electric Power System and to determine the technical feasibility of the proposed interconnection.
- (26) “Force Majeure Event” – means any act of God, labor disturbance, act of the public enemy, war, insurrection, riot, fire, storm or flood, explosion, breakage or accident to machinery or equipment, any order, regulation or restriction imposed by governmental, military or lawfully established civilian authorities, or any other cause beyond a Party’s control. A Force Majeure Event does not include an act of negligence or intentional wrongdoing.
- (27) “Prudent Utility Practice” – means, at any particular time, the practices, methods, techniques, conduct, and acts that, at the time they are employed, are generally recognized and accepted by companies operating in the United States electric transmission and distribution business as appropriate to the operation, maintenance, repair, and replacement of assets, facilities, and properties of the type covered by this Regulation. The interpretation of such practices, methods, techniques, conduct, and acts (including those engaged in or approved by a significant portion of the electrical utility industry prior thereto) shall take into account the facts and circumstances known at the time the decision was made. Prudent Utility Practice is not intended to be limited to the optimum or minimum practice, method, technique, conduct, or act, to the exclusion of all others, but rather to be a spectrum of possible practices, methods, techniques, conduct, or acts that a prudent operator would take to accomplish the intended objectives at just and reasonable cost consistent with reliability, safety, expediency, and good customer relations.

- (28) “Governmental Entity” - means the government of Puerto Rico, any political subdivision thereof, and any agency, authority, instrumentality, regulatory body, board, bureau, court, or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.
- (29) “Host Load” - means the electrical power consumed at the Interconnection Site.
- (30) “Interconnection Site” – means the parcel or parcels of land, property, or facilities owned, leased, or lawfully controlled by an Interconnection Customer where Distributed Energy Resources are installed and where Host Load is consumed. The Interconnection Site shall be served through a single Point of Common Coupling.
- (31) “Inadvertent Export” - means the unscheduled export of power exceeding a contractually specified magnitude and for a limited duration.
- (32) “Initial Technical Interconnection Requirements” – means the first Technical Interconnection Requirements submitted to and approved by the Energy Bureau following the approval of this Regulation pursuant to **Section 8.05(I)**. The Initial Technical Interconnection Requirements are subject to the transitional approval process established in **Section 8.05(I)** and, once approved or deemed approved, shall be subject to the amendment process established in **Section 8.05(A) through (H)** for any subsequent amendments.
- (33) “Intentional Island” – means a planned electrical Island capable of being energized by one or more Distributed Generation System. These (1) have Distributed Generation System(s) and load, (2) have the ability to disconnect from and to operate in Parallel with the EPS, (3) include one or more customers, and (4) are intentionally planned.
- (34) “Interconnection Agreement” – standard form agreement between an Interconnection Customer and the EPS Operator, as well as the ongoing operation of the Distributed Generation System after it is interconnected. For the Simplified Process, the Interconnection Agreement is incorporated into Simplified Process Notification form, provided as Attachment X to the Technical Information Requirements.
- (35) “Interconnection Application” – means the Interconnection Customer’s request, submitted through the Cyber Portal, to: (i) interconnect a new Distributed Energy Resource through a single Point of Common Coupling; (ii) increase the Nameplate Rating or Export Capacity of a Distributed Energy Resource for which an Interconnection Application is pending; (iii) make a Material Modification to the operating characteristics of a Distributed Energy Resource for which an Interconnection Application is pending; or (iv) increase the Nameplate Rating or Export Capacity of, or make a Material Modification

to, an existing Distributed Energy Resource that has an executed Interconnection Agreement, as provided in [Section 6.4](#). Each Interconnection Application shall be for a single Point of Common Coupling.

- (36) “Interconnection Customer” – means any entity or individual that proposes to interconnect to the Electric Power System. Interconnection Customer includes a Prosumer, which is any user or customer of the Electric Power System who have the capacity to generate electric power for self-consumption that, in turn, have the capacity to supply any energy surplus through the electric power grid.
- (2) “Interconnection Facilities” – means the EPS Operator’s Interconnection Facilities and the Interconnection Customer’s Interconnection Facilities (collectively, “Interconnection Facilities”) which include all facilities and equipment between the Distributed Energy Resource, and the Electric Power System, including any modification, additions or upgrades that are necessary to physically and electrically interconnect the Distributed Energy Resource to the Electric Power System. For Microgrids with multiple Distributed Energy Resource, Interconnection Facilities may occur behind the Microgrid Point of Common Coupling. Interconnection Facilities are facilities used solely by the Interconnection Customer’s Distributed Energy Resource and shall not include Distribution Upgrades or Network Upgrades.
- (37) “Interconnection Transformer” – means the transformer through which a Distributed Energy Resource interconnects with the EPS. This may also be the electrical transformer that supplies energy to the Host Load.
- (38) “Island” – means a condition in which a portion of an EPS is energized solely by one or more Distributed Energy Resource while that portion of the EPS is electrically separated from the rest of the EPS on all phases to which the Distributed Energy Resource is connected. When an Island exists, the Distributed Energy Resource energizing the Island may be said to be “Islanding” or “Islanded.” Islands may be Intentional or Unintentional.
- (39) “Limited Export” - means the exporting capability of a Distributed Energy Resource whose Export Capacity is limited below the Nameplate Rating by any configuration or operating mode described in [Section 7.10](#).
- (40) “Material Modification” – means a modification to machine data or equipment configuration or to the interconnection site after receiving notification by the Electric Power System Operator of a complete Interconnection Application with a material impact on the cost, timing, design or reliability of any Interconnection Facilities or Upgrades, or a material impact on the cost, timing design or reliability of any Interconnection Application with a later queue priority date. A Material Modification shall include, but may not be limited to, a modification from the approved Interconnection Application that: (1)

increases the Nameplate Rating, Export Capacity, Operating Profile, or output characteristics of the proposed interconnection or increases the level of interconnection service above the values in the approved Interconnection Application; (2) changes or replaces generating equipment, such as generator(s), inverter(s), transformers, relaying, controls, etc., and substitutes equipment that is not a like-kind substitution in certification, size, ratings, impedances, efficiencies or capabilities of the equipment; (3) changes transformer connection(s) or grounding; (4) changes the type, fuel source, or fundamental operating characteristics of the Distributed Generation System (e.g., from photovoltaic to wind, from inverter-based to synchronous, or the addition of Energy Storage to a system not originally proposed with Energy Storage); (5) alters the electrical characteristics of the interconnection, including but not limited to reactive power capability, fault current contribution, harmonic profile or dynamic response characteristics; and/or (5) changes to certified inverters with different specifications or different inverter control specifications or set-up.

A Material Modification shall not include a modification from the approved Interconnection Application that: (1) changes in ownership; (2) changes the address, so long as the proposed interconnection remains on the same parcel(s); (3) changes or replaces generating equipment such as generator(s), inverter(s), solar panel(s), Energy Storage device(s), transformers, relaying, controls, etc. and substitutes equipment that is a like-kind substitution in certification, size, ratings, impedances, efficiencies or capabilities of the equipment; and/or (4) changes the DC/AC ratio but does not increase the maximum AC output capability of the proposed interconnection.

- (41) “Meter” or “Metering” – means the equipment or instruments which function is to measure and register the bi-directional flow of electric energy (*i.e.*, energy delivered and received) by a Distributed Energy Resource interconnected to the EPS.
- (42) “Microgrid” – means a type of Distributed Energy Resource consisting of a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the Electric Power System that can seamlessly connect and disconnect from the Electric Power System to enable it to operate in either Parallel (grid-connected) or Islanded (off-the-grid) mode. This shall include the Interconnection Customer’s Interconnection Facilities. In some cases, the EPS Operator’s Interconnection Facilities may also be included in the Microgrid. For purposes of this Regulation, the interconnection of a Microgrid to the Electric Power System is subject to the same processes, technical requirements, and timelines applicable to all Distributed Energy Resources; operational characteristics unique to Microgrids, including island mode operation, registration, and ongoing compliance requirements, are addressed in Regulation 9028.

- (43) “Minor System Modifications” – means modifications to the Electric Power System or other minor system changes that the Electric Power System Operator estimates will entail less than ten (10) hours of work and five thousand dollars (\$5,000) in materials. The Electric Power System Operator may also deem other more substantial work, including the upgrade of transformers, as Minor System Modifications at its discretion.
- (44) “Nameplate Rating” – means the sum total of maximum rated power output of a Distributed Energy Resource constituent generating units or Energy Storage system, as identified on the manufacturer’s nameplate in aggregate, regardless of whether it is limited by export controls pursuant to [Section 7.10](#). Unless otherwise stated in this Regulation, the Nameplate Rating is the capacity metric used for all technical evaluations, interconnection studies, system impact assessments, Fast Track and Study Process screens, upgrade determinations, cost allocations, and planning activities under this Regulation. This ensures the EPS Operator has visibility of the total installed generating capacity for grid protection, system planning, and protection coordination purposes.
- (45) “Nationally Recognized Testing Laboratory” or “NRTL” – means an accredited laboratory that performs certification tests required by Institute of Electrical and Electronics Engineers and American National Standards Institute (ANSI) standards.
- (46) “Network Upgrades” – means additions, modifications, and upgrades to the Transmission System to accommodate the interconnection. Network Upgrades are at or beyond the Point of Common Coupling. Network Upgrades do not include Distribution Upgrades.
- (47) “Non-Export” or “Non-Exporting” - means the Distributed Energy Resource is sized and designed using any of the methods identified for non-export in [Section 7.10](#), such that the output is used for Host Load only and no electrical energy (except for any Inadvertent Export) is transferred from the Distributed Energy Resource to the Electric Power System.
- (48) “Operating Profile” - means how the Distributed Energy Resource is designed to be operated, as designated in the Interconnection Application, including the amount of export, the times of year, hours of the day and other relevant conditions.
- (49) “Operator” – means any natural or legal person responsible for the interconnection, operation, and/or maintenance of a Distributed Energy Resource .
- (50) “Parallel Operation” – means the simultaneous operation of the Distributed Energy Resource such that power can be transferred across the Point of

Common Coupling from or to the Electric Power System. This is also referred to as operating in “grid connected” mode, operating in parallel, or paralleling.

- (51) “Party” or “Parties” – means the Electric Power System Operator and the Interconnection Customer, individually or collectively, as applicable.
- (52) “Point of Common Coupling” – means the single point of connection between the Distributed Energy Resource and the Electric Power System. Each Interconnection Application submitted under this Regulation shall designate only one Point of Common Coupling. For Microgrids, the Point of Common Coupling is the single point at which the entire Microgrid interfaces with the Electric Power System.
- (53) “Power Control System” – means systems or devices which electronically limit or control the steady state AC currents, or DC currents, to a programmable limit or level.
- (54) “Puerto Rico Electric Power Authority” or “PREPA” – means the Puerto Rico Electric Power Authority, a corporate entity created by virtue of Act No. 83 of May 2, 1941, as amended, known as the *Puerto Rico Electric Power Authority Act* (“Act 83-1941”), and any of its affiliates or subsidiaries.
- (55) “Pre-Application Report” – means the report issued by the EPS Operator under **Section 2.1** of this Regulation.
- (56) “Queue Position” – means the sequential order of a valid Interconnection Application, relative to all other pending valid Interconnection Applications, that is established based upon the date and time of receipt of the valid Interconnection Application by the EPS Operator.
- (57) “Reasonable Efforts” – means, with respect to any action required to be attempted or taken by a Party under this Regulation, good-faith efforts that are timely, diligent, and consistent with Prudent Utility Practice and the nature and purpose of the applicable interconnection obligations under this Regulation, taking into account the totality of the circumstances, including: (i) the facts and circumstances known or reasonably ascertainable at the time of the action or decision; (ii) the condition, capacity, and operational constraints of the Electric Power System at the relevant time; (iii) the availability of resources, personnel, materials, and equipment; (iv) the need to maintain safe, reliable, and efficient operation of the Electric Power System; and (v) the requirement to comply with Applicable Law, including applicable safety codes and standards. Reasonable Efforts does not require any Party to take actions that would: (a) violate Applicable Law or applicable safety standards; (b) jeopardize the safety of any person or the reliability of the Electric Power System; (c) require expenditures or actions that are disproportionate to the expected benefit; or (d) require the Party to undertake obligations beyond those expressly set forth in this Regulation or the applicable Interconnection

Agreement. Reasonable Efforts shall not be construed to require the achievement of any particular result, and a Party shall be deemed to have satisfied its Reasonable Efforts obligation if the Party has undertaken actions that a prudent operator would take to accomplish the intended objective at a just and reasonable cost consistent with reliability, safety, and expedition.

- (58) “Renewable Energy” – means “sustainable renewable energy,” “alternative renewable energy,” and “distributed renewable energy,” jointly, as such terms are defined in Act No. 82-2010, as amended, known as the “*Public Policy on Energy Diversification by Means of Sustainable and Alternative Renewable Energy in Puerto Rico Act*.”
- (59) “Return to Service” – means the reentry into service following recovery from a Trip.
- (60) “Simplified Interconnection Notification” – means the form submitted to the EPS Operator by Interconnection Customers with Distributed Generation Systems qualifying for the Distributed Generation System Simplified Process found in Article 3.
- (61) “Simplified Process” – means the expedited procedure for evaluating a Simplified Interconnection Notification available to small inverter-based systems that interconnect to the Distribution System. The eligibility requirements are found in Article 3 and the Simplified Interconnection Notification and Agreement is found in Attachment X of the Technical Interconnection Requirements.
- (62) “Small inverter based system” – means an inverter-based Distributed Generation System with a Nameplate Rating of 25 kW or less.
- (63) “Subscriber” – means a customer of the EPS Operator that: (i) holds a subscription to an energy generating system; and (ii) has identified one or more individual meters or accounts to which the subscription shall be attributed.
- (64) “Study Process” – means the procedure for evaluating an Interconnection Application under Article 5, which may include a Scoping Meeting, Feasibility Study, System Impact Study, Transmission or Subtransmission System Impact Study, and Facilities Study, as applicable.
- (65) “Supplemental Review” – means a focused engineering review procedure established in Section 3.4 of this Regulation for further evaluation of an Interconnection Application that did not pass the initial Fast Track screens under Section 4.2, including the minimum load screen, type of generation screen, voltage and power quality screen, and safety and reliability screen

- (66) “Pass” or “Passes a Screen” - means that the proposed interconnection satisfies the numerical or technical criterion stated in the Regulation or the applicable criterion and method stated in the TIR. Failure of a screen does not, by itself, constitute denial of interconnection.
- (67) “System Impact Study” - means the engineering study performed by the EPS Operator to evaluate the impact of a proposed Distributed Energy Resource on the safety, reliability, and operation of the Electric Power System, and to identify the Interconnection Facilities, Distribution Upgrades, Network Upgrades, operating limitations, and mitigation measures necessary to accommodate the proposed interconnection.
- (68) “Technical Interconnection Requirements” or “TIR” – means the technical document prepared by the EPS Operator pursuant to this Regulation, establishing the engineering, operational, protection, communications, interoperability, metering, commissioning, testing, safety, and other technical requirements applicable to interconnections governed by this Regulation. The TIR shall be subject to the review and approval of the Energy Bureau pursuant to **Section 8.5** and shall not amend, modify, supersede, or conflict with this Regulation.
- (69) “Transmission System” – means the facilities used to provide subtransmission (38kV) and transmission (115kV) service.
- (70) “Trip” – means inhibition of immediate Return to Service, which may involve disconnection. Trip executes or is subsequent to Cessation of Energization.
- (71) “Unintentional Island” – means an unplanned Island event.
- (72) “Upgrades” – means the required additions and modifications to the Electric Power System. For an application to interconnect, Upgrades must be at or on the Electric Power System side of the Point of Common Coupling. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.
- (73) “Voltage Flicker” - means a voltage fluctuation or instability in the EPS that can cause changes in lighting, damage equipment, or that may adversely affect the quality of customer’s electric service.

SECTION 1.11.

Controlling Version

Should any discrepancy between the Spanish version and the English version of this Regulation arise, the English version shall prevail.

SECTION 1.12.**Severability**

If any article, provision, word, sentence, paragraph, subsection, or section of this Regulation is disputed before a court and declared unconstitutional or null and void, such ruling shall not affect, damage, or invalidate the remaining provisions of this Regulation, rather the effect shall be limited to the article, provision, word, sentence, paragraph, subsection, or section declared unconstitutional or null and void. The nullity or invalidity of any article, word, sentence, paragraph, subsection, or section, in any specific case, shall not affect or jeopardize in any way its application or validity in any other case, unless it has been specifically and expressly invalidated for all cases.

SECTION 1.13.**Cyber Portal and Forms**

The Energy Bureau, with the recommendation of the EPS Operator, shall establish the forms (printed or electronic) it deems necessary to conduct the proceedings pursuant to this Regulation and shall timely inform the public via its website and/or the EPS Operator's website, as applicable.

The EPS Operator shall commence the operations of the Cyber Portal required under this Regulation on or before one-hundred eighty (180) calendar days from the effective date of this Regulation. As a transitory process, until the commencement of operations of the Cyber Portal, the filing, processing and notification of any document required under this Regulation will be executed by the Parties will be carried out by email and digital files in PDF format or using the EPS Operator's existing online portal at the time of adoption of this Regulation, to the extent practical.

Consistent with the foregoing, the EPS Operator shall submit to the Energy Bureau for evaluation and approval, the Cyber Portal before its commencement of operations. The fact that the Energy Bureau has not approved or adopted one or more forms, including the Cyber Portal, is reviewing them, or the Internet website is out of service, shall relieve no party of its obligation to comply with the provisions stated, provide the information required by this Regulation, or otherwise comply with any Energy Bureau Order.

Accordingly, these forms will be proposed by the EPS Operator to the Energy Bureau and will be adopted as reviewed and approved by the Energy Bureau and may be revised from time to time as proposed by the EPS Operator, subject to the review and approval of the Energy Bureau. The EPS Operator will provide public notice of any revised or new form at least forty-five (45) days prior to requiring the use of the form.

SECTION 1.14.**Mode of Submission**

The forms, documents, and appearances required by this Regulation or any Order of the Energy Bureau must be submitted to the EPS Operator as applicable in electronic format

according to the instructions which, from time to time, the EPS Operator publishes on its website.

If the electronic filing system is temporarily not operating or functioning, the forms, documents, and appearances required by this Regulation or by any Order of the Energy Bureau shall be submitted to the EPS Operator in accordance with any instructions the Energy Bureau shall provide through an Order from time to time.

SECTION 1.15.
Effect of Submission

In filing any document with the EPS Operator, the party undersigning such document shall be deemed to have certified that the content of the document is true and that, according to the signer's best knowledge, information, and belief, formed after reasonable inquiry, the document is based on reliable and trustworthy facts, arguments, judicial sources, and information.

SECTION 1.16.
Confidential Information

If in compliance with the provisions of this Regulation or any of the Energy Bureau's Orders, a Party has the duty to disclose information to the Energy Bureau considered to be confidential, a commercial or industrial secret under Act 80-2011, known as the *Puerto Rico Trade Secrets Act*, or privileged, pursuant to applicable evidentiary privileges, said Party shall identify the alleged privileged information and request in writing for the Energy Bureau to treat such information as confidential, pursuant to Article 6.15 of Act 57-2014. In identifying privileged information and requesting confidential treatment by the Energy Bureau, the requesting party shall follow the rules and procedures established by the Energy Bureau in Resolution CEPR-MI-2016-0009¹, as such resolution may be amended from time to time, for the filing, handling, and treatment of confidential information. Except with information protected under the attorney-client privilege, the claim of confidential treatment shall, under no circumstances, be grounds for denying such information from being filed with the Energy Bureau.

SECTION 1.17.
[Reserved]

[Reserved]

¹ See, In re: Policy on Management of Confidential Information in Procedures Before the Commission, Case No.: CEPR-MI-2016-0009, August 31, 2016.

SECTION 1.18.

Compliance with Other Applicable Legal Requirements

Compliance with this Regulation shall relieve no Party affected by this Regulation from complying with other applicable legal and regulatory requirements enforced by any other Government Entity.

Preliminary Draft

ARTICLE 2. INTERCONNECTION APPLICATION PROCESS

There are three processes for interconnection of Distributed Energy Resources in Puerto Rico.

- A. **Simplified Process:** This is for small inverter-based systems that meet the eligibility criteria in **Article 3** and the combined Simplified Interconnection Notification and Agreement contained in Attachment X of the TIR.
- B. **Fast Track Process:** This is available to an Interconnection Customer proposing to interconnect a certified system with the Distribution System, if the proposed interconnection does not exceed the size limits and other eligibility requirements identified in **Article 4**. The Fast Track Process includes the optional supplemental review.
- C. **Study Process:** This is for all applications to interconnect that do not meet the eligibility requirements for either the Simplified or Fast Track Process. Such applications shall be evaluated under the Study Process in **Article 5**. The Study Process may include a feasibility study, a system impact study, a Transmission System impact study, and a facilities study.

Capacity Requirements by type of Proposed DER and/or Process Eligibility	
Process	Nameplate Rating
Simplified	≤ 25 kW
Fast Track	≤ 200 kW
Study	> 200kW

For Distributed Energy Resources, with a Nameplate Rating at or above five (5) MW, Interconnection Customers must apply to interconnect to the Transmission System and must be approved by the Energy Bureau in a process that includes citizen participation as provided in **Section 6.3**. This threshold applies equally to all DER types; no separate capacity threshold or approval process applies to Microgrids **Section 6.3**.

SECTION 2.1.**Pre-Application Report and Interconnection Application Filing Mechanisms**

Interconnection Customers may request a Pre-Application Report to acquire information about system conditions at their proposed Point of Common Coupling without submitting a full Interconnection Application. Interconnection Customers shall submit all Pre-Application Report requests and Interconnection Applications through the Cyber Portal. Pre-Application Report requests are generally not applicable to Small Inverter-based Systems.

- A. Besides the information described in [Section 2.1\(E\)](#), which may be provided in response to an informal request, refer to TIR for applicable fees.
- B. The EPS Operator shall provide the Pre-Application Report described in [Section 2.1\(H\)](#) to the Interconnection Customer within ten (10) Business Days of receipt of the completed request form.
- C. The Pre-Application Report produced by the EPS Operator is non-binding, confers no rights, and the Interconnection Customer must still apply to interconnect to the Electric Power System.
- D. The written Pre-Application Report request form shall include the information in [Section 2.1\(E\)](#) to clearly and sufficiently identify the location of the proposed Point of Common Coupling. Each Pre-Application Report request shall be for a single proposed Point of Common Coupling.
- E. The Pre-Application Report request shall include the following information:
- (1) Project contact information, including name, address, phone number, and email address;
 - (2) Project location (street address(es) with nearby cross streets and town, or place registered with the Property Registry Office);
 - (3) Meter number, pole number, or other equivalent information identifying proposed Point of Common Coupling(s), if available;
 - (4) For Microgrids, Microgrid type (*e.g.*, Personal, Cooperative, Third-Party);
 - (5) Distributed Generation type(s) (*e.g.*, solar, wind, combined heat and power, etc.);
 - (6) Whether the Distributed Generation System or Microgrid is paired with Energy Storage;
 - (7) Nameplate Rating and Export Capacity (*i.e.*, alternating current kW);
 - (8) Single or three phase generator configuration; and
 - (9) Whether new service is requested. If there is existing service, include the customer account number(s), site minimum, and maximum current or proposed electric loads in kW (if available) and specify if the load is expected to change.
- F. The EPS Operator shall notify the Interconnection Customer through Cyber Portal or email address within five (5) Business Days of receiving the Pre-

Application Report request whether the Pre-Application Report request is complete. If the Pre-Application Report request is incomplete, a written list detailing all the information that must be provided to complete the Pre-Application Report request. The Interconnection Customer will have five (5) Business Days after receipt of the notice to submit the listed information. If the Interconnection Customer does not provide the listed information within the deadline, the Pre-Application Report request will be deemed withdrawn, unless mutual agreement of the Interconnection Customer and EPS Operator this deadline is extended.

- G. Using the information provided in the Pre-Application Report request form, the EPS Operator will use Reasonable Efforts to identify the substation/area bus, bank, or circuit likely to serve the proposed Point of Common Coupling. If any information required to be provided to the Interconnection Customer is considered Confidential Information, then a Non-Disclosure Agreement will need to be signed with the Interconnection Customer or that information will not be provided. This selection by the EPS Operator does not necessarily indicate, after application of the screens and/or study, this would be the circuit the project ultimately connects to. The Interconnection Customer must request additional Pre-Application Reports if information about multiple Points of Common Coupling is requested. If any information required to be provided to the Interconnection Customer is considered Confidential Information, then the Interconnection Customer will be required to sign a Non-Disclosure Agreement in order to receive the required information.
- H. Within ten (10) Business Days of receipt of a completed Pre-Application Report Request, the EPS Operator shall provide a Pre-Application Report to the Interconnection Customer. The Pre-application Report shall include the following information, if available:
- (1) Total capacity (in megawatts (MW)) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed Point of Common Coupling.
 - (2) Existing aggregate Nameplate Rating (in MW) interconnected to a substation/area bus, bank or circuit (*i.e.*, amount of generation online) likely to serve the proposed Point of Common Coupling.
 - (3) Aggregate queued Nameplate Rating (in MW) for a substation/area bus, bank or circuit (*i.e.*, amount of generation in the queue) likely to serve the proposed Point of Common Coupling.
 - (4) Available Nameplate Rating (in MW) of substation/area bus or bank and circuit likely to serve the proposed Point of Common Coupling (*i.e.*, total capacity less the sum of existing aggregate Nameplate Rating and aggregate queued Nameplate Rating).

- (5) Substation nominal distribution voltage and/or transmission nominal voltage if applicable.
- (6) Nominal circuit voltage at the proposed Point of Common Coupling.
- (7) Approximate circuit distance between the proposed Point of Common Coupling and the substation.
- (8) Relevant line section(s) actual or estimated peak load and minimum load data, including daytime minimum load as described in **Section 4.6(1)** below and absolute minimum load, when available.
- (9) Number, type and rating of protective devices, and number, type and rating (standard, bi-directional) of voltage regulating devices between the proposed Point of Common Coupling and the substation/area. Identify whether the substation has a load tap changer.
- (10) Number of phases available at the proposed Point of Common Coupling. If only a single phase is available, specify the distance from the three-phase circuit.
- (11) Limiting conductor ratings from the proposed Point of Common Coupling to the distribution substation.
- (12) Whether the Point of Common Coupling is located on a spot network, grid network, or radial supply.
- (13) Based on the proposed Point of Common Coupling, existing or known constraints such as, but not limited to, electrical dependencies at that location, short circuit interrupting capacity issues, power quality or stability issues on the circuit, capacity constraints, or secondary networks.

I. The Pre-Application Report need only include existing data. A Pre-Application Report request does not bind the EPS Operator to conduct a study or other analysis of the proposed generator in the event that data is not readily available. If the EPS Operator cannot complete all or some of a Pre-Application Report due to lack of available data, the EPS Operator shall provide the Interconnection Customer with a Pre-Application Report that includes the data that is available and shall list what additional data is not provided, if any. The provision of information on “available capacity” **pursuant to Section 2.1.H(4)** does not imply that an interconnection up to this level may be completed without impacts since there are many variables studied as part of the interconnection review process, and data provided in the Pre-Application

Report may become outdated at the time of the submission of the complete Interconnection Application. Notwithstanding the provisions of this section, the EPS Operator shall, consistent with Prudent Utility Practice, include data in the Pre-Application Report that represents the best available information at the time of reporting.

- J. Once the Pre-Application Report is conducted for a particular substation, area bus, bank, or circuit, the EPS Operator will publish all relevant generation information, grid data, and reports in a publicly accessible location on its website within 30 days. Confidential customer information, and any other information deemed confidential by the EPS Operator or customer, shall be redacted.

SECTION 2.2.

Electronic Signatures

All required applications, agreements and forms must be signed using electronic signatures. Electronic signatures must have a digital audit trail or an image of the signature with timestamp.

SECTION 2.3.

Submittal of the Interconnection Application or the Simplified Interconnection Notification

- A. The Interconnection Customer shall submit its Interconnection Application (Attachment X of the TIR) or Simplified Interconnection Notification and Agreement (Attachment X of the TIR) to the EPS Operator through the Cyber Portal, together with the applicable processing fee or deposit specified in the Interconnection Application or Simplified Interconnection Notification. Additional fees or deposits shall not be required, except as otherwise specified in this Regulation or by an Energy Bureau Order.
- B. The Interconnection Application shall be date- and time-stamped upon receipt by the EPS Operator. The original date- and time-stamp applied to the Interconnection Application at the time of its original complete submission shall be accepted as the qualifying date- and time-stamp for the purposes of any timetable in this Regulation.
- C. The Interconnection Customer shall be notified of receipt by the EPS Operator within three (3) Business Day of receiving the Interconnection Application; this may be an automatic e-mail that includes the date and time stamped on the Interconnection Application.
- K. For Interconnection Customers using the Simplified Interconnection Notification and Agreement, the EPS Operator shall notify the Interconnection Customer within five (5) Business Days of receiving the Simplified Interconnection Notification whether the Simplified Interconnection

Notification is complete. If the Interconnection Notification is incomplete, the EPS Operator shall provide, along with the notice that the Interconnection Notification is incomplete, a written list detailing all information that must be provided to complete the Interconnection Notification. The Interconnection Customer will have five (5) Business Days after receipt of the notice to submit the listed information. The EPS Operator shall review the additional material and notify the Interconnection Customer that the Interconnection Notification is complete within five (5) Business Days. If the Interconnection Customer does not provide the listed information within the deadline, the Interconnection Notification will be deemed withdrawn, unless by mutual agreement of the Interconnection Customers and the EPS Operator this deadline is extended.

- D. For Interconnection Customers using the Interconnection Application, the EPS Operator shall notify the Interconnection Customer within five (5) Business Days of receiving the Interconnection Application whether the Interconnection Application is complete. If the Interconnection Application is incomplete, the EPS Operator shall provide, along with the notice that the Interconnection Application is incomplete, a written list detailing all information that must be provided to complete the Interconnection Application. The Interconnection Customer will have ten (10) Business Days after receipt of the notice to submit the listed information. The EPS Operator shall have an additional five (5) Business Days to review the additional material and notify the Interconnection Customer that the Interconnection Application is complete. If the Interconnection Customer does not provide the listed information within the deadline, the Interconnection Application will be deemed withdrawn, unless by mutual agreement of the Interconnection Customers and the EPS Operator this deadline is extended.
- E. An Interconnection Application will be deemed complete, not approved, upon the correct submission of all of the listed information or documentation to the EPS Operator.

SECTION 2.4.

Modification of the Interconnection Application

- A. At any time, including after receiving Simplified Process, Fast Track, supplemental review, feasibility, system impact, and/or facilities study results, the Interconnection Customer or the EPS Operator may identify modifications to the planned interconnection that may improve change costs, as provided in the TIR, that may improve costs and benefits (including reliability) of the interconnection, and/or the ability of the EPS Operator to accommodate the interconnection. The Interconnection Customer shall submit to the EPS

Operator, in writing, all proposed modifications to any information provided in the Interconnection Application.

- B. Within ten (10) Business Days of receipt of a proposed modification, the EPS Operator shall evaluate whether a proposed modification constitutes a Material Modification.
- C. If the proposed modification is determined to be a Material Modification, then the EPS Operator shall notify the Interconnection Customer in writing that the Interconnection Customer may: (1) withdraw the proposed modification; or (2) proceed with a new Interconnection Application for such modification. The Interconnection Customer shall notify the EPS Operator of its determination in writing within ten (10) Business Days after being provided the Material Modification determination results. If the Interconnection Customer does not provide its determination, the Interconnection Customer's Application shall be deemed withdrawn.
- D. If the proposed modification is determined not to be a Material Modification, then the EPS Operator shall notify the Interconnection Customer in writing that the modification has been accepted and that the Interconnection Customer shall retain its eligibility for interconnection, including its place in the interconnection queue.
- E. Any dispute as to the EPS Operator's determination that a modification constitutes a Material Modification shall proceed in accordance with [Article 11](#) of this Regulation.
- F. Any modifications to an Interconnection Application not agreed to in writing by the EPS Operator and the Interconnection Customer may be deemed a withdrawal of the Interconnection Application and may require submission of a new Interconnection Application. The EPS Operator shall notify the Interconnection Customer within five (5) Business Days of deeming the Interconnection Application as withdrawn.

SECTION 2.5.

Additional Study for Modification

- A. If, within the ten (10) Business Day period established in [Section 2.4](#), the EPS Operator determines that additional study is necessary to evaluate whether a proposed modification constitutes a Material Modification, the EPS Operator

shall notify the Interconnection Customer in writing of such determination. Such notice shall include:

- (1) a description of the scope of the study required;
- (2) identification of the technical data and information the Interconnection Customer must provide to the EPS Operator to conduct the study; and
- (3) a non-binding good faith estimate of the cost to perform the study.

- B. The Interconnection Customer shall have ten (10) Business Days from receipt of the notice described in Section 2.4(C) to return an executed study agreement and submit a deposit in the amount of the EPS Operator's good faith estimated cost. If the Interconnection Customer does not return the executed study agreement and deposit within such period, the proposed modification shall be deemed withdrawn.
- C. The Interconnection Customer shall be responsible for the EPS Operator's actual costs for conducting the Material Modification study. The Interconnection Customer must pay any study costs that exceed the deposit within twenty (20) Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the EPS Operator shall return such excess within twenty (20) Business Days of the invoice without interest. The EPS Operator shall complete the Material Modification study and transmit the results to the Interconnection Customer within thirty (30) Business Days

after receipt of the executed study agreement, required deposit, and all technical data identified in [Section 2.5\(A\)\(2\)](#).

- D. The study shall evaluate the impact of the proposed modification on the cost, timing, design, or reliability of:
- (1) any Interconnection Facilities or Upgrades associated with the Interconnection Application; and
 - (2) any Interconnection Application with a later Queue Position.
- E. The Material Modification study results shall include:
- (1) the underlying assumptions of the study;
 - (2) a description of the analyses performed;
 - (3) the EPS Operator's determination of whether the proposed modification constitutes a Material Modification; and
 - (4) if the proposed modification is determined to constitute a Material Modification, the basis for such determination, including identification of impacts to cost, timing, design, or reliability.
- F. Upon completion of the Material Modification study, the provisions of [Section 2.4\(C\), \(D\), \(E\), and \(F\)](#) shall apply based on the EPS Operator's determination. During the pendency of the Material Modification study, the Interconnection Customer shall retain its Queue Position. The time period for the Material Modification study shall not count toward any other timeline or deadline otherwise applicable to the Interconnection Application under this Regulation.

SECTION 2.6.

Site Control

The Interconnection Application must include evidence of site control over the proposed Interconnection Site. Site control may be demonstrated through the following:

- A. Ownership of, a leasehold interest in, or a right to develop the Interconnection Site for the purpose of constructing the Distributed Energy Resource. Documents that show ownership of, a leasehold interest in, or a right to develop the Interconnection Site, including a deed, lease, purchase agreement, option, concession, or license, are acceptable. In the case of a leasehold interest, the lease agreement must include, or be accompanied by, acknowledgment or authorization from the property owner granting the lessee the right to develop the Interconnection Site for interconnection purposes. In the case of a Fast Track application, the applicant may submit a sworn statement from the property owner when the applicant resides there under a lease agreement;

- B. An option to purchase or acquire a leasehold interest in the Interconnection Site for such purpose; or
- C. It refers to customers with active electric service account with the public electric system operator.
- D. In an option-to-purchase agreement for a parcel of land, the signer of the option may later decide not to proceed with the purchase. Therefore, the applicant must either be the owner or the lessee of the land, and the landowner must sign the sworn statement granting permission to install the photovoltaic system on the property, ensuring that the agreement remains valid for a minimum period of five years
- E. An exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy the Interconnection Site for such purpose.

SECTION 2.7.**Queue Position**

- A. The EPS Operator shall assign the Interconnection Application a Queue Position based upon the date- and time-stamp of when it is deemed complete under **Section 2.3**.
- B. The Queue Position of each Interconnection Application will be used to determine the cost responsibility for the Upgrades required to accommodate the interconnection.
- C. Subject to the provisions of **Section 2.1, Section 2.3, and Section 2.4**, Interconnection Customers shall generally retain the Queue Position assigned to their initial Interconnection Application throughout the review process, including when moving through the processes covered by **Article 3, Article 4, and Article 5**. Notwithstanding the foregoing, the EPS Operator may adjust or reassign Queue Positions as necessary to reflect changes in project status, study results, milestone compliance, withdrawal or abandonment of higher-queued applications, cluster study groupings, or other circumstances that materially affect the sequential order of pending Interconnection Applications. The EPS Operator shall notify affected Interconnection Customers of any such adjustment within ten (10) Business Days and shall document the basis for the adjustment in the Interconnection Customer's application record.
- D. Queue Position is not a guarantee of interconnection approval, interconnection timing, or cost allocation. The relative Queue Position of an Interconnection Application may change during the course of review due to, among other things: (i) withdrawal, suspension, or termination of higher-queued Interconnection Applications; (ii) Material Modifications to higher-queued

Interconnection Applications that require restudy or result in loss of queue priority; (iii) results of cluster studies or coordinated evaluations that affect the processing order of electrically related projects; (iv) failure of higher-queued Interconnection Customers to meet required milestones, respond to information requests, or execute required agreements within applicable deadlines; (v) reactivation of previously suspended Interconnection Applications; or (vi) other circumstances identified in the Technical Interconnection Requirements.

- E. If a Distributed Energy Resource has a prior Queue Position and is now seeking to join or convert to a Microgrid then the prior Queue Position will be abandoned in favor of the Queue Position of the Microgrid. Queue position shall not be transferred to a different proponent, project, or application.

ARTICLE 3. DISTRIBUTED ENERGY RESOURCE SIMPLIFIED PROCESS**SECTION 3.1.
Eligibility**

- (1) The Simplified Process is available to Interconnection Customers for inverter-based Distributed Energy Resources with a Nameplate Rating of 25 kW or less and who submit the Simplified Interconnection Notification and Agreement.
- (2) A proposed Distributed Energy Resource is eligible for the Simplified Process only if all requirements in this Section are satisfied:
 - (i) Have a single Point of Common Coupling;
 - (ii) Have a Point of Common Coupling on a radial distribution circuit, or a spot network serving one customer;
 - (iii) Have no more than one service drop;
 - (iv) The system is inverter-based and uses Certified Equipment meeting the applicable standards identified in **Section 8.2** and the TIR.
 - (v) The Point of Common Coupling is located on the Distribution System at secondary voltage, including 120/240 V single-phase, 120/208 V three-phase, 277/480 V three-phase, or another secondary voltage expressly permitted by the TIR.
 - (vi) Be certified in accordance with **Article 8** of this Regulation;
 - (vii) Meet the technical requirements **in Article 8** as well as the codes, standards, and certification requirements of Attachment X of the TIR. Alternatively, if the interconnection varies from those requirements, the EPS Operator may review the design and/or test the interconnection to ensure it is safe to operate.

**SECTION 3.2.
Fees**

The Simplified Interconnection Notification and Agreement shall be accompanied by the submittal of an Interconnection Notification Fee as identified through the TIR as approved by the Energy Bureau.

SECTION 3.3.**Timeline**

- A. Receipt of the Simplified Interconnection Notification and Agreement and the applicable fee will start the Simplified Process for technical interconnection review.
- B. The EPS Operator shall review the Interconnection Notice and Agreement within fifteen (15) Business Days after notifying the Interconnection Customer it has received a complete Simplified Interconnection Notification and Agreement. If the interconnection passes the screens described in **Section 3.1(2)**, the EPS Operator shall countersign the Simplified Interconnection Notification and Agreement and provide the executed interconnection agreement to the Interconnection Customer when it provides the results of the screens.

SECTION 3.4.**Supplemental Review**

- A. The EPS Operator at its discretion may conduct a Supplemental Review as described in **Section 4.6(C)**, provided that the Supplemental Review does not impede the review and approval of the Interconnection Notice and Agreement. Should the EPS Operator conduct a Supplemental Review, no fees (including deposits) will be charged to Interconnecting Customers utilizing the Simplified Process.
- B. Notwithstanding any other provisions of **Section 4.6**, if after completion of the Supplemental Review, the EPS Operator determines that the interconnection requires system modifications, including but not limited to restrictions on the amount of power that can be transferred from the Distributed Generation System to the Electric Power System, then the EPS Operator will notify the Interconnecting Customer of the Supplemental Review results. Within five (5) Business Days, the Interconnection Customer must inform the EPS Operator if the Interconnection Customer elects to continue. If the Interconnection Customer makes such an election, the EPS Operator shall provide an Interconnection Agreement, along with a non-binding good faith cost estimate and construction schedule for such upgrades, to the Interconnection Customer within fifteen (15) Business Days after the EPS Operator receives such an election.
 - (1) In determining what costs of the system modifications are the responsibility of the Interconnecting Customer, the EPS Operator shall use the following criteria:
 - (i) The fact that the feeder exceeds its capacity [and requires system modifications] shall not constitute an obstacle for the interconnection of photovoltaic or

renewable energy systems with a Nameplate Capacity that does not exceed 25 kilowatts. In such cases, the necessary improvements and/or changes to be made to the feeder shall be defrayed by the requesting company.

- (ii) The costs related to the modifications or improvements, which may be required, will be determined in accordance with the principles of reasonableness, proportionality and benefit received, preventing such costs from being unfairly transferred to all the customers of the electricity system.
- (2) If the Interconnecting Customer disagrees with the cost allocation determined by the EPS Operator, the Interconnecting Customer may proceed as provided in Article 11.

ARTICLE 4. DISTRIBUTION SYSTEM FAST TRACK PROCESS

SECTION 4.1.
Applicability and eligibility requirements

- A. The Fast Track Process is available to an Interconnection Customer proposing to interconnect a Distributed Energy Resource, including a Distributed Generation System or Microgrid, with the Distribution System if the proposed interconnection does not exceed the size limits and other eligibility requirements identified in this Section 4.1. However, eligibility is distinct from the Fast Track Process itself, and eligibility does not imply or indicate that an Interconnection Application will pass the Fast Track screens under Section 4.3 or the supplemental review screens under Section 4.6. The Fast Track Process is not applicable to projects utilizing the Simplified Process.

SECTION 4.2.
Fast Track Eligibility

- A. An Interconnection Application is eligible for Fast Track if the proposed interconnection includes:
- (1) A single Point of Common Coupling, consistent with Section 1.6;

(2) A Point of Common Coupling on a radial distribution circuit, or a spot network serving one customer;

(3) No more than one service drop;

(4) Only certified Distributed Generation Systems certified in accordance with Section 8.2 of this Regulation; and

(5) Has a Nameplate Rating that does not exceed the limits defined in Table 1 below.

Table 1: Nameplate Rating for Fast Track Eligibility

(1)

Capacity Requirements by type of Proposed DER and/or Process Eligibility	
Process	Nameplate Rating
Simplified	≤ 25 kW
Fast Track	< 200 kW
Study	≥ 200kW

Additional criteria for the fast-track process of DER evaluation with Nameplate Rating capacity at or above 200 kW	
Line Voltage	Maximum feeder length/distance from the substation to the delivery point
< 5 kV	0.5 mi
> 5 kV and < 10 kV	1.5 mi
> 10 kV and < 15 kV	2.0 mi
> 15 kV	2.5 mi

- B. In addition to the requirements of this **Article 4**, the proposed interconnection must meet the technical requirements in the TIR document, which will include the applicable codes, standards, and certification requirements. Alternatively, if the proposed interconnection varies from those requirements, the EPS Operator may review the design and/or test the proposed interconnection to ensure it is safe to operate.

SECTION 4.3.

Initial Review.

A. Screening Timeline

The EPS Operator shall perform an initial review of the Interconnection Application using the Fast Track screens set forth below and shall notify the Interconnection Customer of the initial review results, and include with the notification copies of the analysis and data underlying the EPS Operator's determinations under the screening requirements.

- (1) For Interconnection Customers using the Interconnection Application, the EPS Operator shall provide these results within fifteen (15) Business Days after notifying the Interconnection Customer it has received a complete Interconnection Application.

B. Fast Track Screens

- (1) For interconnection to a distribution circuit, the aggregated Nameplate Rating, including the proposed Distributed Energy Resource, on the circuit shall not exceed fifteen percent (15%) of the line section annual peak load as most recently measured at the substation. A line section is that portion of the Distribution System connected to a customer bounded by automatic sectionalizing devices or the end of the distribution line.

- (2) For interconnection to the load side of spot network protectors, the proposed interconnection must utilize an inverter-based equipment package and, the Nameplate Rating of the Distributed Generation System or Microgrid, together with the aggregated other inverter-based generation, shall not exceed the smaller of five percent (5%) of a spot network's maximum load or 25kW kW.
- (3) The Nameplate Rating of the proposed Distributed Generation System or Microgrid, in aggregate with the Nameplate Rating of other generation on the distribution circuit, shall not contribute over ten percent (10%) to the distribution circuit's maximum fault current at the point on the high voltage (primary) level nearest the proposed Point of Common Coupling. The EPS Operator may allow Distributed Generation System or Microgrids with a Nameplate Rating of 25 kW kW or less to skip this screen.
- (4) The Nameplate Rating of the proposed Distributed Generation System or Microgrid, in aggregate with the Nameplate Rating of other generation on the distribution circuit, shall not cause any distribution protective devices and equipment (including, but not limited to, substation breakers, fuse cutouts, and line reclosers), or Interconnection Customer equipment on the system to exceed ninety percent (90%) of the short circuit interrupting capability; nor shall the interconnection be proposed for a circuit that already exceeds ninety percent (90%) of the short circuit interrupting capability. The proposed interconnection shall not cause any EPS or Interconnection Customer protective device or equipment to exceed the applicable short-circuit interrupting-duty limit established in the Energy Bureau-approved TIR. The EPS Operator may allow Distributed Generation System or Microgrids with a Nameplate Rating of 25 kW or less to skip this screen.
- (5) Using the applicable criteria in the TIR, determine the type of interconnection to a primary distribution line. This screen includes a review of the type of electrical service provided to the Interconnection Customer, including line configuration and the transformer connection to limit the potential for creating over-voltages on the EPS due to a loss of ground during the operating time of any anti-islanding function.

This screen does not apply to Distributed Generation System or Microgrids with a Nameplate Rating of 25 kW or less.

- (6) If the proposed interconnection is on single-phase shared secondary, the aggregate Nameplate Rating on the shared secondary, including the proposed Distributed Generation System

or Microgrid, shall not exceed sixty five percent (65%) of the transformer nameplate rating.

- (7) If the proposed interconnection is single-phase and is to be interconnected on a center tap neutral of a 240 volt service, its addition shall not create an imbalance between the two sides of the 240 volt service of over 20% of the nameplate power rating of the service transformer.
- (8) The Nameplate Rating of the Distributed Generation System or Microgrid, in aggregate with other generation interconnected to the transmission side of a substation transformer feeding the circuit where the Microgrid proposes to interconnect shall not exceed 10 MW in an area where there are known, or posted, transient stability limitations to generating units located in the general electrical vicinity (*e.g.*, three (3) or four (4) transmission busses from the Point of Common Coupling).

SECTION 4.4.

Notifications and Execution of Applicable Agreements

- A. If the proposed interconnection passes the screens, or if the proposed interconnection fails the screens, but the EPS Operator determines, consistent with Prudent Utility Practice, that the proposed interconnection may nevertheless be interconnected consistent with safety, reliability, and power quality standards, the Interconnection Application shall proceed as follows:
 - (1) If the proposed interconnection requires no construction of facilities on the Electric Power System, the EPS Operator shall provide the Interconnection Customer with an executed Interconnection Agreement within fifteen (15) Business Days after the determination.
 - (2) If the proposed interconnection requires only Minor System Modifications, the EPS Operator shall notify the Interconnection Customer of such requirement when it provides initial review results and copies of the analysis and data underlying the determinations under the screens. Within five (5) Business Days, the Interconnection Customer must inform the EPS Operator if the Interconnection Customer elects to continue the Application. If the Interconnection Customer makes such an election, the EPS Operator shall provide an Interconnection Agreement, along with a non-binding good faith cost estimate and construction schedule for such upgrades, to the Interconnection Customer within thirty (30) Business Days after the EPS Operator receives such an election.

- (3) If the proposed interconnection requires more than Minor System Modifications, the EPS Operator shall notify the Interconnection Customer of such requirement when it provides the initial review results and copies of the analysis and data underlying the screen determinations. Within five (5) Business Days, the Interconnection Customer must inform the EPS Operator if the Interconnection Customer elects to proceed with the proposed interconnection. If the Interconnection Customer makes such an election, the EPS Operator may elect to (i) provide an Interconnection Agreement, along with a non-binding good faith cost estimate and construction schedule for such upgrades, within forty (40) Business Days after the EPS Operator receives such an election or (ii) notify the Interconnection Customer that an interconnection facilities study must be performed pursuant to [Section 5.10](#), and provide a facilities study agreement within ten (10) Business Days after the EPS Operator receives such an election.
- (4) If the proposed interconnection fails the screens, and the EPS Operator cannot determine from the initial review, consistent with Prudent Utility Practice, that the proposed interconnection may nevertheless be interconnected consistent with safety, reliability, and power quality standards unless the Interconnection Customer considers minor modifications or further study, the EPS Operator shall provide the Interconnection Customer with the opportunity to attend the customer options meeting in [Section 4.5](#) of this Regulation.
- (5) When notifying the Interconnection Customer that an Interconnection Application has failed one or more of the Fast Track screens, the EPS Operator shall provide: (1) identification of the specific screen or screens that the Interconnection Application failed; (2) the data and calculations used in evaluating each failed screen, including the relevant system parameters, load data, and penetration levels; (3) an explanation of why the Interconnection Application failed each screen; and (4) if known, a description of any modifications to the proposed Distributed Energy Resource that could allow the Interconnection Application to pass the screen or proceed through the Supplemental Review.

SECTION 4.5.

Customer Options Meeting

- A. If the EPS Operator determines the Interconnection Application cannot be approved without (1) a Supplemental Review or other additional studies or actions or (2) incurring significant cost to address safety, reliability, or power quality

problems, the EPS Operator shall notify the Interconnection Customer of that determination and provide a detailed explanation supporting its conclusion.

- B. If requested by the Interconnection Customer, within ten (10) Business Days of the EPS Operator's determination, the EPS Operator shall convene a customer options meeting with the Interconnection Customer and the EPS Operator.
- C. At the customer options meeting, the Parties shall review the screen analysis and related results, possible Distributed Energy Resource modifications, and determine what further steps are needed to permit the safe and reliable interconnection.
- D. At the time of notification of the EPS Operator's determination, or at the customer options meeting, the EPS Operator shall:
 - (6) Offer to perform a supplemental review in accordance with **Section 4.6** and provide a non-binding good faith estimate of the costs of such review; or
 - (7) Obtain the Interconnection Customer's agreement to continue evaluating the Interconnection Application under the Study Process in **Article 5**.

SECTION 4.6. Supplemental Review

- ~~A. To accept the offer of a supplemental review, the Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of the EPS Operator's good faith estimate of the costs of such review, both within fifteen (15) Business Days of the offer. If only the written agreement, but not the deposit, has been received by the EPS Operator within that timeframe, the Interconnection Application shall continue to be evaluated under the Article 5 Study Process unless it is withdrawn by the Interconnection Customer. If the deposit is not received within 90 Business Days from the date of submission of the written agreement, the application is deemed withdrawn.~~
- ~~B. Interconnection Customers submitting an Interconnection Application shall be responsible for the EPS Operator's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within twenty (20) Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the EPS Operator will return such excess within twenty (20) Business Days of the invoice without interest. Interconnection Customers eligible for the Simplified Process shall not be responsible for any of the EPS Operator's costs for conducting the supplemental review.~~

Commented [A1]: We propose substituting this Section 4.6 with the following:

SECTION 4.6. Supplemental Review

- A. To accept the offer of a supplemental review, the Interconnection Customer shall agree in writing and submit a deposit for the estimated costs of the supplemental review in the amount of the EPS Operator's good faith estimate of the costs of such review, both within fifteen (15) Business Days of the offer. If only the written agreement, but not the deposit, has been received by the EPS Operator within that timeframe, the Interconnection Application shall continue to be evaluated under the Article 5 Study Process unless it is withdrawn by the Interconnection Customer. If the deposit is not received within 90 Business Days from the date of submission of the written agreement, the application is deemed withdrawn.
- B. Interconnection Customers submitting an Interconnection Application shall be responsible for the EPS Operator's actual costs for conducting the supplemental review. The Interconnection Customer must pay any review costs that exceed the deposit within twenty (20) Business Days of receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced costs, the EPS Operator will return such excess within twenty (20) Business Days of the invoice without interest. Interconnection Customers eligible for the Simplified Process shall not be responsible for any of the EPS Operator's costs for conducting the supplemental review.
- C. Within thirty (30) Business Days following receipt of the deposit for a supplemental review, the EPS Operator shall (1) perform a supplemental review using the screens set forth below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the determinations under the screens.
 - (1) **Minimum Load Screen.** The EPS Operator may use minimum load or Daytime Minimum Load as an engineering screen only in accordance with the methodology established in the Energy Bureau-approved Technical Interconnection Requirements. For solar photovoltaic systems without energy storage, the applicable minimum load shall correspond to the daytime production period. For battery energy storage systems, hybrid systems, microgrids, or other DER technologies, the applicable minimum load shall correspond to the proposed Operating Profile and approved Nameplate Rating. Estimated or modeled minimum load shall not be used unless the EPS Operator documents the data source, assumptions, calculation method, and applicable safety margin.
 - (2) **Power Flow and Voltage Screen.** The EPS Operator shall determine whether the proposed interconnection, together with existing and higher-queued DERs, may cause unacceptable voltage rise, voltage deviation, voltage regulator operation, thermal loading, reverse power flow, phase imbalance, or other system impacts under the applicable loading and generation conditions.
 - (3) **Protection and Safety Screen.** The EPS Operator shall determine whether the proposed interconnection may affect protection coordination, exceed interrupting capability, create or contribute to an Unintentional Island, require non-routine protection modifications, affect grounding, or create an unacceptable overvoltage or safety condition.
 - (4) **Power Quality Screen.** The EPS Operator shall determine whether the proposed interconnection may cause rapid voltage changes, flicker, harmonics, DC injection, imbalance, or other power quality impacts outside the limits established in the Technical Interconnection Requirements.
 - (5) **Mitigation Review.** The EPS Operator may evaluate whether the identified impacts can be resolved through approved smart inverter settings, verified Nameplate Rating, operating limits, phase balancing, equipment settings, Minor System Modifications, or other mitigation measures permitted by the Technical Interconnection Requirements.
- D. System modifications or upgrades identified during Supplemental Review shall not be presumed to be minor, required, or automatically available solely because they may allow the proposed interconnection to proceed. The EPS Operator shall determine whether any proposed modification is technically feasible, limited in scope, constructible, consistent with prudent utility practice, and capable of being implemented without adversely affecting safety, reliability, power quality, protection coordination, operational flexibility, other customers, or higher-queued Interconnection Application...

~~C. Within thirty (30) Business Days following receipt of the deposit for a supplemental review, the EPS Operator shall (1) perform a supplemental review using the screens set forth below; (2) notify in writing the Interconnection Customer of the results; and (3) include with the notification copies of the analysis and data underlying the determinations under the screens.~~

- ~~(1) *Minimum Load Screen:* Where 12 months of line section minimum load data (including Host Load but not station service load served by the proposed Distributed Energy Resources) are available, can be calculated, can be estimated from existing data, or determined from a power flow model, the aggregate Nameplate Rating on the line section is less than 100% of the minimum load for all line sections bounded by automatic sectionalizing devices upstream of the proposed interconnection. If minimum load data is not available, or cannot be calculated, estimated or determined, the EPS Operator shall include the reason(s) that it is unable to calculate, estimate or determine minimum load in its supplemental review results notification under [Section 4.6\(D\)](#).~~
- ~~(2) *Type of generation:* The type of generation used by the proposed interconnection will be considered when calculating, estimating, or determining circuit or line section minimum load relevant for applying screening requirements of [Section 4.6\(C\)\(1\)](#). Solar photovoltaic (PV) generation systems with no Energy Storage use daytime minimum load (i.e., 10 a.m. to 4 p.m. for fixed panel systems and 8 a.m. to 6 p.m. for PV systems utilizing tracking systems), while all other generation uses absolute minimum load. The EPS Operator shall apply this screen using the Nameplate Rating and system design designated in the Interconnection Application.~~
- ~~(i) Only the Nameplate Rating shall be used for determining aggregate generation capacity on the line section.~~
- ~~(ii) For the purposes of this screen, the EPS Operator will not consider as part of the aggregate Nameplate Rating any existing generation capacity already reflected in the minimum load data.~~
- ~~(iii) Although export will not be considered, load reducers that are applying to interconnect, that do not export, will be considered to effectively reduce circuit or circuit section load by the amount of load the generator is displacing.~~
- ~~(3) *Voltage and Power Quality Screen:* In aggregate with existing generation on the line section: (1) the voltage regulation on the~~

~~line section can be maintained in compliance with requirements under all system conditions; (2) the voltage fluctuation, including Rapid Voltage Change is within acceptable limits as defined by Institute of Electrical and Electronics Engineers (IEEE) Standard 1453 or Standard 1547-2018, or utility practice similar to IEEE Standard 1453 or Standard 1547-2018; and its subsequent amendments;²~~

- ~~(4) *Safety and Reliability Screen:* The location of the proposed interconnection and the aggregate generation on the line section do not create impacts to safety or reliability that cannot be adequately addressed without application of the Study Process. The EPS Operator shall consider the following and other factors in determining potential impacts to safety and reliability in applying this screen.~~
- ~~(i) Whether the line section has significant minimum loading levels dominated by a small number of customers (e.g., several large commercial customers).~~
 - ~~(ii) Whether the loading along the line section is uniform or even.~~
 - ~~(iii) Whether the proposed interconnection is located in close proximity to the substation (i.e., less than 2.5 electrical circuit miles), and whether the line section from the substation to the Point of Common Coupling is a Mainline rated for normal and emergency ampacity.~~
 - ~~(iv) Whether the proposed interconnection reduces operational flexibility, such that transfer of the line section(s) of the Distributed Energy Resource to a neighboring distribution circuit/substation may trigger overloads or voltage issues.~~
 - ~~(v) Whether the proposed interconnection employs equipment or systems certified by recognized standards organization to address technical issues such as, but not limited to, Islanding, reverse power flow, or voltage quality.~~

~~D. If the proposed interconnection passes the supplemental screens in Section 4.6(C) above, or if the proposed interconnection fails the screens, but the EPS Operator determines, consistent with Prudent Utility Practice, that it may~~

² Voltage fluctuation and harmonics limits are both addressed by IEEE 1547-2018. However, until full adoption of IEEE 1547-2018 is complete, IEEE 1453 and IEEE 519 may be used for the respective requirements. Equipment tested to comply with the updated harmonics requirements of IEEE 1547-2018 will not be available until approximately 18 months or more after publication of the revision of IEEE 1547.1.

~~nevertheless be interconnected consistent with safety, reliability, and power quality standards, the interconnection shall proceed as follows:~~

- ~~(1) If the proposed interconnection passes the supplemental screens in Section 4.6(C) and does not require construction of facilities on the Electric Power System, the EPS Operator shall provide the Interconnection Customer an executed Interconnection Agreement at the time it provides the supplemental review results in accordance with the timeline in Section 4.6(C). If using the Simplified Process, the EPS Operator shall countersign the Simplified Interconnection Notification and Agreement and provide the fully executed interconnection agreement to the Interconnection Customer at the same time it provides the supplemental review results.~~
- ~~(2) If the proposed interconnection requires only Minor System Modifications, the EPS Operator shall notify the Interconnection Customer of such requirement when it provides supplemental review results. Within five (5) Business Days, the Interconnection Customer must inform the EPS Operator if the Interconnection Customer elects to continue. If the Interconnection Customer makes such an election, the EPS Operator shall provide an Interconnection Agreement, along with a non-binding good faith cost estimate and construction schedule for such upgrades, to the Interconnection Customer within fifteen (15) Business Days after the EPS Operator receives such an election.~~
- ~~(3) If the proposed interconnection requires more than Minor System Modifications, the EPS Operator shall notify the Interconnection Customer of such requirement when it provides the supplemental review results. Within five (5) Business Days, the Interconnection Customer must inform the EPS Operator if the Interconnection Customer elects to proceed with the proposed interconnection. If the Interconnection Customer makes such an election, the EPS Operator may elect to (i) provide an Interconnection Agreement, along with a non-binding good faith cost estimate and construction schedule for such upgrades, within twenty (20) Business Days after the EPS Operator receives such an election or (ii) notify the Interconnection Customer that an interconnection facilities study must be performed pursuant to Section 5.10, and provide a facilities study agreement within ten (10) Business Days after the EPS Operator receives such an election.~~

~~E. If the proposed interconnection fails the screens, and the EPS Operator does not or cannot determine, consistent with Prudent Utility Practice, that it may nevertheless be interconnected consistent with safety, reliability, and power~~

~~quality standards unless the Interconnection Customer will consider minor modifications or further study, the EPS Operator shall provide the customer the option of commencing the Study Process in Article 5. If the Interconnection Customer wishes to proceed it shall notify the EPS Operator within fifteen (15) Business Days to retain its queue position.~~

ARTICLE 5. STUDY PROCESS

SECTION 5.1.

Purpose

The Study Process shall be used by an Interconnection Customer proposing to interconnect with the EPS if the Interconnection Application (1) is not eligible for Fast Track Process, or (2) did not pass the Fast Track Process. The Study Process is not applicable to projects utilizing the Simplified Process. The size (capacity) of the Distributed Generation System should not be larger than the interconnection (load) transformer.

SECTION 5.2.

Scoping Meeting.

- A. The purpose of the scoping meeting is to discuss the Interconnection Application and review existing studies relevant to the Interconnection Application. The Parties shall further discuss whether the EPS Operator should perform a feasibility study, or proceed directly to a system impact study or studies, a facilities study, or an Interconnection Agreement. If the EPS Operator and Interconnection Customer determine there is no potential for adverse system impacts, the Interconnection Customer shall proceed directly to a facilities study or an executable Interconnection Agreement, as agreed to by the Parties
- B. A scoping meeting shall be held within fifteen (15) Business Days after the Interconnection Application is deemed complete and, if applicable, the Fast Track Process has been completed. The EPS Operator and the Interconnection Customer will bring the relevant personnel to the meeting, including system engineers and others that may be required to accomplish the purpose of the meeting.
- C. The scoping meeting may be waived by agreement of the Parties.

SECTION 5.3.

Distributed Generation System Cluster Study

- A. The DER Cluster Study process shall provide a coordinated engineering evaluation of two or more proposed or existing Distributed Energy Resource facilities that are electrically related and whose aggregate operation may result in cumulative impacts

on the Electric Power System that cannot be adequately evaluated through individual interconnection reviews.

- B. The EPS Operator shall initiate or require a DER Cluster Study when the aggregate DER capacity connected to, or proposed for, an applicable feeder or line section equals or exceeds fifteen percent (15%) of the annual peak load of that feeder or line section. The fifteen percent (15%) threshold shall serve as a screening trigger for coordinated evaluation and shall not, by itself, constitute a hosting capacity limit, an automatic denial, or a determination that additional system upgrades are required.
- C. A DER Cluster Study may also be required below the fifteen percent (15%) threshold when system conditions, project concentration, feeder configuration, voltage performance, protection requirements, reverse power flow, thermal limitations, or other engineering considerations indicate that cumulative impacts may be significant.
- D. The DER Cluster Study shall include, as applicable, existing DERs, pending interconnection applications with a higher or equal queue priority, and proposed DERs located on the same feeder, line section, substation, or other electrically related portion of the EPS. The EPS Operator shall define the Cluster Study Area based on electrical configuration and expected cumulative impact rather than geographic proximity alone.
- E. The DER Cluster Study shall evaluate, as applicable:
 - (i) thermal loading
 - (ii) voltage performance
 - (iii) reverse power flow
 - (iv) protection coordination
 - (v) fault current contribution
 - (vi) power quality
 - (vii) daytime minimum load conditions
 - (viii) peak-load conditions
 - (ix) smart inverter performance and;
 - (x) required Distribution Upgrades
- F. The study shall identify whether each participating project may be approved as proposed, approved with operating conditions or minor modifications, required to fund or participate in system upgrades, or transferred to an individual or more detailed study process.

- G. The completion of a DER Cluster Study shall not, by itself, approve or deny any individual Interconnection Application. Each application shall receive an individual determination based on the cluster results, its queue position, its contribution to identified impacts, and compliance with the Regulation and the TIR.
- H. The fifteen percent (15%) penetration value is used as the point at which the cumulative effect of DER on a feeder should be considered through coordinated evaluation. It is not treated as a conclusive hosting-capacity limit because actual interconnection capability also depends on minimum load, feeder topology, voltage performance, protection, transformer capability, smart inverter behavior, and the location and operating profile of the DER facilities. The Cluster Study therefore begins with the fifteen percent (15%) threshold but relies on the TIR for the detailed engineering methodology needed to determine actual system impacts and feasible mitigation.
- I. The TIR shall establish the detailed clustering criteria, calculation method for the fifteen percent (15%) threshold, required models and data, study assumptions, study scenarios, technical acceptance criteria, mitigation hierarchy, cost allocation methodology, restudy requirements, and timelines applicable to the DER Cluster Study process.

SECTION 5.4.

Coordination of Local Minimum Technical Requirements (MTRs) and IEEE Std 2800

The technical assessment framework for transient verification, plant performance macro-modeling, and ride-through simulation for the Facility shall align with EPS Operator Minimum Technical Requirements (MTRs) and IEEE Std 2800 (Standard for Interconnection and Interoperability of Inverter-Based Resources Interconnecting with Associated Transmission Systems).

- (1) Interconnection Scale Applicability: This alignment framework is mandatory for all transmission-connected assets, including both Transmission-Connected Mid-Scale IBRs (1 MW to 5 MW) and Transmission-Connected Large-Scale IBRs (> 5 MW). Both asset classifications require identical high-fidelity validation and performance compliance checks when interconnecting directly to transmission network nodes (115 kV or 230 kV).
- (2) Jurisdictional Precedence: The specific localized engineering parameters, baseline physical boundaries, and design thresholds established within EPS Operator Minimum Technical Requirements (MTRs) constitute the mandatory compliance criteria for project approval. Wherever localized grid stability requirements or equipment constraints within EPS Operator MTRs specify more restrictive metrics than the default provisions of IEEE Std 2800 (such as localized fault-clearing windows, narrow

overvoltage ride-through parameters, or physical grounding architecture), the local MTR provisions dictate the engineering and performance baseline for design verification and final Interconnection Facilities approval.

SECTION 5.5.

Transmission-Connected Mid-Scale IBRs (1 MW to 5 MW) Winding and Grounding Configurations

For all Inverter-Based Resources (IBRs) with an aggregate capacity between 1 MW and 5 MW interconnecting directly to the transmission system (115 kV or 230 kV nodes), the high-side winding configuration and grounding assets shall be determined based on system topology and the results of the Interconnection Study:

- (1) **Networked Transmission Nodes:** If the Interconnection Study determines the 1–5 MW facility connects to a networked transmission path, a high-side zero-sequence ground source (via a grounded-wye winding or a supplemental grounding transformer) is required. This configuration ensures that if the facility becomes isolated or islanded during a disturbance, an effective ground remains active to isolate zero-sequence components, provide third-harmonic filtering, and prevent protection blindness on utility-side ground devices. If a grounded wye-grounded wye configuration is utilized, a buried delta tertiary stabilizing winding is required.
- (2) **Radial Transmission Nodes:** An ungrounded high-side delta connection may be utilized if the facility connects to a strictly radial transmission segment. However, if the Interconnection Study or utility evaluation identifies that the effective grounding status of that radial segment is unknown, unverified, or prone to isolation overvoltages, the Developer shall be required to design, fund, and integrate an appropriately sized high-side Grounding Transformer (Zig-Zag or Grounded Wye-Delta) to clamp transient surges within standard equipment tolerances.

SECTION 5.6.

Transmission-Connected Large-Scale IBRs (> 5 MW) Winding and Grounding Configurations

For all IBR systems with an aggregate capacity greater than 5 MW interconnecting directly to transmission system network nodes (115 kV or 230 kV):

- (1) **Winding Configuration Requirements:** The Developer's main step-up transformer requires an interconnection configuration

featuring a grounded-wye winding on the high-side (transmission side) to establish a permanent zero-sequence ground source. This setup is necessary to mitigate Transient Overvoltage (TOV) conditions during system ground faults or sudden radial isolation events. For configurations using grounded wye-grounded wye designs, an integrated buried delta tertiary winding is required to suppress harmonic distortions.

- (2) Alternative Grounding Transformer Integration: In project-specific engineering applications where an ungrounded high-side delta connection is utilized on a radial segment, or where the Interconnection Study indicates that network parameters cannot guarantee a continuous effective ground during all switching configurations, the Developer is required to design, fund, and integrate an appropriately sized high-side Grounding Transformer (Zig-Zag or Grounded Wye-Delta) to protect utility infrastructure from fault-induced overvoltages.

SECTION 5.7. Feasibility Study.

- A. A feasibility study shall be conducted only upon the request of the Interconnection Customer. The EPS Operator shall not require a feasibility study.
- B. If the EPS Operator determines a feasibility study is necessary, the EPS Operator shall perform a feasibility study; the EPS Operator shall provide the Interconnection Customer, as soon as possible, but not later than five (5) Business Days after the scoping meeting, a feasibility study agreement in the form proposed by the EPS Operator and approved by the Energy Bureau.
- C. If the scoping meeting is omitted but the Parties agree that the EPS Operator should conduct a feasibility study, the EPS Operator shall provide the Interconnection Customer a feasibility study agreement within ten (10) Business Days after the Interconnection Application is deemed complete and, if applicable, the Fast Track Process has been completed. If the Interconnection Customer decides not to proceed with the feasibility study the Interconnection Application will be considered withdrawn.
- D. The scope of and cost responsibilities for the feasibility study are described in the attached feasibility study agreement (Attachment X of the TIR). The feasibility study agreement shall specify that the Interconnection Customer is responsible for the actual cost of the feasibility study and require the Interconnection Customer to include with the signed agreement certain technical data identified in (Attachment X of the TIR) to the Feasibility Study Agreement (Attachment X of the TIR). The EPS Operator will be required to

make an upfront full payment of the cost of the study. A true up cost will be done at the end of the study.

- E. If an Interconnection Customer requests that the feasibility study evaluate multiple potential Points of Common Coupling, any additional evaluations shall be paid for by the Interconnection Customer.
- F. To remain in consideration for interconnection, an Interconnection Customer must return the executed feasibility study agreement and pay the required study deposit within five (5) Business Days.
- G. The feasibility study shall consider a base case,³ as well as all Distributed Energy Resource (and any identified Network Upgrades) that, on the date the study commenced: (i) are directly interconnected to the EPS; (ii) have a pending higher or lower queued Interconnection Application depending on the geographical location of the project; and (iii) have no Queue Position but have executed an Interconnection Agreement. The feasibility study will consist of a power flow and short circuit analysis. The feasibility study shall evaluate the proposed interconnection based on its Nameplate Rating, regardless of any proposed export limitations pursuant to Section 7.10, to ensure the Electric Power System is adequately protected and sized for the full installed generating capacity.
- H. A feasibility study report shall be completed and transmitted to the Interconnection Customer within forty (40) Business Days after the feasibility study agreement is signed by the Parties. The feasibility study report shall identify any potential adverse system impacts that would result from the interconnection as proposed, including but not limited to:
 - (1) Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
 - (2) Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
 - (3) Initial review of grounding requirements per IEEE C62.92.6 for inverter-based systems, and electric system protection; and
 - (4) Description and non-binding good faith estimated cost and construction schedule of facilities required to interconnect and to address the identified short circuit and power flow issues, including identification of potential increased expenses due to location, Distribution System assets, or other relevant factors. Good faith cost estimates provided in each instance should be

³ Base case means the power flow, short circuit, and stability data reflecting the current system conditions.

itemized and break down costs by equipment, labor and other cost categories. They should also provide the components for direct, indirect, and other identified cost categories.

- I. The EPS Operator may not require a system impact study when the feasibility study concludes there is no adverse system impact, or when the study identifies an adverse system impact, but the EPS Operator is able to identify a remedy without the need for a system impact study.

SECTION 5.8.

System Impact Study.

- A. A system impact study shall identify and detail the incremental EPS impacts that would result if the proposed Distributed Energy Resource interconnected without project modifications or EPS modifications, and study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the EPS based on the Nameplate Rating, regardless of any proposed export limitations. This may include evaluation of impacts to portions of the EPS within the boundaries of a Microgrid. A system impact study shall consider all Distributed Energy Resource (and any identified Network Upgrades) that, on the date the study commenced: (i) are directly interconnected to the EPS; (ii) have a pending higher queued Interconnection Application; and (iii) have no Queue Position but have executed an Interconnection Agreement. The system impact study shall evaluate the proposed interconnection based on its Nameplate Rating to ensure all upgrades, protection coordination, and system modifications are sized for the full installed generating capacity.
- B. The EPS Operator shall provide the Interconnection Customer a system impact study agreement (Attachment X of the TIR) according to the following timeline:
 - (1) In tandem with the results of the Interconnection Customer's feasibility study.
 - (2) If the feasibility study is omitted, as soon as possible, but not later than five (5) Business Days after the scoping meeting.
 - (3) If the scoping meeting and feasibility study are omitted, within ten (10) Business Days after the Interconnection Application is deemed complete and, if applicable, the Fast Track Process has been completed.

SECTION 5.9.

- A. The system impact study agreement (Attachment X of the TIR) shall include an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement. A deposit of the good faith estimated costs for each system impact study shall be provided by the Interconnection Customer when it returns the study agreements.
- B. To remain in consideration for interconnection, an Interconnection Customer who has requested a system impact study must return the executed system impact study agreement and pay the required study deposit detailed in (Attachment X of the TIR) within five (5) Business Days.
- C. A system impact study shall be completed and the results transmitted to the Interconnection Customer within forty-five (45) Business Days after the system impact study agreement is signed by the Parties. The system impact study report shall provide:
- (1) The underlying assumptions of the study.
 - (2) A summary of the analyses.
 - (3) The results of the analyses, including detailed information on any impacts identified, the drivers and reasons for those impacts, including load, voltage, thermal and other limitations as well as the boundaries of the impacts to the extent possible.
 - (4) Identification of any equipment short circuit capability limits exceeded as a result of the interconnection and information regarding technical thresholds that drive modifications.
 - (5) Identification of any thermal overload or voltage limit violations resulting from the interconnection and information regarding technical thresholds that drive modifications.
 - (6) Identification of any instability or inadequately damped response to system disturbances resulting from the interconnection, and information regarding technical thresholds that drive modifications.
 - (7) Identification of any protection elements being de-sensitized and reduction in performance grounding as a result of the interconnection and information regarding technical thresholds that drive modifications.

- (8) A non-binding construction schedule and good faith estimate of cost and time to construct any required Distribution Upgrades. Good faith cost estimates should be itemized and break down costs by equipment, labor and other cost categories. They should also provide the components for direct, indirect, and other identified cost categories.
- D. Where the system impact study shows potential for Transmission System adverse system impacts, within five (5) Business Days following the identification of such impacts, the EPS Operator shall send the Interconnection Customer a Transmission System impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.
- E. To remain in consideration for interconnection, an Interconnection Customer must return the executed Transmission System impact study agreement within fifteen (15) Business Days.
- F. A Transmission System impact study, if required, shall be completed within thirty (30) Business Days and the results transmitted to the Interconnection Customer after the Transmission System impact study agreement is signed by the Parties.

SECTION 5.10.
Facilities Study

- A. The EPS Operator shall provide the Interconnection Customer a facilities study agreement according to the following timeline:
 - (1) In tandem with the results of the system impact study or, if required, Transmission System impact study.
 - (2) If no system impact studies are required and feasibility study is performed, in tandem with the results of the feasibility study.
 - (3) If no studies are performed, as soon as possible, but not later than five (5) Business Days after the scoping meeting.
 - (4) If the scoping meeting is omitted by agreement and no studies are performed, within ten (10) Business Days after the Interconnection Application is deemed complete and, if applicable, the Fast Track Process has been completed.
- B. The facilities study agreement shall come with an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement. A deposit of the good faith

estimated costs for the facilities study shall be provided by the Interconnection Customer when it returns the study agreement.

- C. To remain under consideration for interconnection, the Interconnection Customer must return the executed facilities study agreement and pay the required study deposit within ten (10) Business Days.
- D. The facilities study shall specify and estimate the cost of the equipment, permitting, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).
- E. Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. The EPS Operator may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and the EPS Operator may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified before acceptance by the EPS Operator, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, the EPS Operator shall provide sufficient information to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.
- F. The facilities study must be completed and provided to Interconnection Customer within sixty (60) Business Days of receiving the executed facilities study agreement. The facilities study shall estimate the cost of the equipment, engineering, procurement and construction work, including overheads, needed to implement the conclusions of the interconnection feasibility study and the interconnection system impact study. Good faith cost estimates shall be itemized and break down costs by equipment, labor and other cost categories. They should also provide the components for direct, indirect, and other identified cost categories. The facilities study shall evaluate and design Interconnection Facilities and Upgrades based on the Nameplate Rating, regardless of any proposed export limitations pursuant to **Section 7.10**, to ensure all facilities are sized for the full installed generating capacity. The facilities study shall identify:
 - (1) The electrical switching configuration of the equipment, including transformer, switchgear, meters and other station equipment.

- (2) The nature and estimated cost of the EPS Operator's Interconnection Facilities and upgrades necessary to accomplish the interconnection.
 - (3) A good faith estimate for the time required to complete the construction and installation of the facilities.
- G. Once the facilities study is completed, a draft facilities study report shall be prepared and transmitted to the Interconnection Customer. Upon request, the EPS Operator shall provide Interconnection Customer supporting documentation, workpapers, and databases or data developed to prepare the facilities study, subject to confidentiality arrangements consistent with these Regulations and the facilities study agreement.
- H. Within three (3) Business Days of providing a draft Facilities Study Report to the Interconnection Customer, the EPS Operator and Interconnection Customer shall set up a mutually agreeable meeting date to discuss the results of the facilities study.
- I. Interconnection Customer may, within eight (8) Business Days after receipt of the draft report, provide written comments to the EPS Operator, which the EPS Operator shall include in the final report.
- J. The EPS Operator shall issue the final facilities study report and provide it to the Interconnection Customer within nine (9) Business Days of receiving Interconnection Customer's comments or within five (5) Business Days upon receiving Interconnection Customer's statement it will not provide comments.

ARTICLE 6. INTERCONNECTION AGREEMENT

SECTION 6.1.

Simplified Process

For the Simplified Process, the Interconnection Customer will sign an interconnection agreement form at the time it submits its Interconnection Notification, and the EPS Operator will return a counter-signed interconnection agreement with the screen results.

SECTION 6.2.

Fast Track and Study Process

- A. Except for Microgrids with a Nameplate Rating above 5 MW as provided in **Section 6.3**, the EPS Operator shall provide the Interconnection Customer an executable Interconnection Agreement according to the following timeline:
- (1) Within five (5) Business Days after completing the final facilities study report.
 - (2) If no facilities study is required, within five (5) Business Days after completing the system impact study or, if required, Transmission System impact study.
 - (3) If no facilities or system impact study is required, within five (5) Business Days after completing the feasibility study.
 - (4) If no feasibility, facilities, or system impact study is required, within fifteen (15) Business Days after the scoping meeting.
 - (5) If no feasibility, facilities, or system impact study is required, and the scoping meeting is omitted by agreement, within ten (10) Business Days after the Interconnection Application is deemed complete and, if applicable, the Fast Track Process has been completed.
- B. After receiving an Interconnection Agreement from the EPS Operator, the Interconnection Customer shall have thirty (30) Business Days to sign and return the Interconnection Agreement.

- C. The Interconnection Agreement must be signed by the Interconnection Customer and include a signed certification from a professional engineer that the interconnection meets the specifications established through regulations by the Energy Bureau and that the same was completed according to the laws, regulations, and rules applicable to interconnections.
- D. If the Interconnection Customer does not sign the Interconnection Agreement or request an extension pursuant to these Regulations, within thirty (30) Business Days, the Interconnection Application shall be deemed withdrawn.
- E. The EPS Operator shall provide the Interconnection Customer an executed Interconnection Agreement within five (5) Business Days after receiving a signed Interconnection Agreement from the Interconnection Customer.
- F. The EPS Operator shall install (if necessary) and configure any meters required for operation of the Distributed Generation System within twenty (20) working days after the Interconnection Customer signs the executed Interconnection Agreement, provided that the Interconnection Application included such a request,
- G. After the Interconnection Agreement is signed by the Parties, the interconnection of the Distributed Energy Resource shall proceed under the provisions of the Interconnection Agreement, except to the extent this Regulation remains applicable, including, but not limited to, [Section 7.4](#), [Section 7.5](#), [Section 7.9](#), and [Article 8](#). For Microgrids, post-interconnection operational requirements, including island mode operation, registration, and ongoing compliance, are governed by Regulation 9028.

SECTION 6.3.

Energy Bureau's Approval for DER Above 5 MW

For DER with a Nameplate Rating above 5 MW, after the Facilities Study has been completed according to [Section 5.10](#), the Interconnection Customer or the EPS Operator shall submit the completed System Impact Study and Facilities Study to the Energy Bureau for approval. If approved by the Energy Bureau, the EPS Operator shall issue the corresponding Interconnection Agreement in accordance with [Section 6.2](#), as applicable. The Energy Bureau shall issue its determination on the approval of the DER interconnection within ninety (90) calendar days of receipt of the completed System Impact Study and Facilities Study. The citizen participation process shall be conducted within this period. If the Energy Bureau does not issue a determination within this period, the Interconnection Customer may request that the Energy Bureau act within an additional thirty (30) calendar days. The Interconnection Customer shall retain its Queue Position during the pendency of the Energy Bureau's review.

The Energy Bureau shall make its determination based on the System Impact Study, Facilities Study and considerations of safety, reliability, and energy public policy as established under applicable laws.

The period during which the Energy Bureau's review under this Section is pending shall not count toward any deadline or timeline otherwise applicable to the EPS Operator under this Regulation. The EPS Operator shall not be subject to any fine, penalty, or claim of delay under [Article 12](#) or any other provision of this Regulation with respect to any action that is contingent upon the Energy Bureau's determination under this Section. The EPS Operator's obligation to issue the Interconnection Agreement under [Section 6.2](#) shall commence upon receipt of the Energy Bureau's written approval.

SECTION 6.4.

Modifications to Existing Interconnections

- A. This Section applies to any Interconnection Customer that has an executed Interconnection Agreement and seeks to modify the Distributed Energy Resource in a manner that would increase the Nameplate Rating or Export Capacity, or make a Material Modification to the operating characteristics, of the interconnected system. This Section does not apply to modifications proposed during the pendency of an Interconnection Application, which are governed by [Section 2.4](#).
- B. Prior to making any modification to an interconnected Distributed Energy Resource that would increase the Nameplate Rating or Export Capacity, or that may constitute a Material Modification, the Interconnection Customer shall submit a new Interconnection Application pursuant to [Article 2](#) of this Regulation. The Interconnection Customer shall not implement such modification until the EPS Operator has completed the applicable review process and issued an amended or new Interconnection Agreement authorizing the modification.
- C. Upon receipt of an Interconnection Application for a modification to an existing interconnection, the EPS Operator shall evaluate the proposed modification to determine the appropriate review process. The EPS Operator may require the Interconnection Customer to proceed through the Fast Track Process or the Study Process, as applicable, based on the scope and nature of the proposed modification and its potential impact on the Electric Power System. The evaluation shall consider the incremental impact of the proposed modification on the existing interconnection, including but not limited to thermal loading, voltage regulation, protection coordination, fault current contribution, and the need for additional Interconnection Facilities or Upgrades. During the pendency of the EPS Operator's review of an Interconnection Application for a modification to an existing interconnection, the Interconnection Customer may continue to operate the Distributed Energy Resource in accordance with the

existing Interconnection Agreement, but shall not implement any aspect of the proposed modification until authorized by the EPS Operator.

- D. Upon completion of the applicable review process, the EPS Operator shall issue an amended Interconnection Agreement reflecting the approved modification, or a new Interconnection Agreement if required by the scope of the modification. The amended or new Interconnection Agreement shall specify the revised Nameplate Rating, Export Capacity, and any other modified operating characteristics, as well as any additional Interconnection Facilities, Upgrades, or operating requirements resulting from the modification.

SECTION 6.5.

Modifications to Existing Interconnections

- A. If an Interconnection Customer implements a modification to an interconnected Distributed Energy Resource without first obtaining authorization from the EPS Operator pursuant to this Section, the EPS Operator may take any or all of the following actions: (i) require the Interconnection Customer to submit an Interconnection Application for the unauthorized modification within ten (10) Business Days; (ii) require the Interconnection Customer to restore the Distributed Energy Resource to its previously authorized configuration; (iii) disconnect the Distributed Energy Resource pursuant to [Section 9.5](#) until the modification has been reviewed and authorized; or (iv) terminate the Interconnection Agreement pursuant to [Section 9.7](#). The EPS Operator's exercise of remedies under this subsection shall not preclude any other remedies available under this Regulation, the Interconnection Agreement, or applicable law.
- B. Notwithstanding the foregoing, an Interconnection Customer may make like-kind equipment replacements and other modifications that do not constitute a Material Modification without submitting a new Interconnection Application, provided that the Interconnection Customer notifies the EPS Operator in writing of such modification within ten (10) Business Days of completion. The EPS Operator may, within fifteen (15) Business Days of receipt of such notification, determine that the modification constitutes a Material Modification and require the Interconnection Customer to submit an Interconnection Application. If the EPS Operator does not respond within such period, the modification shall be deemed accepted.

ARTICLE 7. PROVISIONS THAT APPLY TO ALL INTERCONNECTION APPLICATIONS**SECTION 7.1.****Interconnection Customer Responsibility for Distributed Energy Resources**

- A. The Interconnection Customer shall be solely responsible for the design, installation, operation, maintenance, and all associated costs of its Distributed Energy Resource, including all Interconnection Customer's Interconnection Facilities. The EPS Operator shall have no obligation to design, modify, or correct any aspect of the Interconnection Customer's Distributed Energy Resource or Interconnection Customer's Interconnection Facilities. If the EPS Operator identifies deficiencies, violations, or non-compliance with applicable technical requirements during the Interconnection Application review process, commissioning, inspection, or ongoing operation, the Interconnection Customer shall be solely responsible for correcting such deficiencies at its own expense.

SECTION 7.2.**Time Frames and Extensions**

- A. The EPS Operator shall make Reasonable Efforts to meet all time frames provided in these Regulations. If the EPS Operator cannot meet a deadline provided herein, it shall notify the Interconnection Customer and the Energy Bureau, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.
- B. The Energy Bureau may fine the EPS Operator if non-compliance with the time frames is recurrent and other requirements of this Regulation. The Energy Bureau also maintains the authority to impose other applicable fines or administrative penalties to enforce its orders and regulations.
- C. The EPS Operator shall not be subject to fines under **Section 7.2(B)** where the failure to comply with a time frame or requirement of this Regulation is caused by:
- (1) Force Majeure Event as defined in **Section 1.10** of this Regulation;
 - (2) The Interconnection Customer's failure to provide required information, documents, deposits, or responses within the time frames established in this Regulation;
 - (3) Delays caused by coordination with Affected Systems or third parties whose cooperation is required to complete studies or construct facilities;

- (4) The Interconnection Customer's request for an extension under [Section 7.2\(F\)](#); or;
 - (5) Circumstances beyond the EPS Operator's reasonable control, provided the EPS Operator has made Reasonable Efforts to meet the applicable deadline and has complied with the notification requirements of [Section 7.2\(A\)](#).
- D. Notice and Opportunity to Respond. Before imposing any fine under [Section 7.2\(B\)](#), the Energy Bureau shall provide the EPS Operator with written notice of the alleged noncompliance, including the specific time frame or requirement at issue and the dates of the alleged violation. The EPS Operator shall have twenty (20) Business Days from receipt of such notice to submit a written response, including any applicable defenses under [Section 7.2\(C\)](#) and supporting documentation.
- E. Proportionality. In determining the amount of any fine under [Section 7.2\(B\)](#) the Energy Bureau shall consider:
 - (1) The duration and cause of the delay;
 - (2) the EPS Operator's good faith efforts to comply;
 - (3) whether the delay caused actual harm to the Interconnection Customer;
 - (4) the volume of Interconnection Applications being processed by the EPS Operator at the time; and
 - (5) any corrective actions taken by the EPS Operator.
- F. For all applicable time frames described in this Regulation, the Interconnection Customer may request in writing one extension equivalent to half of the time originally allotted (*e.g.*, ten (10) Business Days for a twenty (20) Business Day original time frame). No further extensions shall be granted absent a Force Majeure Event.

SECTION 7.3.

Non-Warranty

Neither by inspection, if any, or non-rejection, nor in any other way, does the EPS Operator give any warranty, expressed or implied, as to the adequacy, safety, or other characteristics of any structures, equipment, wires, appliances or devices owned, installed, or maintained by the Interconnection Customer or leased by the Interconnection Customer from third parties, including without limitation the Distributed Generation System and any structures, equipment, wires, appliances, or devices pertinent thereto.

SECTION 7.4.**Commissioning, Inspection, Testing, Authorization**

- A. The Interconnection Customer shall test and inspect its Distributed Energy Resource, and Interconnection Facilities before interconnection in accordance with the commissioning tests required by IEEE 154-2018, as revised, or other applicable standard. Commissioning tests of the Interconnection Customer's installed equipment shall be performed pursuant to applicable codes and standards and the Technical Interconnection Requirements approved by the Energy Bureau.
- B. The Interconnection Customer shall notify the EPS Operator of such activities at least ten (10) Business Days (or as agreed to by the Parties) before such testing and inspection. The Interconnection Customer shall send the notification electronically if the Cyber Portal is available. If the Cyber Portal is not available, the Interconnection Customer shall use a notification form provided by the EPS Operator, if such a form is posted on the EPS Operator's website. Testing and inspection shall occur on a Business Day. The EPS Operator may, at its own expense, send qualified personnel to the Interconnection Site to inspect the interconnection and observe the testing. The Interconnection Customer shall provide the EPS Operator a written test report within five (5) Business Days when such testing and inspection is completed.
- C. The EPS Operator shall provide the Interconnection Customer written acknowledgment it has received the Interconnection Customer's written test report within three (3) Business Days of its receipt. If no written acknowledgement is received by the Interconnection Customer within three (3) Business Days it shall be deemed accepted by the EPS Operator. Such written acknowledgment shall not be deemed to be or construed as any representation, assurance, guarantee, or warranty by the EPS Operator of the safety, durability, suitability, or reliability of the interconnection.
- D. If the EPS Operator's inspection or observation of testing identifies any deficiency, non-compliance, or violation of this Regulation, the Technical Interconnection Requirements, or applicable standards, the Interconnection Customer shall be solely responsible for correcting such deficiency at its own cost and expense. The EPS Operator shall not be responsible for identifying, designing, or implementing any correction or modification to the Interconnection Customer's Distributed Energy Resource or Interconnection Facilities. Authorization to commence Parallel Operation shall not be granted until all identified deficiencies have been corrected and verified to the EPS Operator's satisfaction.
- E. For interconnections using the Simplified Process, the field inspection and testing process shall conform with, and not exceed, the following, instead of the requirements of **Section 7.4 A, B, and C**:

- (1) The field inspection shall include verification that the installation matches the EPS Operator's evaluation of the design, including:
- (2) Inverter model matches application;
- (3) Certified inverter(s) is utilized;
- (4) Correct labeling/signage;
- (5) Installation matches application one-line (*i.e.*, connections, location of protection, disconnect switch, Metering, etc.);
- (6) Electrical inspection sticker;
- (7) Operational and protection settings;
- (8) Field testing; and
- (9) On-off testing shall be completed.

SECTION 7.5.**Authorization Required Prior to Parallel Operation**

- A. The EPS Operator shall use Reasonable Efforts to list applicable Parallel Operation requirements in an attachment to the Interconnection Agreement. Additionally, the EPS Operator shall notify the Interconnection Customer of any changes to these requirements as soon as they are known. The EPS Operator shall make Reasonable Efforts to cooperate with the Interconnection Customer in meeting requirements for the Interconnection Customer to commence Parallel Operations by the in-service date.
- B. The Interconnection Customer shall not operate its Distributed Energy Resource in Parallel with the EPS without prior written authorization of the EPS Operator. The EPS Operator will provide such authorization within three (3) Business Days from when the EPS Operator receives notification that the Interconnection Customer has complied with all applicable Parallel Operation requirements. Such authorization shall not be unreasonably withheld, conditioned, or delayed.
- C. If the EPS Operator identifies a Distributed Energy Resource Operating in Parallel without an Interconnection Agreement, the EPS Operator may disconnect the Distributed Energy Resource.

SECTION 7.6.**Confidentiality**

- A. Each Party shall employ at least the same standard of care to protect Confidential Information obtained from the other Party as it employs to protect its own Confidential Information.
- B. Each Party may have equitable relief, by injunction or otherwise, to enforce its rights under this provision to prevent the release of Confidential Information without bond or proof of damages and may seek other remedies available at law or in equity for breach of this provision.

SECTION 7.7.**Insurance**

- A. The EPS Operator may only require an Interconnection Customer to purchase General Public Liability Insurance covering damages to the EPS Operator or PREPA, and then only in the following amounts:
 - (1) Up to one million dollars (\$1,000,000) per occurrence and up to one million dollars (\$1,000,000) in the aggregate if the Distributed Energy Resources Nameplate Rating is greater than 300 kW;
 - (2) No insurance is required if the Distributed Energy Resource Nameplate Rating is less than or equal to 300 kW.
- C. [B] Notwithstanding the foregoing, the EPS Operator reserves the right to require additional insurance and endorsements where the specific characteristics of the interconnection present risks beyond those contemplated by the standard requirements in subsection A. Any additional insurance requirements shall be applied on a non-discriminatory basis consistent with Section 7.7 and shall be based on the specific risk characteristics of the interconnection, not the identity of the Interconnection Customer. In these cases, the Interconnection Customer has to sign an Agreement for the Exemption of Insurance Requirement (see Attachment X). The Interconnection Customer has the option of electronically signing this agreement through the EPS Operator's Cyber Portal.
- D. [C] The General Public Liability policy will be endorsed as follows:
 - (1) As an additional insured: LUMA Energy ServCo, LLC PO Box 364267 San Juan, PR 00936-4267 and the Puerto Rico Electric Power Authority [address to be inserted].
 - (2) An endorsement that includes the Agreement under the contractual liability cover identifying the Parties to the Interconnection Agreement.

- (3) Release of subrogation in favor of the EPS Operator and PREPA.
- (4) Notification of cancellation or non-renewal thirty days in advance and acknowledgment of receipt to the previous address.
- (5) The violation of any guarantee or condition of this policy will not prejudice the right of EPS Operator or PREPA under said policy.
- (6) The requested insurance policy must be presented in a manner acceptable to the EPS Operator. The Interconnection Customer must provide a certificate of insurance in digital format, originated by an insurance company or agency authorized to do business in Puerto Rico, that describes the coverage it maintains. This certification has to be issued on the Acord form, generally used by insurers. In addition, you must include the endorsements in digital format.
- (7) The EPS Operator, within a period of fifteen (15) business days, will evaluate the policy presented and determine its acceptance. In the event that the policy does not comply with the requirements of the EPS Operator, the latter will notify the proponent, within fifteen (15) business days, to make the corresponding corrections and present the policy again to the EPS Operator. Once the Interconnection Customer submits the corrected information, the EPS Operator will have a term of five (5) business days to approve said insurance. In the event that the EPS Operator does not notify the Interconnection Customer of the approval or corrections corresponding to the insurance within the terms previously indicated, it will be understood that it is approved and it will be presumed that the Interconnection Customer meets all the requirements.
- (8) This policy must be renewed annually and sent to the EPS Operator. In the event that this policy renewal requirement is not met, the EPS Operator will immediately cancel the Interconnection Agreement.

SECTION 7.8. Comparability

The EPS Operator shall receive, process and analyze all Interconnection Applications as set forth in this Regulation. The EPS Operator shall use the same Reasonable Efforts in processing and analyzing Interconnection Applications from all Interconnection Customers, whether the proposed interconnection is owned or operated by the EPS Operator, PREPA, their subsidiaries or affiliates, or others.

SECTION 7.9.**Design, Procurement, Installation and Construction of Interconnection Facilities and Upgrades**

- A. The Interconnection Customer shall be solely responsible for the design, engineering, procurement, installation, construction, operation, maintenance, and all associated costs of the Distributed Energy Resource and the Interconnection Customer's Interconnection Facilities. The EPS Operator shall not be responsible for designing, modifying, or correcting any deficiency in the Interconnection Customer's Distributed Energy Resource or Interconnection Facilities. If the EPS Operator identifies deficiencies during the application review, studies, commissioning, or operation, the Interconnection Customer shall correct such deficiencies at its sole cost and expense prior to proceeding with interconnection or continued operation, as applicable.
- B. The Interconnection Customer shall pay for the cost of the Interconnection Facilities and Distribution Upgrades as described and itemized pursuant to the Interconnection Agreement and its attachments.
- C. If Network Upgrades are required, the actual cost of the Network Upgrades, including overheads, shall be borne initially by the Interconnection Customer; provided, however, that the Interconnection Customer may have a cash repayment pursuant to the Interconnection Agreement. As stated in the Interconnection Agreement, the EPS Operator shall provide a best estimate cost, including overheads, for the purchase and construction of the Interconnection Facilities, Distribution Upgrades, and Network Upgrades, and provide a detailed itemization of such costs (i.e. the estimates shall break out the materials, labor and other costs for major components of the Upgrades).
- D. The Interconnection Customer and the EPS Operator shall agree on milestones for which each Party is responsible and list them in an attachment to the Interconnection Agreement. To the greatest extent possible, the Parties will identify all design, procurement, installation and construction requirements associated with a project, and clear associated timelines, at the beginning of the design, procurement, installation and construction phase, or as early within the process as possible. All timelines shall comport with industry best practices. In addition, whenever possible to capture additional efficiency, the EPS Operator will rely on template designs applicable to certain types of interconnections. These templates shall be publicly available on the EPS Operator's web site and/or provided directly to any interested entity upon request.
- E. Party's obligations under this provision may be extended by agreement. If a Party anticipates that it will be unable to meet a milestone for any reason other than a Force Majeure Event, it shall immediately notify the other Party of the reason(s) for not meeting the milestone and (1) propose the earliest reasonable alternate date by which it can attain this and future milestones, and (2) request

appropriate amendments to the Interconnection Agreement and its attachments. The Party affected by the failure to meet a milestone shall not unreasonably withhold agreement to such an amendment unless (1) it will suffer significant uncompensated economic or operational harm from the delay, (2) attainment of the same milestone has previously been delayed, or (3) it has reason to believe that the delay in meeting the milestone is intentional or unwarranted notwithstanding the circumstances explained by the Party proposing the amendment. If the Party affected by the failure to meet a milestone disputes the proposed extension, the affected Party may pursue dispute resolution pursuant to [Article 11](#) of this Regulation.

- F. RESERVED.
- G. At least twenty (20) Business Days before the commencement of the design, procurement, installation, or construction of a discrete portion of the EPS Operator's Interconnection Facilities and Upgrades, the Interconnection Customer shall provide the EPS Operator, at the Interconnection Customer's option, a guarantee, a surety bond, letter of credit or other form of security reasonably acceptable to the EPS Operator and is consistent with the Puerto Rico Uniform Commercial Code. Such security for payment shall be in an amount sufficient to cover the costs for constructing, designing, procuring, and installing the portion of the EPS Operator's Interconnection Facilities and Upgrades and shall be reduced on a dollar-for-dollar basis for payments made to the EPS Operator under the Interconnection Agreement during its term. In addition:
 - (1) The guarantee must be made by an entity that meets the creditworthiness requirements of the EPS Operator and contain terms and conditions that guarantee payment of any amount that may be due from the Interconnection Customer, up to an agreed-to maximum amount.
 - (2) The letter of credit or surety bond must be issued by a financial institution or insurer reasonably acceptable to the EPS Operator and must specify a reasonable expiration date.
- H. The EPS Operator shall bill the Interconnection Customer for the design, engineering, construction, and procurement costs of Interconnection Facilities and Upgrades described in the Interconnection Agreement monthly, or as otherwise agreed by the Parties in the Interconnection Agreement. The Interconnection Customer shall pay each bill within twenty (20) Business Days of receipt, or as otherwise agreed to by the Parties in the Interconnection Agreement.
- I. Within three (3) months of completing the construction and installation of the EPS Operator's Interconnection Facilities and/or Upgrades described in the

Interconnection Agreement and its attachments, the EPS Operator shall provide the Interconnection Customer with a final accounting report of any difference between (1) the Interconnection Customer's cost responsibility for the actual cost of such facilities or Upgrades, and (2) the Interconnection Customer's previous aggregate payments to the EPS Operator for such facilities or Upgrades. If the Interconnection Customer's cost responsibility exceeds its previous aggregate payments, the EPS Operator shall invoice the Interconnection Customer for the amount due and the Interconnection Customer shall pay to the EPS Operator within twenty (20) Business Days. If the Interconnection Customer's previous aggregate payments exceed its cost responsibility under the Interconnection Agreement, the EPS Operator shall refund to the Interconnection Customer an amount equal to the difference within twenty (20) Business Days of the final accounting report.

SECTION 7.10.**Export Capacity of a Distributed Generation System or Microgrid**

- A. The technical specifications in this Section are intended to identify acceptable Export Control methods to facilitate the interconnection and Parallel Operation of Limited-Export and Non-Export Distributed Energy Resource with the EPS. Export controls identified in this section are not all inclusive. Alternative controls may be used but only if approved by the EPS Operator. If a Distributed Energy Resource uses any configuration or operating mode in this Section, to limit the export of electrical power across the Point of Common Coupling, then the Export Capacity shall be only the amount capable of being exported (not including any Inadvertent Export). To prevent impacts on system safety and reliability, any Inadvertent Export must comply with the limits identified in this section. The Export Capacity specified in the Interconnection Application will be included as a limitation in the Interconnection Agreement. An Interconnection Customer seeking to interconnect using the operating modes under this Section shall submit proposed control and/or protection settings in their Interconnection Application for review by the EPS Operator to verify compliance with the requirements of this Section.
- B. The export controls identified in this subsection are for Non-Exporting systems only.
- (1) Reverse Power Protection: To limit export of power across the Point of Common Coupling, a reverse power protective function is implemented using a utility grade protective relay. The default setting for this protective function shall be 0.1% (export) of the Interconnection Transformer's nominal base Nameplate Rating, with a maximum 2.0 second time delay to limit Inadvertent Export.
 - (2) Minimum Power Protection: To limit export of power across the Point of Common Coupling, a minimum import protective function

is implemented utilizing a utility grade protective relay. The default setting for this protective function shall be 5% (import) of the generating unit's total Nameplate Rating, with a maximum 2.0 second time delay to limit Inadvertent Export.

- (3) Relative Distributed Energy Resource Rating: This option requires the Distributed Energy Resource Nameplate Rating to be so small compared to the minimum Host Load that using additional protective functions does not have to ensure that power will not be exported to the EPS. This option requires the Distributed Energy Resource Nameplate Rating be no greater than 30%% of the verifiable minimum Host Load over the past twelve (12) months. For Distributed Energy Resource with a Nameplate Rating above 250 kW, the EPS Operator may require additional assurances, equipment or agreements based upon evaluation of the stability and reliability of the minimum Host Load data.

C. The export controls identified in this subsection are for Limited Export systems only.

- (1) Directional Power Protection: To limit export of power across the Point of Common Coupling, a directional power protective function is implemented using a utility grade protective relay. The default setting for this protective function shall be the Export Capacity value, with a maximum 2.0 second time delay to limit Inadvertent Export.
- (2) Configured Power Rating: A reduced output active or apparent power rating utilizing the power rating configuration setting may be used to ensure the Distributed Energy Resource does not generate power beyond a certain value lower than the Nameplate Rating. The reduced power rating shall be indicated with a Nameplate Rating replacement, or by a supplemental adhesive Nameplate Rating tag to indicate the reduced Nameplate Rating. At the discretion of the EPS Operator, the applicant may additionally be required to provide a letter from the manufacturer confirming the reduced Nameplate Rating.

D. The export controls identified in this subsection are for either Non-Export or Limited Export systems.

- (1) Power Control Systems: This option is not available for interconnections to Networked Secondary Systems. A Distributed Energy Resource may utilize a NRTL certified Power Control

System⁴ and inverter system with a maximum open loop response time of no more than 30 seconds. Failure of the control or inverter system resulting from abnormal conditions must result in the Distributed Energy Resource entering an operational mode where no energy is exported across the Point of Common Coupling to the EPS.

If a Distributed Energy Resource with a Nameplate Rating greater than 1 MW uses an NRTL certified Power Control System, the EPS Operator and the Interconnection Customer must mutually agree on an acceptable open loop response time.

- (2) Limited Export Using Mutually Agreed-Upon Means: Distributed Energy Resource may be designed with other control systems and/or protective functions to limit export and Inadvertent Export by agreement between the EPS Operator and the Interconnection Customers. The limits may be based on technical limitations of the Interconnection Customer's equipment or EPS equipment. To ensure Inadvertent Export remains within mutually agreed-upon limits, the Interconnection Customer may use an uncertified Power Control System, an internal transfer relay, energy management system, or other customer facility hardware or software if approved by the EPS Operator.

E. If the Interconnection Application proposes to limit export pursuant to this Section, the Fast Track screens, and feasibility, system impact, and transmission studies shall study the project according to how it intends to operate. When performing these studies, the EPS Operator:

- (1) Shall consider the proposed design, operating characteristics, Export Capacity, and Operating Profile found in the Interconnection Application.
- (2) Shall use the Export Capacity unless assessing fault current contribution, when the use of the Nameplate Rating may be appropriate. The EPS Operator may use Export Capacity when assessing fault current contribution if the Interconnection Customer demonstrates that fault currents are controlled by some means. The Fast Track screens identify when it is appropriate to use Export Capacity or Nameplate Rating.

⁴ NRTL testing to the UL Power Control System Certification Requirements Decision shall be accepted until similar test procedures for Power Control Systems are included in a standard.

SECTION 7.11.**Cost Allocation for Upgrades****A. General Principles**

The cost of Upgrades required to accommodate the interconnection of Distributed Energy Resource shall be allocated in accordance with the following principles:

- (1) Costs shall be determined in accordance with the principles of reasonableness, proportionality, and benefit received, preventing such costs from being unfairly transferred to all customers of the electricity system.
- (2) Interconnection Facilities are sole-use facilities and their costs shall be directly assigned to the Interconnection Customer that requires them.
- (3) Distribution Upgrades shall be directly assigned to the Interconnection Customer or Customers that require them, as further provided in this Section.
- (4) Network Upgrades shall be funded by the Interconnection Customer.

B. Cost Allocation Methodology for Individual Interconnection Requests

- (1) Where an Interconnection Customer's proposed interconnection triggers the need for Upgrades, the full cost of those Upgrades shall be assigned to that Interconnection Customer.
- (2) Distribution Upgrades are directly assigned to the Interconnection Customer whose interconnection requires them. The necessary improvements or changes to be made to a feeder shall be defrayed by the requesting company, consistent with Act 114-2007.
- (3) Costs associated with Interconnection Facilities may be shared with other entities that benefit from such facilities, by written agreement among the Interconnection Customer and such other entities, but never the EPS Operator.

C. Transparency and Dispute Resolution

- (1) All cost allocations under this Section shall be documented in the applicable study report and provided to each affected Interconnection Customer.

- (2) The EPS Operator shall apply the cost allocation methodology under this Section on a non-discriminatory basis, consistent with **Section 7.11(B)**, without regard to the identity, affiliation, technology type, or business model of the Interconnection Customer.
- (3) If an Interconnection Customer disagrees with the cost allocation determined by the EPS Operator, the Interconnection Customer may request dispute resolution pursuant to Article 11 of this Regulation, or request an Administrative Review by the Energy Bureau as provided for in **Section 14.2**.

SECTION 7.11. Validity Period and Construction Deadlines

The approval of the interconnection by the EPS Operator shall have a validity of one (1) year from the date of issuance. If during this period the EPS Operator approves the construction plans for the Distributed Energy Resource, the interconnection approval shall maintain its validity during the validity period of such plans.

The approval of the construction plans shall have a validity of two (2) years. Such approval shall expire if during that period the Interconnection Customer does not commence construction of the Distributed Energy Resource.

After commencing construction, the Interconnection Customer shall have eighteen (18) months to complete the same. Otherwise, the plan approval shall lose its validity.

In the event that the plan approval expires, it shall be necessary to submit a new Interconnection Application for a new evaluation of the project.

ARTICLE 8. TECHNICAL REQUIREMENTS

SECTION 8.1.

General Technical Requirements

The EPS Operator shall develop and maintain Technical Interconnection Requirements consistent with the requirements of this Regulation, which shall be submitted to the Energy Bureau for the Energy Bureau's review and approval pursuant to Section 8.05 and shall not become effective unless approved, or deemed approved, by Order of the Energy Bureau in accordance with Section 8.5.

In addition, the Technical Interconnection Requirements may be amended by the EPS Operator from time to time provided that any such amendment shall be submitted to the Energy Bureau for review and approval pursuant to Section 8.5 and shall not become effective unless and until approved, or deemed approved, by the Energy Bureau in accordance with Section 8.5.

- A. The technical requirements apply to Distributed Energy Resource Microgrids when designed to operate in Parallel and shall be met at the single Point of Common Coupling designated in the Interconnection Application. Each Distributed Energy Resource evaluated under this Regulation shall have only one Point of Common Coupling with the Electric Power System per Interconnection Application.
- B. The technical requirements are established in accordance with standards from IEEE, UL and ANSI, and subsequent revisions as applicable for the interconnection of Distributed Energy Resource to the EPS. Compliance with these requirements is intended to prevent the Distributed Energy Resource from causing adverse effects to the EPS such that it may have to be disconnected due to unsafe operating conditions.
- C. This Regulation incorporates IEEE Std 1547-2018. Where conflicts exist between IEEE Std 1547-2018 and this Regulation, this Regulation and the Technical Interconnection Requirements approved by the Energy Bureau shall govern.
- D. A Distributed Energy Resource interconnecting to the Distribution System must interconnect through a Service Transformer. A direct interconnection to the Distribution System without a transformer is not permitted.
- E. The physical circuits, conduits, and distribution lines interconnecting the various individual Distributed Generation assets, energy storage banks, and customer loads within the defined boundary of a Microgrid must consist exclusively of private infrastructure located entirely behind the property line. Under no circumstances shall internal microgrid routing utilize public-use distribution equipment, poles, or rights-of-way owned by the EPS Operator.

The entire private microgrid network shall interface with, parallel to, or isolate from the public Electric Power System through a single, clearly designated, and pre-established Point of Common Coupling (PCC) evaluated under the rules of this Regulation. Microgrids proposing to connect to the Electric Power System at more than one point shall submit a separate Interconnection Application for each Point of Common Coupling.

- F. For Microgrids, the technical requirements must be satisfied both individually by each Distributed Energy Resource and collectively through the coordinated operation of all Microgrid components. Compliance may be achieved through the capabilities of individual Distributed Generation System, through other Microgrid equipment, or through integrated protection, control, and operational coordination across the Microgrid. This ensures that the Microgrid as a whole meets all applicable performance, safety, and interoperability criteria required for interconnection with the EPS.

SECTION 8.2.

Approval of Use of Certified Equipment

- A. All equipment that forms part of a Distributed Generation System based on renewable energy sources must be approved by the Public Energy Policy Program (“PEPP”), of the Department of Economic Development and Commerce (“DEDC”) including, but not limited to, photovoltaic modules, wind turbines, synchronous generators, induction generators, inverters and control systems. PEPP must certify that the inverters and control systems that interconnect the renewable energy sources with the electrical network comply with the applicable standards. The list of equipment and components certified by the PEPP is available on the Energy Bureau’s website (<http://energia.pr.gov>).
- B. The EPS Operator allows the use of equipment with inverter technology, generators, relays and other devices that comply with applicable standards and codes. These have to be evaluated and approved by the EPS Operator.
- C. The EPS Operator has a list of approved inverters and control systems periodically updated, which is made available on the EPS Operator’s Website and/or Cyber Portal website. The EPS Operator shall keep this list updated annually. The first review and update shall occur no later than thirty (30) Business Days after the approval of this Regulation. The EPS Operator shall issue a notice to customers that all inverters and control equipment must be approved by the EPS Operator in order to connect to the

grid. The EPS Operator does not need to submit or seek the Energy Bureau's approval to update the list of approved inverters and control systems.

- D. If the equipment has not been evaluated and approved by the EPS Operator, it may request that the manufacturer, distributor or owner send to the EPS Operator, in digital file in PDF format, documents certifying that the inverter complies with the following:
- i. Are certified by a Nationally Recognized Testing Laboratory. This ensures that they meet the acceptance criteria of the tests required in the IEEE 1547 or UL 1741 standard and its Supplements, as applicable, for equipment that operates continuously in parallel with the systems of the electricity companies.
 - ii. Comply with the permitted harmonic content distortion limits, according to the IEEE 1547-2018 standard and other applicable ones.
 - iii. Comply with the Voltage Flicker limits, depending on the IEEE 1547-2018, IEEE 2800 standards, or subsequent revisions, and other applicable.
 - iv. Comply with these regulations. Should any conflict arise with other standards, these regulations will prevail.
 - v. Have the ability to Operate in Parallel with the EPS.
 - vi. Have the ability to adjust in the field of frequency, voltage and operating times.

E. For further information regarding these interconnection requirements, see the TIR.

SECTION 8.3.

Protection and Control

- A. The protection requirements detailed below are to establish the security of the Distributed Generation System Interconnection with the Distribution System. These protection requirements have the purpose of:
- (1) Disconnect the Distributed Generation System when it stops operating in parallel with the Electric Power System.

SECTION 1.2. Basic Net Metering Program

- A. In the Basic Net Metering Program, a Distributed Generation System connected to the Distribution System shall have a maximum installed AC capacity of twenty-five (25) kW for residential customers and one (1) MW for commercial, governmental, industrial, agricultural, educational institutions and hospital medical facilities. Generating Facilities connected to the subtransmission or transmission systems shall have a maximum installed AC capacity of 5 MW for

commercial customers, governmental, industrial, agricultural, educational institutions and hospital medical facilities.

- B. Net metering for a Distributed Generation System whose maximum installed AC power capacity does not exceed twenty-five (25) kW shall be reflected in the customer's monthly bill not later than thirty (30) days after the receipt of notice of their certification of the distributed generator installed by a professional engineer or expert electrician.

SECTION 1.3. Aggregate Net Metering Program

- A. The Aggregate Net Metering Program applies only to governmental Entities and non-profit academic institutions.
- B. For customers with service on distribution voltages, the maximum installed AC capacity of the Distributed Generation System must be 1 MW. For customers with service on transmission or subtransmission voltages, the maximum installed AC capacity of the Distributed Generation System must be 5 MW.
- C. All locations with service agreements that take advantage of this program must be included in the same account.
- D. The locations may be interconnected to primary distribution, secondary distribution, subtransmission, or transmission systems. However, all participating locations must receive service at the same voltage level.
- E. The service agreements to which the energy is to be accredited must be (1) within the same location where the Distributed Generation System is installed or (2) in other locations interconnected to the same power line at a distance not greater than two miles from the Distributed Generation System.
- F. The Agreement to interconnect the Distributed Generation System and participate in this program will be effective thirty (30) days after the first rate revisions established in Law 57, as amended.

SECTION 1.4. Shared Net Metering Program

- A. The Shared Net Metering Program applies exclusively to residential and commercial customers with primary and secondary voltage distribution services under the horizontal property regime, such as residential, commercial or mixed-use condominiums. This Program also applies to public housing managed by the Department of Housing.
- B. The location of the service agreements to which the energy is to be accredited must be within the same location where the Distributed Generation System is installed.

- C. All service agreements must be serviced from the same point of delivery to which the Distributed Generation System is interconnected. The point of delivery can be the interconnection transformer in secondary distribution systems or the private substation in primary distribution systems.
- L. For residential cases, the maximum capacity of the Generation Facility is 25 kW per participating customer or the capacity of the Interconnection Transformer, whatever smaller, up to a maximum of 1 MW.
- D. For commercial or mixed use cases, the maximum capacity of the Distributed Generation System is the same as the capacity of the Interconnection Transformer, up to a maximum of 1 MW.
- M. As required by these regulations, the owner of the Distributed Generation System must sign an Interconnection Agreement with the EPS Operator and Participate in the Net Metering Program. The owner of the Distributed Generation System can be the Board of Owners, the Owners Association, the owner of the building or any natural or legal entity with similar functions.
- E. Each participating customer that is not the owner of the Distributed Generation System must sign an Agreement for Participation in the Shared Net Metering Program (see Attachment X of the TIR).

SECTION 1.5. Energy Compensation for Customers that Participate in the Net Metering Programs

Energy exported by the customer shall be compensated as described below; except in those cases in which any federal law or regulation expressly and specifically orders otherwise:

- A. Energy compensation will be effective at the beginning of the billing period after the installation or configuration of the meter, and no later than 30 days after the installation or configuration of the meter.
- B. For each billing period, the EPS Operator will measure the energy that the customer consumes from and the energy that the customer exports to the EPS.
- C. If during a billing period, the EPS Operator supplies the customer more energy than the customer exports, the customer will be charged for their Net Consumption.
- D. If during a billing period, the customer exports more energy than supplied by the EPS Operator, the customer will be charged the minimum invoice amount corresponding to the rate at which the service is being received. The minimum invoice is the amount that the EPS Operator charges a customer who does not consume electricity during a billing period. The EPS Operator shall register an excess in exported energy during any billing period up to a daily maximum of

300 kWh for residential customers and 10 MWh for commercial customers connected to the Distribution System. For customers connected to the Transmission System, any excess in exported energy during a billing period will be registered up to a daily maximum of 50 MWh. The excess in exported energy will be carried over to the invoice for the next billing period.

- E. Any excess in exported energy, that the customer accumulates during the year and that has not been used by the close of the June billing period of each year, will be compensated as described below:
- (1) The EPS Operator shall use the greater of (a) ten cents per kilowatt-hour or (b) the price per kilowatt-hour that results from converting the average of the total price charged to customers throughout the year and subtracting the average of the fuel and power purchase adjustments.
 - (1) The customer will receive a credit on their monthly bill equal to 75% of the surplus energy and the remaining 25% of the surplus energy will be credited to the power bill of the Department of Education.
- F. For customers who participate in the Aggregate Net Metering Program, besides paragraphs A to E of this Section, the following applies:
- (1) Service agreements at the same location: The maximum amount of energy to be credited to all participating service agreements at the location where the Distributed Generation System is installed may be up to 100% of the consumption of all the service agreements. This energy will be credited first to the service agreement associated with the Distributed Generation System and the excess will be credited equally to the rest of the service agreements on the same account.
 - (2) Service agreements at different locations: The maximum amount of energy to be credited to all participating service agreements may be up to 120% of the consumption of the service agreements at the location where the Distributed Generation System is installed. This energy will be credited first to the service agreement associated with the Distributed Generation System and the excess will be credited equally to the rest of the service agreements, up to 100% of the consumption of the service agreements within the location where the Distributed Generation System is installed and the remaining 20% of the energy production will be credited equally to the service agreements in the other locations on the same account.
- G. For customers participating in the Shared Net Metering Program, besides the provisions of paragraphs A to E of this Section, 100% of the energy produced by the Distributed Generation System will be credited equally among all participants of this program.

ARTICLE 2. DISPUTE RESOLUTION

- A. The Parties agree to attempt to resolve all disputes arising out of the interconnection process and associated studies and Interconnection Agreements according to this Article.
- B. If a dispute occurs, the disputing Party shall provide the other Party a written Notice of Dispute containing the relevant known facts pertaining to the dispute, the specific dispute and the relief sought, and express notice by the disputing Party it is invoking the procedures under this Article. The notice shall be sent to the non-disputing Party's email address and physical address in the Interconnection Agreement or Interconnection Application, if there is no Interconnection Agreement. A copy of the notice shall also be sent to the Interconnection Ombudsperson at the Energy Bureau.
- The non-disputing Party shall acknowledge the notice within three (3) Business Days of its receipt and identify a representative with the authority to decide for the non-disputing Party regarding the dispute.
- C. If the dispute is principally related to one or both Parties' compliance with timelines specified in these Regulations or associated agreements, the Parties shall seek assistance from the Interconnection Ombudsperson if the Parties cannot mutually resolve the dispute within eight (8) Business Days.
- D. If the dispute is not principally about one or both Parties' compliance with a timeline, then the non-disputing Party shall provide the disputing Party with all relevant regulatory and/or technical details and analysis regarding any interconnection requirements under dispute within ten (10) Business Days of the date of the notice of dispute. The confidentiality provisions of Section 7.6 apply here. Within twenty (20) Business Days of the date of the notice of dispute, the Parties' authorized representatives will have to meet and confer to try to resolve the dispute. Parties shall operate in good faith and use best efforts to resolve the dispute.
- E. If a resolution is not reached in thirty (30) Business Days from the date of the notice, either:
- (1) A Party may request to continue negotiations for an additional twenty (20) Business Days;
 - (2) The Parties may by agreement make a written request for mediation to the Interconnection Ombudsperson; or
 - (3) Both Parties by agreement may request mediation from an outside third-party mediator with costs to be shared equally between the Parties.

- F. If the results of the mediation are not accepted by one or more Parties and there is still disagreement, the dispute shall proceed to the Energy Bureau's process for reconsideration in accordance with 0.
- G. At any time, either Party may request reconsideration by the Energy Bureau in accordance with 0.
- A. Party may proceed to file a request for reconsideration before the Energy Bureau in accordance with **Article 14** Reconsideration and Judicial Review.
- B. For purposes of calculating the twenty (20) day term to file a request for reconsideration under **Article 14** Reconsideration and Judicial Review:
 - (1) If a Party elects mediation or arbitration under Regulation 8558 and subsequently withdraws from such proceeding, the term shall commence from the date the Party provides written notice to the other Party and to the mediator or arbitrator; and
 - (2) If a mediation proceeding under Regulation 8558 terminates without resolution, the term shall commence from the date the mediator files written notice of termination with the Energy Bureau as required under Section 5.04 of Regulation 8558.
- C. Nothing in this Article shall prevent a Party from proceeding directly to reconsideration before the Energy Bureau at any time, regardless of whether the Party has previously elected to pursue mediation or arbitration under Regulation 8558.

ARTICLE 9. PENALTIES; INVESTIGATIONS

- A. Anyone who infringes this Regulation or who alters all or part of the Electric Power System or an electric installation in a manner such that the operation of a Distributed Energy Resource cannot be accurately monitored including, but not limited to, its bi-directional energy flow shall be penalized by the Energy Bureau with the corresponding administrative sanctions and penalties established in Act 83-1941 and Act 57-2014 and the regulations adopted pursuant to the same.
- B. The EPS Operator is authorized to investigate matters regarding the interconnection of Distributed Energy Resource with the EPS, including the veracity of the information stated in the certifications, inspection reports and any other documents filed with the EPS Operator under this Regulation:
 - (1) For purposes of this Section, "investigate" shall include:

- (i) Conducting physical inspections of the Distributed Energy Resource, and Interconnection Facilities, subject to the access provisions of [Section 9.8](#) of this Regulation;
 - (ii) Requesting that the Interconnection Customer provide, within twenty (20) Business Days, documents, records, test results, equipment specifications, or other information in the Interconnection Customer's possession that is relevant to compliance with this Regulation, the Technical Interconnection Requirements, or the Interconnection Agreement;
 - (iii) Conducting or commissioning technical testing of the Distributed Energy Resource equipment, including power quality measurements, protection system verification, and output monitoring; and
 - (iv) Reviewing publicly available records and filings relevant to the interconnection.
- c. The EPS Operator's investigation authority under this Section extends to matters directly related to:
- (i) Compliance with the technical requirements of this Regulation and the Technical Interconnection Requirements;
 - (ii) The accuracy and completeness of certifications, inspection reports, and other documents filed with the EPS Operator;
 - (iii) Whether the Distributed Energy Resource is being operated in accordance with the Interconnection Agreement; and
 - (iv) Whether the operation of the Distributed Energy Resource is causing or may cause adverse effects on the Electric Power System as described in [Section 9.3\(A\)](#).
- d. Nothing in this Section shall delay or limit the EPS Operator's right to take immediate operational action, including disconnection without prior notice, under [Section 9.3](#) of this Regulation when conditions warrant. The investigation process under this Section and the operational remedies under [Article 12](#) may proceed simultaneously and independently.
- e. If, as a result of an investigation under this Section, the EPS Operator determines that: (i) a Distributed Energy Resource was interconnected in violation of applicable legal provisions; (ii) there is irregularity, deficiency, omission, or fraud

in any certification or document filed under this Regulation; or (iii) the Interconnection Customer is in material noncompliance with this Regulation, the TIR, or the Interconnection Agreement, the EPS Operator may:

(i) Take any operational remedies available under Article 12 of this Regulation, including disconnection pursuant to the applicable provisions of that Article;

(ii) Refer the matter to the Energy Bureau for administrative enforcement action, including imposition of sanctions under Act 83-1941 and Act 57-2014; and

(iii) Refer the responsible professional to the pertinent professional association, the Public Energy Policy Program of the Department of Economic Development and Commerce, or other competent authority as applicable.

f. Where an investigation under this Section and operational remedies under Article 12 arise from the same factual circumstances, resolution of the operational condition (including correction by the Interconnection Customer and reconnection) shall not preclude the EPS Operator from referring the underlying cause to the Energy Bureau for administrative enforcement under subsection (e)(ii) above.

h. If the Energy Bureau determines that a Distributed Energy Resource was interconnected in violation of applicable legal provisions, or detects any irregularity, deficiency, omission or fraud in the certifications filed, the Energy Bureau, may impose the administrative sanctions established in Act 83-1941 and Act 57-2014, to the professional responsible for such violation and refer the professional to the pertinent professional association and, to Development and Commerce for the corresponding disciplinary action.

SECTION 9.1. Term and Termination of the Interconnection Agreement

A. The Interconnection Agreement is effective on the date it is signed and will be in force as long as the Interconnection Customer maintains an active service contract with the EPS Operator at the Interconnection Site or during the term mutually agreed by both the Interconnection Customer and the EPS Operator.

- C. Termination of the Interconnection Agreement may be enforced by, but not limited to, the following:
- (1) The Interconnection Customer, freely and voluntarily, terminates, cancels or transfers his active service contract with the EPS Operator.
 - (2) Breach of the Interconnection Agreement by any of the signing parties.
 - (3) Both the Interconnection Customer and the EPS Operator agree in writing to terminate the Interconnection Agreement. In the event that the Interconnection Customer wishes to terminate the Interconnection Agreement and permanently disconnects the Distributed Generation System from the Electric Power System, the Interconnection Customer must notify the Distribution Engineering Department of the region where the Interconnection Site is located in writing at least twenty (20) Business Days in advance.
 - (4) The term of the Interconnection Agreement was fulfilled, and the Interconnection Customer did not request its renewal.
 - (5) The Interconnection Customer does not comply with a process, study or requirement mentioned in this Regulation.
- D. The EPS Operator may terminate, cancel or accelerate the expiration of the Interconnection Agreement, with prior notification, in the event that the Interconnection Customer breaches any of its obligations in the Interconnection Agreement.
- E. Once the Interconnection Agreement is terminated, the Interconnection Customer shall proceed to permanently disconnect the Distributed Energy Resource from the Electric Power System to avoid any possibility of its parallel operation in the future. The EPS Operator reserves the right to inspect the Interconnection Customer's facilities to verify that the Distributed Energy Resource is permanently disconnected. After said disconnection, if the Interconnection Customer is interested in reconnecting the Distributed Energy Resource, they must start a new Distributed Energy Resource Application from the EPS Operator.

ARTICLE 10. PUBLIC REPORTING AND RECORD RETENTION

SECTION 1.2.

[Section 13.1] Public Queue

The EPS Operator shall maintain a public interconnection queue pursuant to Section 2.1 on its website in a tabular format, *i.e.*, a sortable spreadsheet, which it shall update on at least a monthly basis. The date of the most recent update shall be clearly indicated. The public queue should include, at a minimum, the following information about each Interconnection Application, where available:

- A. Queue Position, *i.e.*, queue number
- A. Nameplate Rating
- B. Export Capacity
- C. Primary fuel type (*e.g.*, solar, wind, bio-gas, etc.)
- D. Secondary fuel type (if applicable)
- E. Exporting or Non-Exporting

- F. City
- G. Zip code
- H. Substation
- I. Feeder
- J. Status (active, withdrawn, interconnected, etc.)
- K. Date application deemed complete
- L. Date of notification of Fast Track screen results, if applicable
- M. Fast Track Screen results, if applicable (pass or fail, and if fail, identify the screens failed)
- N. Date of notification of supplemental review results, if applicable
- O. Supplemental review results, if applicable (pass or fail, and if fail, identify the screens failed)
- P. Date of notification of feasibility study results, if applicable.
- Q. Date of notification of system impact study results, if applicable
- R. Date of notification of Transmission System impact study results, if applicable
- S. Date of notification of Facilities Study results and/or construction estimates, if applicable
- T. If upgrades were needed, the estimated and final cost of the upgrades

SECTION 1.3.**[Section 13.2] Biannual Interconnection Report**

After the approval of this Regulation, the EPS Operator shall include the following information as part of its Interconnection Progress Reports as filed in Docket No. NEPR-MI-2019-0016:

- A. The number, Nameplate Rating, and Export Capacity of, completed Interconnection Applications for Distributed Energy Resource received, approved, studied, installed, withdrawn, and denied under the Simplified Process, the Fast Track Process, and the Study Process.
- A. The fuel type, number, Nameplate Rating, and Export Capacity of Distributed Energy Resource approved for interconnection.

- B. The fuel type, number, Nameplate Rating, and Export Capacity of all Distributed Energy Resource currently interconnected to the EPS.
- C. A narrative description of the data provided, including any trends identified by the EPS Operator.
- D. Fees collected under the Simplified Process, the Fast Track Process, and the Study Process.
- E. The underlying data in tabular format, *i.e.*, a searchable spreadsheet.

SECTION 1.4.

[Section 13.3] Record Retention

- A. The EPS Operator shall maintain the records and reports specified in this Article for at least five years.
- B. The EPS Operator shall retain copies of studies it performs to determine the feasibility, Distribution System impacts, Transmission System impacts, or facilities required for a proposed interconnection.

**CONFIDENTIAL DRAFT
ATTORNEY-CLIENT PRIVILEGED AND ATTORNEY WORK PRODUCT
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For Review by Client and Counsel Only
8/6/2026**

Distributed Generation and Microgrid Interconnection Regulation Draft – July 7, 2026
ARTICLE 11. RECONSIDERATION AND JUDICIAL REVIEW

SECTION 1.5.

[Section 14.1] Reconsideration

- A. Any person who is not satisfied with a decision made by the EPS Operator under this Regulation may first follow the procedures identified in **Article 11**, or may file a request for reconsideration before the Energy Bureau within the term of twenty (20) days, calculated in accordance with **Article 11(D)**, wherein the petitioner sets forth in detail the grounds that support the request and the decisions that, in the opinion of the petitioner, the Energy Bureau should reconsider.
- A. **[B]** Any person who is not satisfied with a decision made by the Energy Bureau under this Regulation may file, within the term of twenty (20) days from the date copy of the notice of such decision is filed by the Energy Bureau's Clerk, a request for reconsideration before the Energy Bureau wherein the petitioner sets forth in detail the grounds that support the request and the decisions that, in the opinion of the petitioner, the Energy Bureau should reconsider.

SECTION 1.6.

[Section 14.2] Administrative Review

Any person who is not satisfied with a decision made by the EPS Operator under this Regulation may file, within the term of twenty (20) days from the date copy of the notice of such decision is issued and notified by the EPS Operator, a request for review before the Energy Bureau, pursuant to the provisions of Act 57-2014 and Regulation 8543, the *Regulation on Adjudicative, Notice of Noncompliance, Rate Review and Investigations Proceedings* (December 18, 2014).

SECTION 1.7.

[Section 14.3] Judicial Review

Any person dissatisfied with a final decision of the Energy Bureau under this Regulation, may, within thirty (30) days from the date copy of notice of a final decision addressing a request for reconsideration is filed by the Energy Bureau's Clerk, or within thirty (30) days from the date a copy of the notice of an Energy Bureau final decision is filed by the Energy Bureau's Clerk, if a request for reconsideration has not been filed, appear before the Puerto Rico Court of Appeals by way of writ of judicial review.

CONFIDENTIAL DRAFT
ATTORNEY-CLIENT PRIVILEGED AND ATTORNEY WORK PRODUCT
Prepared by DLA Piper LLP (US)
For Review by Client and Counsel Only
8/6/2026

Distributed Generation and Microgrid Interconnection Regulation Draft – July 7, 2026
ARTICLE 12. REPEAL

This Regulation cancels and supersedes PREPA's Regulation 8915, *Reglamento para interconectar generadores con el sistema de distribución eléctrica de la Autoridad de Energía Eléctrica y participar en los Programas de Medición Neta* (February 6, 2017) and PREPA's Regulation 8916, *Reglamento para interconectar generadores con el sistema de transmisión o subtransmisión eléctrica de la Autoridad de Energía Eléctrica y participar en los Programas de Medición Neta* (February 6, 2017).

Additionally, this Regulation supersedes any provision included in any other prior regulation that is contrary to the provisions established in this Regulation.

ARTICLE 13. EFFECTIVE DATE

SECTION 1.1.

[Section 16.1] General Condition Precedent

Subject to **Section 16.2**, this Regulation shall enter into force thirty (30) days after its filing with the Puerto Rico Department of State, in accordance with the provisions of Act No. 38-2017.

SECTION 1.2.

[Section 16.2] Special Condition Precedent

Notwithstanding **Section 16.1**, this Regulation shall not become effective until the Initial Technical Interconnection Requirements have been approved or deemed approved by the Energy Bureau pursuant to **Section 8.5(1)**. Upon such approval or deemed approval, this Regulation and the Initial Technical Interconnection Requirements shall become effective fifteen (15) calendar days after publication of the approved Initial Technical Interconnection Requirements by the EPS Operator in accordance with **Section 8.5(1)(8)**.

Preliminary Draft

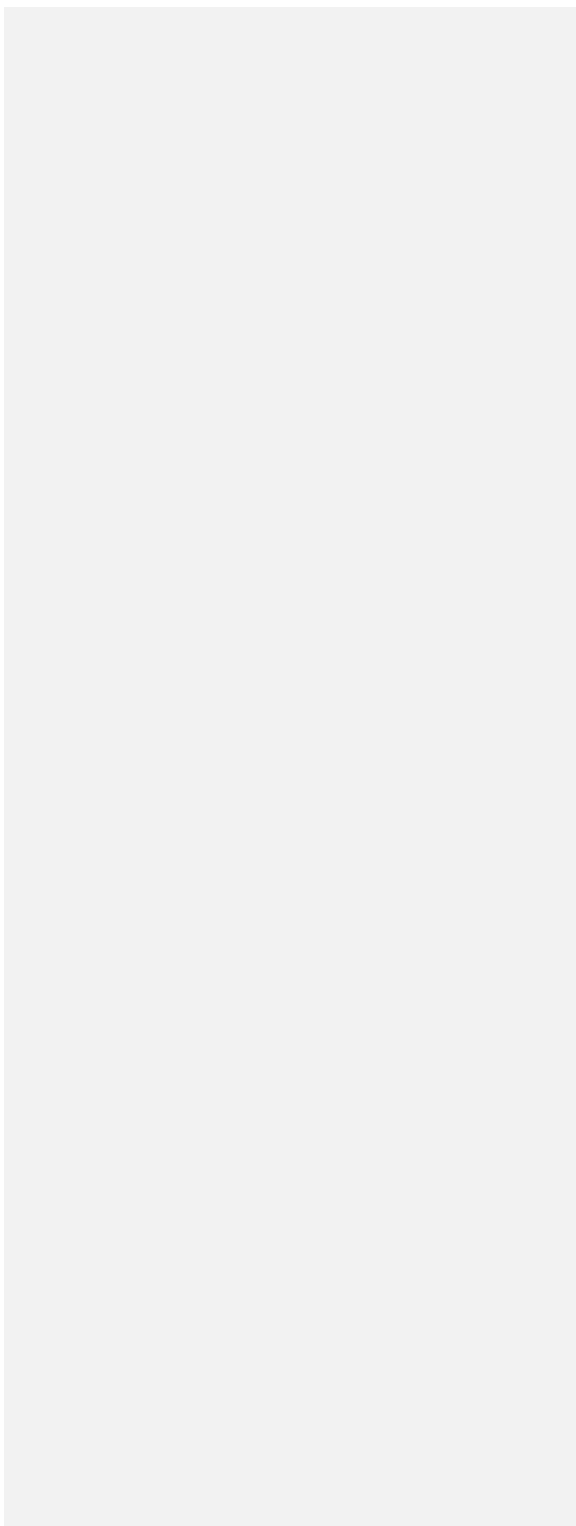


EXHIBIT 4

[to be submitted via email]