NEPR

Received:

Nov 6, 2026

7:58 PM

Exhibit 1: General Comments on Distributed Energy Resources Interconnection Regulation Second Draft

NEPR-MI-2019-0009

11/6/2026

List of Acronyms

Acronym	Definition
AMI	Advanced Metering Infrastructure
ANSI	American National Standards Institute
CC&B	Customer Care and Billing
DER	Distributed Energy Resources
DERMS	Distributed Energy Resource Management System
DGS	Distributed Generation Systems
DML	Daylight Minimum Load
EPS	Electric Power System
FEMA	Federal Emergency Management Agency
IEEE	Institute of Electrical and Electronics Engineers
IT	Information Technology
kW	Kilowatt
MDMS	Meter Data Management System
MSA	Meter Socket Adapter
MW	Megawatt
NEM	Net Energy Metering

Acronym	Definition
P3A	Puerto Rico Public-Private Partnerships Authority
PREPA	Puerto Rico Electric Power Authority
TIR	Technical Interconnection Requirements
T&D	Transmission and Distribution
T&D OMA	Transmission and Distribution Operating and Maintenance Agreement
UL	Underwriters Laboratories
VPP	Virtual Power Plants

1.0 Introduction

These comments are submitted by LUMA Energy, LLC ("LUMA") in response to the Energy Bureau's request for comments on the proposed *Distributed Energy Resources Interconnection Regulation Second Draft*. As the operator of Puerto Rico's transmission and distribution system under the T&D OMA, LUMA has a responsibility to maintain a safe, reliable, resilient, and efficient electric system while ensuring compliance with applicable statutory and regulatory requirements. The comments presented herein address LUMA's position regarding a range of regulatory, operational, and technical matters, including the Simplified Interconnection Process, cost allocation for system upgrades, proactive hosting capacity, meter socket adapters, minimum-load evaluations, curtailment compensation, and implementation timelines and funding. LUMA's positions are informed by applicable statutes, regulations, utility industry practices, engineering principles, and LUMA's current role as the EPS Operator. In evaluating the proposed framework, LUMA emphasizes the importance of maintaining regulatory consistency, preserving the EPS Operator's authority and delegated responsibility to protect system reliability and safety, and ensuring that new requirements can be implemented in a practical, cost-effective, and sustainable manner for all customers.

2.0 Summary of LUMA's Position by Filing

Topic	LUMA's Position: August 14, 2026 Filing[1]	LUMA's Position: October 5, 2026 Filing[2]	LUMA's Position: November 6, 2026 Filing
Regulatory Framework	Structure the regulation around DERs as the primary category, with DGS and Microgrid frameworks treated as subsets of DER. This provides a technology-neutral, future-proof framework aligned with IEEE 1547 standards.	The regulation should support DER growth while preserving grid safety, reliability, and compliance with applicable laws. LUMA emphasizes that regulatory provisions should be grounded in statutory requirements, prudent utility practices, and cost-causation principles.	Continued concerns are present regarding impacts on several regulations, technical bulletins, and existing laws without proper legal process, including but not limited to Act 114-2007, PREPA regulations 5676, 7982 (as amended), PREPA Tariff Book, and others, as well as the contractual responsibilities of LUMA as agent of PREPA. Act 114-2007, Art. 10, directs PREPA to amend inconsistent regulations. LUMA requests legal review and consistency with existing Laws and Regulations.

[1] See LUMA's Comments and Proposed Revisions to the Revised Preliminary Draft Distributed Generation and Microgrid Interconnection Regulation https://energia.pr.gov/wp-content/uploads/sites/7/2026/08/20260814-MI20190009-Motion-to-Submit-Comments-and-Proposed-Revisions-to-the-Revised-Preliminary-Draft-Distributed-Generation-and-Microgrid-Interconnection-Regulation.pdf

[2] See LUMA's Comments on Proposed Language for Revised Preliminary Draft Regulation and Related Topics https://energia.pr.gov/wp-content/uploads/sites/7/2026/10/20261005-MI20190009-Motion-to-Submit-LUMAs-Comments-on-Proposed-Language-for-Revised-Preliminary-Draft-Regulation-and-Related-Topics.pdf

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Nameplate Rating vs. Export Capacity	Technical reviews, screening, studies, planning, and upgrade determinations should be based on Nameplate Rating, not Export Capacity. Export Capacity should be used only for operational limitations and customer program purposes.	LUMA supports using Nameplate Rating as the primary capacity metric for screening, studies, feeder penetration calculations, transformer loading evaluations, and interconnection determinations because it reflects the full potential impact on the grid.	LUMA reiterates its support for the use of Nameplate Rating for studies, planning, screening, hosting capacity, upgrades, and cost allocation. Export Capacity should not be a substitute for technical evaluations, because export controls do not limit fault current and can be reconfigured in the field. Net metering eligibility limits must also be based on Nameplate Rating, consistent with Act 114-2007, Art. 2(a).
Interconnection vs. Customer Programs	Interconnection regulation should address only the technical process of connecting resources to the grid. Programs such as NEM, community solar, VPPs, and battery incentive programs should remain governed separately.	The filing focuses on the TIR and consistently separates engineering evaluations from customer compensation or programmatic benefits. Interconnection rules should not be used to create customer subsidies or economic incentives.	LUMA reiterates that the Regulation should focus on the interconnection process, separating the TIR from Net Metering and keeping compensation programs out of consideration. The inclusion of Net Metering provisions, including the expanded Aggregate and Shared Net Metering Programs, is inconsistent with the statement that the Regulation does not regulate customer programs; these should be addressed in separate proceedings

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			and in alignment with proper statutory and regulatory boundaries. Likewise, those discussions need to recognize that any proposal over Net Metering crediting and allocation rules would require major reconfiguration of CC&B and potentially MDMS, which requires time, resources and a budget which, at this time, the Energy Bureau has neither identified nor allocated for those purposes.
EPS Operator Authority	The EPS Operator should retain explicit authority to deny parallel operation, disconnect unsafe systems, require compliance with technical requirements, and review modifications to protect grid reliability and safety.	Reinforces utility authority to review interconnections, conduct screens and studies, require upgrades, limit exports when necessary, and take actions required to protect system safety and reliability.	LUMA reiterates its request for explicit preservation of EPS Operator authority to maintain safety, reliability, emergency operations, inspections, investigations, and enforcement, including the authority to act immediately on an imminent safety hazard and to impose non-compensable emergency export restrictions.
DER > 5 MW	Any DER with a Nameplate Rating of 5 MW or greater	LUMA reinforces prior position that large DER projects should receive additional	LUMA reinforces prior position that large DER projects should receive

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	should require review and approval by the Puerto Rico Energy Bureau, regardless of resource type.	review due to their system impacts. The focus remains on technical evaluation and reliability considerations.	additional review due to their system impacts. The focus remains on technical evaluation and reliability considerations. Enhanced review, transmission interconnection requirements, and Energy Bureau approval for projects above 5 MW are supported.
Implementation Transition Period	LUMA recommends a transition period before full implementation of the regulation and cyber portal, recognizing the significant technology, training, process, and funding requirements involved.	Emphasizes implementation through TIR, studies, data systems, and operational processes that can be administered consistently and realistically by the EPS Operator.	LUMA requests a phased implementation based on readiness, approved TIR, staffing, resources, systems, and funding, with a realistic timeline after TIR approval and clear milestones are identified. LUMA requests a clear cost recovery mechanism, flexibility on deadlines for issues outside LUMA's control, and that no fines or deadlines to be applicable before dedicated funding, resources and other elements identified above are in place.

Distributed Energy Resources Interconnection Regulation

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Simplified Process (<25 kW)	LUMA supports a streamlined interconnection process for small inverter-based DERs up to 25 kW, provided systems meet defined technical eligibility requirements and certified equipment standards.	LUMA supports a Simplified Process with defined screening and review requirements, no study fees for customers, and mandatory post-interconnection technical reviews. Systems should remain interconnected while additional evaluations are completed when necessary.	LUMA recognizes the need for a streamlined interconnection process for small inverter-based DERs up to 25 kW. However, eligibility must be based on Nameplate Rating. LUMA further reiterates its position as detailed in its Oct. 5, 2026, filing. The Simplified Interconnection Fee should recover administrative and study costs and never be set below forecasted actual costs. Likewise, improvement costs should be borne and paid by the "requesting company" as per Act 114-2007, as amended.
DER Screening Criteria	Screening should focus on objective technical criteria including a single Point of Common Coupling, certified equipment, inverter-based technology, service voltage, transformer limits, fault current impacts, and other grid protection requirements.	Submits two core post-interconnection screens: (1) transformer loading limits and (2) feeder DER penetration. These screens should identify projects requiring further study without automatically denying interconnection.	Supports mandatory engineering screens using Nameplate Rating, transformer loading, feeder penetration, and reliability criteria. Screening failures should trigger studies rather than automatic denial or delay.

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Feeder Penetration Threshold	Supports evaluating cumulative DER penetration at the feeder level and using screening criteria to identify when more detailed engineering review is appropriate. The August filing initially proposed a 15% threshold as the trigger for DER Cluster Studies.	LUMA recommends replacing the existing 15% threshold with a 30% feeder penetration threshold, arguing that it better reflects feeder minimum load conditions and provides a uniform standard across review pathways.	LUMA proposes a single 30% annual peak-load threshold across screening and cluster-study processes. Opposes using multiple thresholds.
Cost Allocation	Costs for Interconnection Facilities, Distribution Upgrades, and Network Upgrades should generally be borne by the customer or project causing the need for the upgrade, consistent with the cost-causation principle.	LUMA strongly supports the cost-causer principle. Distribution and Network Upgrade costs should be paid by the project whose interconnection creates the need for those upgrades. LUMA opposes socializing upgrade costs among ratepayers or through reserve funds.	Supports strict cost-causer methodology. Under Act 114-2007, Art. 9(c), feeder improvements and replacements are defrayed by the requesting company, and a regulation cannot override that mandate. Objects to the Reserve Fund and other socialized funding mechanisms that assign upgrade costs to customers who did not trigger them. Requests a definition of Upgrades and a backstop making the Interconnection Customer responsible

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			if the requesting company does not pay.
Cluster Studies	Supports DER Cluster Studies to evaluate cumulative impacts of multiple DER projects on a feeder or electrically related area, including thermal loading, voltage performance, reverse power flow, protection coordination, and upgrade needs.	DER Cluster Studies to evaluate cumulative impacts of multiple projects and determine upgrade responsibilities. Costs should be allocated to the project that causes the need for the upgrade based on queue order and engineering results.	Recommends cluster studies to evaluate cumulative DER impacts but maintains that upgrade costs should follow cost-causer principles.
Queue Management	Queue management should allow flexibility for withdrawals, study results, milestone compliance, cluster studies, and project changes. Queue position should not guarantee approval or fixed cost responsibility.	Queue position should be considered when determining upgrade responsibility within cluster studies. Projects should be evaluated in sequence and assigned costs according to demonstrated system impacts.	Queue management tools and queue adjustments when justified by project changes or withdrawals are supported. Queue position should not guarantee approval. Budget, resources and methods must be identified and costs afforded to LUMA for implementation.

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Material Modifications	Material modifications should trigger review and potentially a new interconnection application when changes affect reliability, costs, system impacts, operating characteristics, or project capacity.	LUMA supports further study and evaluation when project modifications materially affect capacity, reliability, operating characteristics, or upgrade requirements. Review periods associated with these studies should be excluded from performance timelines.	LUMA supports further study and evaluation when project modifications materially affect capacity, reliability, operating characteristics, or upgrade requirements. Review periods associated with these studies should be excluded from performance timelines. Larger projects should remain subject to EPS review. Material modifications should trigger review and potentially a new interconnection application when changes affect reliability, costs, system impacts, operating characteristics, or project capacity.
Customer Responsibilities	Interconnection customers should be solely responsible for DER design, installation, operation, maintenance, compliance, and correction of deficiencies identified during	Customers should acknowledge upgrade obligations, pay upgrade costs caused by their projects, and comply with study results. Non-payment should trigger an escalation process that may include export limitations, termination of the	LUMA supports making customers responsible for DER design, installation, operation, maintenance, and corrective actions. The Interconnection Agreement and the Simplified Interconnection Notification and Agreement should include the

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	studies, inspection, or operation.	interconnection agreement, or removal from the net metering program.	customer's acknowledgment of upgrade cost responsibility if the requesting company does not pay, with disconnection and other remedies available.
Meter Socket Adapters		Does not oppose MSAs, but proponents have not established the need or any specific benefit to the T&D system. Conditions for adoption: a. A device proposal and pre-screening process (e.g., ANSI and UL standards), which does not exist today. b. Testing against legacy and new meters, communications, rings, locks and seals, funded separately from the FEMA-funded AMI program. Spreading the cost across all customers would have non-MSA customers subsidizing MSA users. c. New systems to receive, track and bill requests (at least three IT systems; Bureau approval of	Generally, LUMA does not oppose MSAs, but proponents have not established the need or any specific benefit to the T&D System. However, LUMA opposes the proposed framework included in the Interconnection Regulation Second Draft. Notwithstanding, LUMA opposes third-party removal/reinstallation of utility meters and the Authorized Agent concept, which impacts LUMA's contractual obligations as well as other applicable Regulation. LUMA requests implementation funding, system upgrades, and additional time. Fees should be no less than the full actual cost of the service, and the EPS Operator should

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		fees; Act 57 compliance; tracking MSAs as customer-owned assets). d. The utility must be present to remove, inspect and verify the meter, which to deter tampering and diversion. LUMA technicians would not install MSAs: LUMA does not own behind-the-meter equipment and the T&D OMA does not authorize work on it without P3A consent. e. AMI alarms flag unplanned meter removals as potential tampering, likely triggering truck rolls. f. Remains open to a framework if regulatory approvals, funding and safeguards are in place and adoption is found necessary for safe operation.	not quote or perform meter base relocations on customer-owned equipment.
Daytime Minimum Load	Supports establishing DML as an engineering screening tool through the TIR, recognizing that minimum load conditions are important for evaluating	DML as a secondary screening tool. It recommends calculating gross DML by adding estimated DER output back into measured minimum load and applying an 80% threshold to evaluate reverse	Supports DML if based on gross load and supported by clearly defined methodology within the TIR. Requests

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	DER impacts such as reverse power flow and voltage issues.	power flow and feeder impacts. Passing DML allows projects to avoid full studies; failing DML leads to additional review.	documentation of assumptions and measurement methods.
Proactive Hosting Capacity	Supports greater use of planning tools and engineering analyses to proactively evaluate DER integration capability and cumulative feeder impacts. The filing introduces cluster studies and transparency measures to support planning.	LUMA supports proactive hosting-capacity planning but opposes establishing a standalone hosting-capacity requirement in the regulation. Planning efforts should be phased, data-driven, and tied to system readiness and approved funding mechanisms.	Supports the concept but opposes mandatory implementation before required systems, data quality, modeling tools, and cost recovery mechanisms exist. Any deadlines should run from approval of the methodology and cost recovery mechanism. Must consider the limitations on the use of Federal funds as a source of funding for this initiative. Likewise, upgrades must not be recovered through rates, as Act 114-2007 already assigns them to the cost-causer. Only feeder-level values should be published.
Pre-Application Reports	Supports issuance of Pre-Application Reports that provide customers with available system information while acknowledging that	Recommends eliminating requirements to publicly post detailed Pre-Application Report information. It argues that such reports may contain confidential customer-related information and could	Supports customer-specific Pre-Application Reports but opposes publication of detailed public report data. Considers reports non-binding, with content and format set in the TIR.

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	such reports are non-binding and do not replace interconnection studies.	be incorrectly interpreted as definitive study results. Reports should remain non-binding and available only to the requesting customer.	Supports the statement that Pre-Application Reports are generally not applicable to Small Inverter-based Systems.
Curtailment Compensation		LUMA opposes curtailment compensation. Curtailment, under current system conditions is a reliability and safety tool that benefits all customers. Furthermore, compensation to individual DER owners would create an unauthorized subsidy and shift costs to other ratepayers. Currently there is no legal basis that supports the regulation's proposal.	LUMA opposes curtailment compensation. Curtailment, under current system conditions is a reliability and safety tool that benefits all customers. Furthermore, compensation to individual DER owners would create an unauthorized subsidy and shift costs to other ratepayers. Currently there is no legal basis that supports the regulation's proposal.
Reliability and Safety	Reliability and safety are the central themes of the filing. LUMA consistently advocates the application of prudent utility practice, certified equipment requirements, rigorous technical reviews, customer accountability, and	Reliability and safety remain LUMA's central priorities. The utility argues that all interconnection requirements, screening processes, upgrade obligations, DML reviews, MSA evaluations, hosting capacity planning, and curtailment decisions should be	Consistently prioritizes system reliability and safety. Supports Nameplate-based evaluations, system studies, protection coordination, screening criteria, and preservation of operator authority.

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	engineering evaluations designed to protect the electric grid.	driven by maintaining a safe, stable, and reliable electric system for all customers.	