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GOVERNMENT OF PUERTO RICO

Public Service Regulatory Board

Puerto Rico Energy Bureau

EXHIBIT 2

LUMA Revisions
November 6, 2026

Distributed Energy Resources Interconnection Regulation

SECOND DRAFT

October 16, 2026

Second Draft

NEGOCIADO DE ENERGÍA DE PUERTO RICO
NEPR
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO

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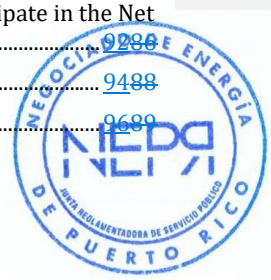
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ARTICLE 1. GENERAL PROVISIONS

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. Title

This Regulation shall be known as the *Distributed ~~Energy~~Energy~~Energy~~Energy Resources Interconnection Regulation* ("Regulation").

SECTION 1.02. 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 17-2019, as amended, known as the *Puerto Rico Energy Public Policy Act*; *Act*; Act 114-2007, as amended, known as the *Puerto Rico Net Metering Act*; Joint Resolution 5-2026; Act 57-2014, as amended, known as the *Puerto Rico Energy Transformation and RELIEF Act*; and Act 38-2017, known as the *Uniform Administrative Procedures Act of the Government of Puerto Rico* ("LPAU" for its Spanish acronym).

SECTION 1.03. Purpose and Executive Summary

This Regulation provides the rules and procedures for the interconnection of Distributed Energy Resources including Distributed Energy Generation Facilities 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.

SECTION 1.04. Applicability

This Regulation applies to any Distributed Energy Resource, including Community Solar, or Microgrid 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. 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

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Commented [A1]: DERs claiming to operate independently of the Electric Power System must demonstrate, through certified non-export controls, that no active power export to the Electric Power System can occur under any operating condition, including transient, transitional, or fault scenarios.
DERs capable of exporting at any time, intentionally or unintentionally, shall be considered to be in Parallel Operation and therefore subject to all provisions of this Regulation.

Commented [A2R1]: ...the draft regulation must provide a formal evaluation pathway for off-grid systems to determine whether they meet the criteria for non-export operation or must instead be classified as operating in parallel.

Commented [A3R1]: DERs claiming to operate independently of the Electric Power System (i.e., off-grid or in intentional island mode) shall be excluded from this Regulation *only* if the proponent demonstrates, through certified non-export controls and verified functional separation mechanisms, that no active power export to the Electric Power System can occur under any operating condition, including steady-state, transient, transitional, abnormal, or fault scenarios. Any DER capable of exporting energy at any time—whether intentionally, unintentionally, momentarily, or through equipment malfunction—shall be deemed to be in Parallel Operation and therefore subject to all requirements of this Regulation. Compliance may be achieved using a mechanical transfer switch, static transfer device, or a programmable relay–based scheme, provided such equipment offers functional guarantees equivalent to UL 1008-certified transfer equipment and meets the islanding, anti-parallel, and non-export performance requirements established under IEEE 1547.4, IEEE 1547, and IEEE 2030.7. In all cases, the separation mechanism must ensure break-before-make operation, prevent inadvertent parallelism, enable safe transitions, and provide verifiable protective functions that eliminate any possibility of unintended energization of the Electric Power System. The regulatory authority reserves the right to require additional documentation, testing, certification, or monitoring to confirm compliance with non-export and non-parallel operation requirements.

Commented [A4R1]: Reglamento 9018, regulation on micro-grids, shall comply with the applicable codes and standards identified by the Commission but also with "might"electric power grid applicable regulations or procedures adopted.

Commented [A5R1]: **Recommendation:**
To fully operationalize the intent of the regulation regarding systems that **under any circumstances cannot export power to the electric grid**, the regulatory framework should explicitly mandate a robust combination of hardware-based protective functions and mandatory field verification. Specifically, it is recommended that the following dual-layer safeguard mechanism be incorporated into the technical compliance requirements:
Mandatory Reverse Power Protection (ANSI Device 32R, 50/51V, 27/59, 81O/U): For DER systems utilizing a programmable relay-based scheme or static transfer device instead of a physical UL 1008 break-before-make switch, a certified reverse power relay must be installed and active. This protective function must immediately isolate the DER or trip its output circuit breaker if any directional power flow toward the Electric Power System (EPS) grid is detected, ensuring strict non-export integrity even during transient or fault scenarios.
Compulsory Field Commissioning and Verification Testing: Compliance cannot be assumed solely based on manufacturer ...

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 1.05. 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 1.06. Provisions of Other Regulations

This Regulation constitutes the regulatory framework governing the interconnection of Distributed ~~Energy~~~~Energy~~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.

Without limiting the foregoing, this Regulation governs the interconnection of Distributed Energy Resources, the enrollment of Net Metering Systems, and the installation of Meter Socket Adapters. Any provision of a regulation, technical ~~communiqué~~comunication, directive, or terms and conditions of service of PREPA or the EPS Operator, including Regulation 7982 and Technical ~~Communiqués~~Communication 19-02 and 20-01, that is inconsistent with this Regulation as applied to those matters shall not be applied to them.

SECTION 1.07. Unforeseen Proceedings

When a specific proceeding has not been planned for in this Regulation, the Energy Bureau ~~may~~will attend to it in ~~any way that is consistent~~accordance with Act 114-2007, Act 57-2014, Act 17-2019, and any other applicable laws, regulations, and tariffs, terms and conditions of service or contractual provisions that govern the responsibilities of the EPS Operator, including but not limited to those delegated by PREPA. Nothing in this Regulation shall be construed to amend any such law, regulation, tariff, contract, or terms and conditions of service, unless this Regulation does so expressly, and to the extent that such amendment is made in accordance with applicable laws, including LPAU.

SECTION 1.08. 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

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Commented [A6]: The statement that this section is not intended to regulate customer programs is inconsistent with the inclusion of sections related to Net Metering (including basis and aggregate), as this is a customer program. Provisions related to customer programs should be addressed in separate resolutions, orders or regulations. This regulation should remain technical.

Commented [A7]: Energy Bureau please explain how can a tariff be "interpreted" and to which tariffs would this apply to.

Commented [A8]: Article 10, Act 114, provides that: "In addition, PREPA shall amend any other regulations in force that govern or are related to the Net Metering Program, so as to achieve consistency with the provisions of this Law and with the terms and procedures to be included in the regulations for the interconnection of distributed generators." 22 L.P.R.A. § 1020 Wherefore, there is a direct mandate for PREPA to amend or repeal inconsistent regulations or technical bulletins. The draft regulation may include a section directing PREPA to amend or repeal inconsistent regulations or bulletins.

Commented [A9]: Section 1.07 does not operate in a vacuum, and approval of the Regulation should not be construed as amending, by implication, the laws and regulations that govern the relationships among PREPA, its customers, and the EPS Operator. The following are examples of laws and regulations that are either inconsistent with the Regulation or whose application the Regulation does not address.

Act 114-2007 requires the system to be installed on the customer's premises. In Case No. NEPR-QR-2025-0269, the Energy Bureau read "proximity" under Act 17-2019 functionally, not as "adjacent" or "same parcel," provided there is reasonable distance and a direct, private behind-the-meter connection. What is a reasonable proximity for a system on a separate parcel, and what standards apply to private dedicated lines or remote behind-the-meter extensions?

Regulation No. 5676 adopted the *Reglamento Complementario al Código Eléctrico para la Instalación de Conductores y Equipo Eléctrico* (*Supplementary Regulation to the Electrical Code for the Installation of Electrical Conductors and Equipment*) (translation supplied). Section IV(C)(16) provides that "[i]t is strictly prohibited to extend service drops from one building or house to serve another building or house that, pursuant to this Regulation, must have an independent service drop. Every service drop must originate from the Authority's distribution lines, directly to the support affixed to the wall of the building or house of the applicant for electric service." (translation supplied). Available at http://app.estado.gobierno.pr/ReglamentosOnLine/Reglamentos/5676.pdf Act 103-2012 requires connection after the customer's meter. Current Regulations 8915/8916 (to be replaced by this Regulation) require interconnection behind the customer's meter on the same premises (consistent with the NEC). Multiple amendments to Act 114-2007 (Acts 211-2008, 108-2013, 57-2014, 4-2016, 133-2016, 17-2019, and 33-2019) have not modified these eligibility requirements.

Regulation No. 7982 (as amended by Regulations 8058 and 8366), Section X, Article A, provides: "Except as provided in the Regulation on Rates for Electric Service and in Article B of this Section, the Authority requires that every natural or juridical person, family, and commercial or industrial entity that uses ...

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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 1.09. 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) "Absolute Minimum Load" – means the lowest valid demand of a feeder or Line Section over all hours of the data period, determined in accordance with the TIR.

(2) "Aggregate Net Metering Program" – means the extension of the Basic Net Metering Program, created to comply with Amended Order CEPR-MI-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, Article 2.A of this Regulation.

(3) "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.

(4) "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.

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

~~(6) "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).~~

~~(7)~~(6) "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~~")")")~~ 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.

~~(8)~~(7) "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.

~~(9)~~(8) "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.

~~(10)~~(9) "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~~Entity~~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

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Commented [A11]: This Word/phrase is not used in the regulation. Should be removed.

Commented [A12]: Community Solar is a Distributed Generation System and should not be treated as a separate category of system. In substance, this Regulation addresses Community Solar as a customer program (for example, through subscription agreements) rather than as a distinct system type. That program is being developed in a separate proceeding, *In re: Community Solar Regulatory Framework*, Case No. NEPR-MI-2025-0003, available at https://energia.pr.gov/expedientes/?docket=nepr-mi-2025-0003. To avoid duplicative or inconsistent requirements, the Regulation should defer to the framework adopted in that proceeding.

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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.

~~(11)~~(10) "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.

~~(12)~~(11) "Cyber Portal" – means ~~thethe~~the internet site maintained by the EPS Operator where Parties can electronically submit all documents required by this Regulation, monitor the Simplified Process, the Fast Track Process and the Study Process, approve the interconnection, and access information this Regulation requires the EPS Operator to publish. This site also provides the ability to electronically sign agreements required in this Regulation.

~~(13)~~(12) "Daytime Minimum Load" or "DML" – means the lowest valid Measured Net Daytime Minimum Load within the applicable daytime evaluation window over the data period, plus the estimated output of existing Distributed Energy Resources on the feeder or Line Section at the same interval, determined in accordance with the TIR.

~~(14)~~(13) "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.~~

~~(15)~~(14) "Distributed Generation System" – means a type of Distributed Energy Resource consisting of device(s) for the

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

~~(16)~~(15) "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.

~~(17)~~(16) "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.

~~(18)~~(17) "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.

~~(19)~~(18) "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 and render the distribution service necessary to effectuate the connection to the Distribution System. For Microgrids with multiple Generating Facilities connected to the Distribution System, Distribution Upgrades may occur behind

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the Microgrid Point of Common Coupling. Distribution Upgrades do not include Interconnection Facilities.

~~(20)~~(19) "Electric Power System" or "EPS" – means the Puerto Rico electric power Transmission and Distribution System, excluding equipment owned by Interconnection Customers.

~~(21)~~(20) "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.

~~(22)~~(21) "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.

~~(23)~~(22) "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, which is a specialized independent entity in charge of regulating, overseeing, and enforcing the public policy on energy of the Government of Puerto Rico.

~~(24)~~(23) "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.

~~(25)~~(24) "Enter Service" – means begin operation of the Distributed Generation System or Microgrid with an energized EPS.

~~(26)~~(25) "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

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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~~in compliance with Articles 2, 9 and 10 of Act 114.

~~(27)~~(26) "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.

~~(28)~~(27) "Fast Track Process" – means the procedures in Section 2.09.A~~Section 2.09.A~~ for evaluating an Interconnection Application that meets the eligibility requirements of Section 4.01~~Section 4.01~~ and includes the initial review screens, customer options meeting, and optional supplemental review.

~~(29)~~(28) "Fast Track Initial Review" - means the standardized screen-based review performed under Section 4.02 to determine whether an eligible interconnection may be approved without Supplemental Review or the Study Process.

~~(30)~~(29) "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.

~~(31)~~(30) "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.

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~~(32)~~(31) "Good Utility Practice" – means the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the time period, or the practices, methods and act which, in exercising reasonable judgment, given the facts known when 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 Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region.

~~(33)~~(32) "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.

~~(34)~~(33) "Host Load" - means the electrical power consumed at the ~~Interconnection~~~~Interconnection~~Interconnection Site.

~~(35)~~(34) "Hosting Capacity" – means the amount of Export Capacity that can be interconnected to a feeder, line section, or service transformer without adversely affecting power quality, reliability, or safety and without requiring Upgrades, as determined and published under ~~Section 7.10.~~Section 7.10~~Section 7.1~~3.

~~(36)~~(35) "Inadvertent Export" - means the unscheduled export of power exceeding a contractually specified magnitude and for a limited duration.

~~(37)~~(36) "Initial Technical Interconnection Requirements" – means the first Technical Interconnection Requirements submitted ~~to and approved by~~to the Energy Bureau following the approval of this Regulation pursuant to Section 8.01~~Section 8.01.~~xx. The Initial Technical Interconnection Requirements are subject to the transitional ~~approval~~ process established in ~~Section 15.02)~~Section 15.02 and, once ~~approved or deemed approved~~submitted, shall be subject to the amendment process established in ~~—~~Section 8.~~01(G~~xx(x) for any subsequent amendments.

~~(38)~~(37) "Intentional Island" – means a planned electrical Island capable of being energized by one or more Generating

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Facilities. 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.

~~(39)~~(38) "Interconnection Agreement" – means the standard form agreement between an Interconnection Customer and the EPS Operator governing the interconnection and the ongoing operation of the Distributed Generation System or Microgrid after it is interconnected. For the Simplified Process, the Interconnection Agreement is incorporated into the Simplified ~~Interconnection~~~~Interconnection~~Interconnection Notification ~~and~~~~and~~and Agreement, as Attachment X to the Technical ~~Interconnection~~~~Interconnection~~Interconnection Requirements.

~~(40)~~(39) "Interconnection Application" – means the Interconnection Customer's request, submitted through the Cyber Portal, to: (i) interconnect a new Distributed ~~Energy~~~~Energy~~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~~~~Energy~~Energy Resource that has an executed Interconnection Agreement, as provided in Article 6. Each Interconnection Application shall be for a single Point of Common Coupling.

~~(41)~~(40) "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.

~~(42)~~(41) "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, and the Electric Power System, including any modification, additions or

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upgrades that are necessary to physically and electrically interconnect the Distributed Generation System and/or Microgrid to the Electric Power System. For Microgrids with multiple Distributed Generation Systems, 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 and shall not include Distribution Upgrades or Network Upgrades.

~~(43)~~(42) "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.

~~(44)~~(43) "Interconnection Transformer" – means the transformer through which a Distributed Generation System interconnects with the EPS. This may also be the electrical transformer that supplies energy to the Host Load.

~~(45)~~(44) "Island" – means a condition in which a portion of an EPS is energized solely by one or more Generating Facilities while that portion of the EPS is electrically separated from the rest of the EPS on all phases to which the Distributed Generation System is connected. When an Island exists, the Distributed Generation System energizing the Island may be said to be "Islanding" or "Islanded." Islands may be Intentional or Unintentional.

~~(46)~~(45) "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.

~~(47)~~(46) "Limited Export" - means the exporting capability of a Distributed Generation System or Microgrid whose Export Capacity is limited below the Nameplate Rating by any configuration or operating mode described in Section 7.10.

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~~(48)~~(47) "Mainline" – means the three-phase backbone of a distribution circuit, typically constituted by conductors of 4/0 AWG, 336.4 kcmil, 397.5 kcmil, 477 kcmil or 795 kcmil, or other conductors identified as Mainline in the TIR.

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"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~~~~reliability~~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; (5) changes to certified inverters with different specifications or different inverter control specifications or set-up; (6) incorporates a Meter Socket Adapter approved under Section 8.03; and/or (6) adds Energy Storage to an existing Distributed Generation System without increasing its Export Capacity, upon notice to the EPS Operator through the Cyber Portal identifying the equipment and its operating restriction under Section 9.01.C.

Commented [A13]: LUMA agrees that, for Simplified Process systems (Nameplate 25 kW or less), adding Energy Storage without increasing Export Capacity should require notice only, with no new application or fee. That item should move to the list of modifications that are not Material Modifications, limited to Simplified Process systems, and should not apply if the addition increases the aggregate Nameplate Rating above 25 kW. For larger systems, notice is acceptable only if the EPS Operator keeps the §6.05 right to determine within reasonable amount of time that the change is a Material Modification.

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

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increase the maximum AC output capability of the proposed interconnection.

~~(49)~~(48) "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.

Commented [A14]: Until Line Section measurement exists, Line Section values are derived from the feeder-head value by allocation or a power flow model, with the method documented, as §4.04.C(1) already allows. The DML definition should list the parameters the TIR must establish. DML should represent the feeder in its normal configuration: abnormal intervals are excluded and documented, while genuine low-load days are kept.

~~(50)~~(49) "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 interconnected to the EPS.

~~(51)~~(50) "Microgrid" – means a type of Distributed Energy Resource consisting of a group of interconnected loads and ~~distributed energy resources~~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, at all times subject to the provisions in Articles 1.12 and 1.13 of Act 17, 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 and applicable law.

~~(52)~~(51) "Minimum Load" – means the Daytime Minimum Load or the Absolute Minimum Load of a feeder or Line Section, as applicable to the type of Distributed Energy Resource under Section 4.04.C, determined in accordance with the TIR.

~~(53)~~(52) "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

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deem other more substantial work, including the upgrade of transformers, as Minor System Modifications at its discretion.

~~(54)~~(53) "Nameplate Rating" – means the sum total of maximum rated power output of a Distributed ~~Energy~~~~Energy~~Energy Resource constituent generating units or Energy Storage system, expressed in kilowatts of alternating current (kW AC) 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.

~~(55)~~(54) "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.

~~(56)~~(55) "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.

Commented [A16]: This formula doesn't match the process outlined in Act 114. In addition, it is hereby provided that a credit shall be granted in the bills for excess in the production generated by the installed renewable energy equipment. The Act further establishes the distribution of the credit accrued and unused by the feedback customer during the **previous billing year**, reserving a credit or reduction of twenty-five percent (25%) in the electricity bills for public schools and seventy-five percent (75%) for a reasonable compensation to the feedback customer.

This appears to presume a monthly reconciliation which does not occur (CRexp definition in both cases, net export and net consumption) at least in terms of $ amounts (however the kWh is banked from a month to month basis).

Cnet = kWhcon – kWhexp – CRexp

Where:

Cnet = net consumption

kWhcon = kWh kilowatt-hours consumed

kWhexp = kWh kilowatt-hours exported

CRexp = credit for energy export (from previous billing period)

~~(57)~~(56) "Net exports" – means the resulting amount when the sum of the energy exported by the Interconnection Customer's to the EPS and credits for energy export, if any, are subtracted

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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.

Enet = kWhexp + CRexp - kWhcon

Where:

Enet = net export

kWhcon = kWh kilowatt-hours consumed

kWhexp = kWh kilowatt-hours exported

CRexp = credit for energy export (from previous billing period)

~~(58)~~(57) "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.

~~(59)~~(58) "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.

~~(60)~~(59) "Network Upgrades" – means additions, modifications, and upgrades to the Distribution, Subtransmission and Transmission System to accommodate the interconnection. Network Upgrades are at or beyond the Point of Common Coupling. Network Upgrades ~~do not~~ include Distribution Upgrades.

~~(61)~~(60) "Non-Export" or "Non-Exporting" - means the Distributed Generation System or Microgrid is sized and designed using any of the methods identified for non-export in Section 7.10 and Section 7.10.A, 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 to the Electric Power System.

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~~(62)~~(61) "Operating Profile" - means how the Distributed Generation System or Microgrid 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.

~~(63)~~(62) "Operator" – means any natural or legal person responsible for the interconnection, operation, and/or maintenance of a Distributed Generation System or Microgrid.

~~(64)~~(63) "Parallel Operation" – means the simultaneous operation of the Distributed Generation System or Microgrid 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.

~~(65)~~(64) "Party" or "Parties" – means the Electric Power System Operator and the Interconnection Customer, individually or collectively, as applicable.

~~(66)~~(65) "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)~~(66) 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.

~~(68)~~(67) "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.

~~(69)~~(68) "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.

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~~(70)~~(69) "Pre-Application Report" – means the report issued by the EPS Operator under ~~Section 2.02~~Section 2.02 of this Regulation.

~~(71)~~(70) "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.

~~(72)~~(71) "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.

~~(73)~~(72) "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*."

~~(74)~~(73) "Return to Service" – means the reentry into service following recovery from a Trip.

~~(75)~~(74) "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 ~~atatat~~ the same ~~premisespremisespremises~~ as the Distributed Generation System, provided that it complies with the conditions set forth in Article 9, Section 9.04 of this Regulation.

~~(76)~~(75) "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 Section 2.09.A.

~~(77)~~(76) "Simplified Interconnection Fee" – means the single, all-inclusive fee established in ~~Section 3.02~~Section 3.02 for Small inverter based systems.

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~~(78)~~(77) "Simplified Process" – means the expedited procedure for evaluating an Simplified Interconnection Notification available to small inverter-based systems that interconnect to the Distribution System. The eligibility requirements are found in Section 2.09.A and the Simplified Interconnection Notification and Agreement is found in Attachment X of the Technical Interconnection Requirements.

~~(79)~~(78) "Small inverter based system" – means an inverter-based Distributed Generation System with a Nameplate Rating of 25 kW or less.

~~(80)~~(79) "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.

~~(81)~~(80) "Study Process" –means the procedure for evaluating an Interconnection Application ~~under~~~~under~~under Article 5, which may include a Scoping Meeting, Feasibility Study, System Impact Study, Transmission or Subtransmission System Impact Study, and ~~Facilities~~~~Facilities~~Facilities Study, as applicable.

~~(82)~~(81) "Supplemental Review" – means a focused engineering review procedure established in Section 3.04 of this Regulation for further evaluation of an Interconnection Application that did not pass the initial Fast Track screens under ~~Section 4.01~~Section 4.01, including the minimum load screen, type of generation screen, voltage and power quality screen, and safety and reliability screen

~~(83)~~(82) "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.

~~(84)~~(83) "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

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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 docket and shall not amend, modify, supersede, or conflict with this Regulation~~submitted to the Energy Bureau in accordance with Section 8.01.

~~(85)~~(84) "Transmission System" – means the facilities used to provide subtransmission (38kV) and transmission (115kV) service.

~~(86)~~(85) "Trip" – means inhibition of immediate Return to Service, which may involve disconnection. Trip executes or is subsequent to Cessation of Energization.

~~(87)~~(86) "Unintentional Island" – means an unplanned Island event.

~~(88)~~(87) "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 Common Coupling. Upgrades may be Network Upgrades or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

~~(89)~~(88) "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 1.10. Controlling Version

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

SECTION 1.11. 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.

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SECTION 1.12. 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~~As~~As~~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~~submitted to 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.

Commented [A17]: Which publication method qualifies as public notice?
A filing in the docket suffice and if further publication is needed, the Energy Bureau should publish in its website.

SECTION 1.13. 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 1.14. 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.

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SECTION 1.15. 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-2016-0009[1], 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 [A18]: If the information was not marked as confidential in compliance with the above-stated, then the EPS Operator has not obligation to treat said information as confidential.

SECTION 1.16. 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.

Commented [A19]: Effectiveness is subject to sections 15.01 and 15.02.

SECTION 1.17. 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~~.~~, including, without limitation, all applicable laws and regulations governing easements, rights-of-way, and the use of real property encumbered by them. No Distributed Energy Resource or Interconnection Facilities shall be installed in a manner that invades an existing easement of PREPA, its successor, or the EPS Operator, except as otherwise provided in Act 114-2007, as amended.

ARTICLE 2. INTERCONNECTION APPLICATION PROCESS

SECTION 2.01. Process Overview

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

A. Simplified Process: This is for small inverter-based systems that meet the eligibility criteria in ~~Section 2.09.A~~Section 2.09.A and the combined

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

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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 Section 4.01.B. 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.

The following table summarizes the Nameplate Rating thresholds that generally determine which interconnection process applies to a proposed Distributed Energy Resource. These thresholds are provided for reference only; eligibility for each process remains subject to the specific requirements and screens set forth in this Regulation.

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

For Microgrids with a Nameplate Capacity 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 6.02.F.. This threshold applies equally to all DER types; no separate capacity threshold or approval process applies to Microgrids Section 6.03.

SECTION 2.02. 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~~~~Common~~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.

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A. Besides the information described in Section 2.1(E), 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~~),),),~~ or an amount subsequently updated in the TIR, for a Pre-Application Report~~.~~.

B. The EPS Operator shall provide the Pre-Application Report described in GG 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

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Commented [A20]: How did the Energy Bureau calculate this amount?

Commented [A21]: Does this term begins to elapse after the day 5 notice (subpart F)?

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(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. The Interconnection Customer must submit any request for an extension in writing to the EPS Operator before the five (5) Business Day period expires.

G. Using the information provided in the Pre-Application Report request form, the EPS Operator will use best 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~~ shall sign a Non-Disclosure Agreement ~~in order to receive~~before the ~~required~~EPS Operator provides that information, and the EPS Operator shall have no obligation to provide that information absent an executed Non-Disclosure Agreement.

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

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(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~~~~Nameplate~~Nameplate Rating and aggregate queued ~~Nameplate~~~~Nameplate~~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~~Daytime Minimum Load as described in Section 4.04.C(1)~~Section 4.04.C(1)~~ below and absolute minimum load, when available.

Commented [A22]: Reference the §1.09 definitions and state the data period and vintage. With LUMA's proposal that the report's content be set in the TIR, this item would move to the TIR.

(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.

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(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 the EPS Operator shall identify unavailable data ~~and provide the specific reason or reasons such data is unavailable.~~ The provision of information on "available capacity" pursuant to ~~Section 2.02.H(4)~~Section 2.02.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. The Pre-Application report is non-binding for the future project. Notwithstanding the provisions of this section, the EPS Operator shall, in good faith, 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 2.03. 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 2.04. 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.

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Commented [A23]: The regulation should distinguish:
Hosting Capacity: Planning-level DER limits based on feeder/node conditions.
Operating Capacity: Real-time ability of DER to generate or export safely under dynamic system conditions. (DERMS development dependent)

Commented [A24]: The publication requirement must be removed. Maintain the Pre-Application Report for the requesting customer only, on a non-binding basis, with its content and format set in the TIR. Keep the non-binding disclaimer. LUMA supports the new statement that Pre-Application Reports are generally not applicable to Small Inverter-based Systems.

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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.

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. 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.

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C. The Interconnection Customer shall be notified of receipt by the EPS Operator within ~~threethree~~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. 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 EPS Operator does not so notify the Interconnection Customer within five (5) Business Days, the Simplified Interconnection Notification shall be deemed 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. 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 EPS Operator does not so notify the Interconnection Customer within five (5) Business Days, the Interconnection Application shall be deemed 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.

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F. 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. 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 ~~change~~~~change~~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 and notify the Interconnection Customer in writing. If the EPS Operator does not so notify the Interconnection Customer within that period, the modification shall be deemed not to be 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 ~~Section 9.05.F~~Article 10 of this Regulation.

F. Any modifications to an Interconnection Application not agreed to in writing by the EPS Operator and the Interconnection Customer ~~may~~will

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Commented [A25]: What is the difference between withdraw and proceed with a new application? The practical effect of no. 1 is that a new application would need to be submitted.

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be deemed a withdrawal of the Interconnection Application and ~~may~~will 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 2.07. 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:

A. A description of the scope of the study required;

B. Identification of the technical data and information the Interconnection Customer must provide to the EPS Operator to conduct the study; and

C. non-binding good faith estimate of the cost to perform the study.

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.

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).

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

A. Any Interconnection Facilities or Upgrades associated with the Interconnection Application; and

B. Any Interconnection Application with a later Queue Position.

The Material Modification study results shall include:

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A. The underlying assumptions of the study;

B. A description of the analyses performed;

C. The EPS Operator's determination of whether the proposed modification constitutes a Material Modification; and

D. 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.

Upon completion of the Material Modification study, the provisions of Section 2.04(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 2.08. 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 ~~thethe~~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 ~~thethe~~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.

Commented [A26]: This can be a lease that does not allow modifications. This should be removed or provide that this is applicable only to the extent that the account is in the name of the resident that is also, in turn, owner. Should it be a leasehold, then subpart A applies.

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

Commented [A27]: This can be consolidated with the first part of subpart B.

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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 2.09. 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 2.05.~~Section 2.05.

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 2.01 and Section 2.02~~,~~ ~~Section~~ Section 2.02 ~~and ,~~Section 2.02 ~~and .,~~ 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 ~~4Article 3, Article 4, and Article 5.~~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 for systems over 25 kW, 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

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Commented [A28]: In general, the regulation should state that every application must include the name of the requesting company and/or developer and that entity will be responsible for all Upgrades attributable/caused by the project. Should the Interconnection Customer not include the requesting company name and identifiers, then it must sign a form in which the Interconnection Customer commits to cover the costs that would otherwise be paid by the requesting company.

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previously suspended Interconnection Applications; or (vi) other circumstances identified in the Technical Interconnection Requirements.

E. If a Distributed ~~Energy~~~~Energy~~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 GENERATION SYSTEM SIMPLIFIED PROCESS

SECTION 3.01. Eligibility

(1) The Simplified Process is available to Interconnection Customers for inverter-based Distributed Generation Systems with a Nameplate Rating of 25 kW or less, and who submit the Simplified Interconnection Notification and Agreement. For a Distributed Generation System paired with Energy Storage, including an Energy Storage Device with an integrated inverter, eligibility is determined by the system's Export Capacity at the Point of Common Coupling, not by the Nameplate Rating of the generating source or the energy capacity (kWh) of the Energy Storage.

(2) ~~A~~AA proposed Distributed Generation system is eligible for the Simplified Process ~~only~~~~only~~only if the following ~~requirements~~~~requirements~~requirements 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 8.02 of this Regulation 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;

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Commented [A29]: LUMA agrees that a standalone Energy Storage system of 25 kW Nameplate or less may interconnect through the Simplified Process by notification, provided it does not export to the EPS except under a Bureau-approved VPP, demand-response or similar program, consistent with §9.01.C. The regulation should state this expressly.

Commented [A30]: LUMA requests that Simplified Process eligibility stay on Nameplate Rating for all systems, including storage-paired systems, in line with §1.09 'Nameplate Rating' and LUMA's Aug 14 and Oct 5 comments. Export controls do not limit fault-current contribution and can be reconfigured in the field. If the Bureau keeps an Export Capacity route for storage-paired systems, it should be conditioned on: (a) a Power Control System certified to UL 3141 under §7.10; (b) the export-limiting settings being submitted with the Notification and verified at inspection under §7.04; (c) settings protected against unauthorized change; and (d) the screens in §3.03(4) still being applied on Nameplate Rating.

Commented [A31]: Export capacity will not be effective unless there is firmware in place, or another method, that prevents any modification to the system's programming.

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(vii) Meet the technical requirements in Article 8 as well as the codes, standards, and certification requirements of Attachment X of the TIR.

SECTION 3.02. Fees

(1) The Simplified Interconnection Notification and Agreement shall be accompanied by the Simplified Interconnection Fee, paid by the Interconnection Customer or by the company installing the system on the Interconnection Customer's behalf. The initial amount of the Simplified Interconnection Fee is three hundred dollars ($300). The amount of the Simplified Interconnection Fee may be modified through updates to the Technical Interconnection Requirements ~~approved by the Energy Bureau under Section 8.01~~ after this Regulation is published, and thereafter only as provided in paragraph (5). In no event shall the Simplified Interconnection Fee be set below the EPS Operator's forecasted actual costs of the activities that the fee is intended to recover under paragraph (2), as supported by cost data submitted to the Energy Bureau.

(2) The fee is intended to:

~~(i)~~ Provide a predictable, equitable mechanism for funding ~~Distribution System Upgrades reasonably necessary to accommodate the cumulative interconnection of multiple Distributed Generation Systems 25 kW or less on the same circuit, feeder, or Distribution System segment;~~of administrative costs~~,~~ and ~~supplemental studies.~~

~~(ii)~~(i) ~~Avoid assigning~~ the ~~full~~ cost of ~~Distribution System modifications to any~~the screens, Supplemental Reviews, DER Cluster Studies and individual ~~Interconnection Customer~~studies performed for Simplified Process projects.

(3) The EPS Operator shall deposit all revenues collected from the Simplified Interconnection Fee into a Reserve Fund and shall allocate the Fee exclusively towards ~~Distribution System Upgrades,~~ administrative costs, and any supplemental studies triggered by the interconnection of Distributed Generation Systems 25 kW or less.

(4) ~~The~~In accordance with Act 114-2007, the EPS Operator shall ~~not~~ assign the full cost of a Distribution System Upgrade to an individual Interconnection Customer solely because that customer's Distributed Generation System, either alone or in

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Commented [A32]: LUMA accepts a single, standardized, nonrefundable fee paid by the customer or the installer for all systems of 25 kW or less. The amount should be set in the TIR from the costs the fee is meant to recover. It should cover administrative costs, studies and contingent to legal provisions that cover the allocation of costs.

Commented [A33]: Act 114-2007 Art. 9(c) places feeder improvements and/or replacements on the requesting company.

LUMA reiterates its Oct 5 position. The Simplified Interconnection Fee should recover only the EPS Operator's administrative costs and the cost of the screens, Supplemental Reviews, DER Cluster Studies and individual studies performed for Simplified Process projects, so that no Simplified customer ever receives a study invoice or pays a deposit. Distribution Upgrade have to a separate item attributed to the cost-causer (Act 114 Art. 9(c)), which the law already identified as the requesting company. A regulation cannot override a law.

Commented [A34]: LUMA's Oct 5 position was not adopted . The Fee still funds Distribution Upgrades through a pooled Reserve Fund. Act 114-2007 Art. 9(c) places feeder improvements on the requesting company, and the Bureau did not address that argument in the text.

LUMA reiterates its Oct 5 position. The Simplified Interconnection Fee should recover only the EPS Operator's administrative costs and the cost of the screens, Supplemental Reviews, DER Cluster Studies and individual studies performed for Simplified Process projects, so that no Simplified customer ever receives a study invoice or pays a deposit. Distribution Upgrade costs should remain a separate item attributed to the cost-causer (Act 114 Art. 9(c)).

While maintaining that position, if the Bureau keeps a pooled fee that funds upgrades, the fee should (a) be sized from projected Distribution Upgrade costs for systems of 25 kW or less, using public Rate Case data, rather than fixed in the Regulation; (b) fund only upgrades triggered by DER; The Bureau would also need to state the legal basis for a pooled fee in light of Act 114 Art. 9(c).

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combination with other Distributed Generation Systems of 25 kW or less, causes or contributes to the need for the upgrade. Any allocation of such costs shall be consistent with applicable statutory requirements and the principles of reasonableness, proportionality, and benefit received.

(5) The Fee shall be reviewed and may be adjusted by the energy Bureau no more frequently than every twelve [12] months, in the TIR as ~~approved by~~submitted to the Energy Bureau, based on:

(a) the actual aggregate cost of the Distribution System Upgrades attributable to Distributed Generation Systems 25 kW or less incurred by the EPS Operator during the preceding period; number and cost of any supplemental studies; and administrative costs.

(b) the number of Interconnection Customer applications for Distributed Generation Systems 25 kW or less received during the preceding period; and

(c) the balance, if any, remaining in the Reserve Fund.

(6) The EPS Operator shall report on the fees collected and usage of such fees including the Reserve Fund as part of the Quarterly Interconnection Report in accordance with Section 12.02.

(7) The EPS Operator shall report on the total Simplified Interconnection Fees collected; ~~Distribution System Upgrade~~ costs paid from the Reserve Fund, by circuit or feeder; the number of interconnections completed for Distributed Generation Systems 25 kW or less; and the Fund's ending balance.

Any proposed adjustment to the Fee amount shall be determined through the TIR ~~as approved by the Energy Bureau~~.

(8) Notwithstanding paragraph (5), if at any time the balance of the Reserve Fund falls below [ ] percent ([ ]%) of [the average annual administrative and supplemental study costs paid from the Reserve Fund during the preceding twelve (12) months] [the projected administrative and supplemental study costs for the following [ ] months], the EPS Operator may file with the Energy Bureau a petition for an expedited adjustment of the Simplified Interconnection Fee. The petition shall be supported by the most recent Quarterly Interconnection Report and documentation of the administrative and supplemental study

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Commented [A35]: LUMA requests that §3.02(4) be replaced with cost-causer language consistent with Act 114 Art. 9(c) and §3.04(3), and that the Reserve Fund in §3.02(3) be replaced by separate accounting of fee revenues applied only to the costs in §3.02(2). Within a DER Cluster Study, the cost-causer is the application whose addition, in Queue Position order, causes the need for the upgrade. Projects that do not cause it bear no cost.

Commented [A36]: LUMA agrees with the 12-month cadence. Reviews should be available at the EPS Operator's request or on the Bureau's own motion, only after stakeholder comment, and changes should apply only to future notifications. The basis should be the EPS Operator's actual administrative and actual study costs and the number of notifications received.

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costs incurred and projected. The Energy Bureau shall resolve the petition within [ ] Business Days after it is filed. If the Energy Bureau does not resolve the petition within that period, the adjusted Fee proposed by the EPS Operator shall take effect on a provisional basis, subject to reconciliation upon the Energy Bureau's final determination. While the petition is pending, the EPS Operator may record any administrative and supplemental study costs exceeding the available balance of the Reserve Fund as a regulatory asset for recovery [in the next TIR update] [through rates], and such costs shall not be assigned to any individual Interconnection Customer. An adjustment under this paragraph shall not be subject to the review interval established in paragraph (5) and shall not require an update to the TIR.

SECTION 3.03. Interconnection Process

(1) Interconnection Customer submits a Simplified Interconnection Notification and Agreement to the EPS Operator (Attachment *).

(2) Receipt of the Simplified Interconnection Notification and Agreement and the ~~Simplified~~~~Simplified~~Simplified Interconnection Fee will start the process of enrollment in Basic Net Metering described in Section 9.02.

(3) Upon certification by a ~~professional~~licensed engineer or expert and licensed electrician meeting the ~~requirements~~~~requirements~~requirements of Act No. 114-2007, as amended, that the Distributed Generation System complies with the applicable requirements of Article 3.A, the system may begin operating in accordance with Act No. 114-2007.

(4) To ensure the reliability and safety of the EPS, the EPS Operator may conduct a post-interconnection review within fifteen (15) Business Days after ~~receipt~~~~receipt~~receipt of the Simplified Interconnection Notification and Agreement to verify compliance with applicable safety and reliability requirements. The EPS Operator shall evaluate if the transformer or secondary conductor rating is exceeded by the aggregate Export Capacity, including the proposed DER. If either of the ratings are exceeding, and the EPS Operator identifies a specific safety or reliability concern on the secondary of distribution transformer, it shall notify the Interconnection Customer in writing of the basis for that determination and any corrective action required. Any restriction or suspension of export shall

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Commented [A37]: Does the Energy Bureau intend to attach draft agreements to this draft regulation?

Commented [A38]: The Simplified Interconnection Notification and Agreement should include the customer's acknowledgment of the screens in §3.03(4) and, if a screen fails, of the study, payment and non-payment provisions in §3.04, plus any export election under §3.03(6).

Commented [A39]: LUMA supports operation upon certification, consistent with Act 114-2007. The certification should also confirm that the inverter is set to the functions and default settings in the TIR. The settings file or confirmation should be submitted with the certification so that compliance can be checked without a site visit. This is the minimum needed to keep fleet-level visibility of settings until a behind-the-meter DERMS is available.

Commented [A40]: LUMA requests that the review be mandatory and apply two screens on a Nameplate Rating basis: (i) service transformer, with aggregate Nameplate at or below the transformer rating and at or below 65% on a single-phase shared secondary (the criterion already used in Fast Track); and (ii) feeder DER penetration, with aggregate Nameplate on the feeder or Line Section at or below 30% of annual peak. Both are lookups against values the EPS Operator maintains, so they fit inside the existing 15 Business Days. Failing a screen does not delay or deny the interconnection. Context: on existing DER alone, 76% of feeders already exceed 30% of peak, so in practice the feeder screen sends a project into the cluster and cost framework rather than blocking it.

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be limited to the extent authorized by applicable law and regulation and reasonably necessary to address the identified concern.

If the interconnection passes the screens described in Section 3.01(2), and the EPS Operator does not identify a specific safety or reliability concern, within fifteen (15) Business Days after receipt of the Simplified Interconnection Notification, 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 3.04. Supplemental ~~ReviewReviewReview~~

(1) The EPS Operator may conduct a Supplemental Review as described in Section 4.04.C. 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) Notwithstanding any other provisions of Section 4.04, 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 ~~ReviewReviewReview~~ 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, and construction schedule for such upgrades, to the Interconnection Customer within fifteen (15) Business Days after the EPS Operator receives such an election.

(3) 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 ~~NameplateNameplate~~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. (Act 114-2007, as amended)

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Commented [A41]: As drafted, the only outcome of the review is a corrective action or an export restriction, and a restriction caused by the service transformer is compensable under §7.11(B).

LUMA's framework is different: a screen produces a determination, not a gate, and a failed screen leads to a study and a cost obligation, not a restriction.

LUMA requests that the Regulation state that failing a screen does not delay, deny or suspend the interconnection, which proceeds under §3.03(3) and Act 114. A failed screen leads to the conditional obligation and the study in §3.04. The EPS Operator's authority to act immediately on an imminent safety hazard must be preserved expressly.

Commented [A42]: When the service transformer screen fails, a Simplified customer has no way to avoid the upgrade by limiting export, unlike Fast Track customers. An export limit or time-of-day profile adopted only later risks being treated as a compensable restriction under §7.11.

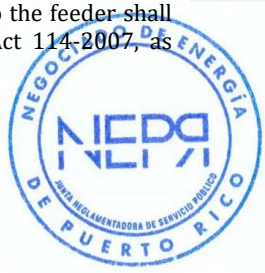
LUMA agrees that when the review shows a service-transformer upgrade is needed, the customer should be told the Export Capacity that fits without the upgrade and be able to choose between (a) the upgrade, under the cost rules of §3.02 and §3.04, or (b) a Power Control System limit or an Operating Profile with defined no-export periods. An option chosen at interconnection and written into the Simplified Interconnection Notification and Agreement is a term of interconnection, not a curtailment, so no compensation applies under §7.11. Scheduled no-export windows depend on LUMA being able to implement and verify them.

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Commented [A43]: Similar to other instances in which PREB has assigned tasks to LUMA, then PREB must identify a clear line item of the existing budget to recover these costs or a predictable source of funding.
This assignment should be made with the consideration of avoiding the socialization of costs that are caused by an Interconnection Customer.

Commented [A44]: A project that fails a screen should be evaluated through a DER Cluster Study under §5.03 or, where the EPS Operator determines it is needed, an individual study, at no cost to the customer and recovered through the Fee. Study clocks should go in the TIR, where §5.03 already delegates the cluster methodology.

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ARTICLE 4. DISTRIBUTION SYSTEM FAST TRACK PROCESS

SECTION 4.01. 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 requirements identified in this Section 4.01. 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 or the supplemental review screens in Section 4.04. The Fast Track Process is not applicable to projects utilizing the Simplified Process. In accordance with Section 9 of Act 114-2007 and Section 7.01.D, the EPS Operator's evaluation of an Interconnection Application under this Article, including any supplemental review, shall not exceed ninety (90) calendar days from filing, after which the Application is automatically approved.

B. Fast Track Eligibility

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

(1) A single Point of Common Coupling~~,~~ consistent with Section 1.04;

(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 of this Regulation; and

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(5) Has ~~a~~aa Nameplate Rating that does not exceed ~~the limits defined in Table 1 below~~200 kW.

~~**Table 1: Nameplate~~~~Nameplate~~~~Nameplate Rating for Fast Track Eligibility**~~

~~Capacity Requirements by type of Proposed DER and/or Process Eligibility~~	
~~**Process~~~~Process~~~~Process**~~	~~**Nameplate Rating**~~
~~Simplified~~~~Simplified~~~~Simplified~~	~~≤ 25~~2525 ~~kW~~
~~Fast~~~~Fast~~~~Fast Track Study~~	~~< 200 kW~~
	~~≥ 200kW~~

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(6) For DERS at or above 200 kW, has a maximum feeder length/distance from the substation to the delivery point as specified in ~~Table 2 below.~~~~Table 2~~the table below.

~~Table 2:~~ Maximum Distance from Substation for DERs ≥ 200 kW Fast Track Eligibility 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

C. In addition to the requirements of Section 4.01, 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.

D. Non-Exporting systems and systems within published export capacity. Notwithstanding the size limits in Section 4.01.B, an Interconnection Application for (i) a Non-Exporting Distributed Generation System, or (ii) a Limited Export Distributed Generation System, using a Power Control System certified to UL 3141 or another means in Section 7.09, whose Export Capacity does not exceed the export capacity the EPS Operator has published for the applicable line section or service transformer under Section 7.10, shall be evaluated under this Article using its Export Capacity. For such an Application, the EPS Operator shall provide the initial review results under Section 4.02 within fifteen (15) Business Days after the Application is deemed complete and shall complete its evaluation, by providing an executable Interconnection Agreement or a written determination under Section 7.01.D, within forty-five (45) calendar days after the Application is filed. A Non-Exporting system shall not be referred to a Supplemental Review or to the Study Process absent a written finding, stated with specificity, that the system's Inadvertent Export or fault current contribution presents a safety or reliability concern.

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SECTION 4.02. 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.

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~~~~Nameplate~~Nameplate Rating, including the proposed Distributed ~~Energy~~~~Energy~~Energy Resource, on the circuit shall not exceed ~~thirty~~~~thirty~~thirty percent (~~30~~30~~30~~%) of the line section annual peak load as most recently measured at the substation or, where the EPS Operator has published Daytime Minimum Load data for the line section under Section 7.11, one hundred percent (100%) of the Daytime Minimum Load of the line section. 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~~.~~.

Commented [A45]: LUMA requests deletion of the 100%-of-DML alternative. The 30% peak screen is the main Fast Track screen, and DML at 80% of gross is the secondary screen in Supplemental Review. If the Bureau keeps a DML alternative at initial review, it should be set at 80%, matching §4.04.C(1).

(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 ~~Energy~~~~Energy~~Energy Resource, 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~~~~25kW~~25kW.[2]

(3) The Nameplate Rating of the proposed Distributed ~~Energy~~~~Energy~~Energy Resource, 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

[2] A 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.

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the high voltage (primary) level nearest the proposed Point of Common Coupling. The EPS Operator may allow ~~DERs~~~~DERs~~DERs with a Nameplate Rating of 50 kW or less to skip this screen.

(4) The Nameplate Rating of the proposed Distributed ~~Energy~~~~Energy~~Energy Resource, 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~~~~Distributed~~Distributed Energy Resources with a Nameplate Rating of ~~25~~~~25~~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~~~~Distributed~~Distributed Energy Resources with a Nameplate Rating of ~~25~~~~25~~25 kW or less.

(6) If the proposed interconnection is on single-phase shared secondary, the aggregate ~~Nameplate~~~~Nameplate~~Nameplate Rating on the shared secondary, including the proposed Distributed ~~Energy~~~~Energy~~Energy Resource, shall not exceed the transformer nameplate or secondary conductor 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.

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(8) The Nameplate Rating of the Distributed ~~Energy~~~~Energy~~Energy Resource, 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. Notifications and Execution of Applicable Agreements

If the proposed interconnection passes the screens, or if the proposed interconnection fails the screens, but the EPS Operator determines 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~~,~~, together with an itemized cost estimate and construction schedule for such modifications prepared in accordance with Section 7.08. Within ~~fifteen~~fifteenfifteen (15) Business Days, the Interconnection Customer must inform the EPS Operator ~~whether~~whether~~whether~~whether it elects to continue the Application~~,~~, to elect a Limited Export configuration under Section 7.09 in lieu of the modifications, or to withdraw; if no election is made within that period, the EPS Operator shall so notify the Interconnection Customer, who shall have five (5) additional Business Days to elect before the Application is deemed withdrawn. If the Interconnection Customer elects to continue, the EPS Operator shall provide an ~~executable~~~~executable~~executable I 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

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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 5.09, 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 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.

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. Customer Options Meeting

A. If the EPS Operator determines the Interconnection Application cannot be approved without (1) a ~~Supplemental~~~~Supplemental~~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.

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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 Generation System or Microgrid 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:

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

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

SECTION 4.04. 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 ninety (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.

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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~~~~The~~The aggregate Nameplate Rating of all Distributed Energy Resources on the feeder or Line Section, including ~~existing~~~~existing~~existing, higher-queued and proposed Distributed ~~Energy~~~~Energy~~Energy Resources, shall not exceed eighty percent (80%) of the applicable Minimum Load for all ~~Line~~~~Line~~Line Sections bounded by automatic sectionalizing devices upstream of the proposed interconnection. ~~Minimum~~~~Minimum~~Minimum Load shall be determined in accordance with the TIR from measured data or, where measured data are insufficient, calculated, estimated or determined from a power flow model, with the method documented in the Supplemental Review results notification.~~.~~ "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) *Type of generation*: Solar photovoltaic systems without Energy Storage shall be evaluated against the Daytime Minimum Load. Energy Storage, hybrid systems and Microgrids shall be evaluated against the lowest Minimum Load within the export hours of the approved Operating Profile, where that Operating Profile is enforced by equipment that complies with Section 7.09 and is certified to UL 1741 for Power Control Systems; otherwise, against the Absolute Minimum Load. All other Distributed Energy Resources shall be evaluated against the Absolute Minimum Load."

(i) Only the net injection of power into the EPS will be considered as part of the aggregate Export Capacity.

(ii) Existing Distributed Energy Resources shall be included in the aggregate at their Nameplate Rating. Their estimated output at the Minimum Load interval is added to the measured net demand in determining the Daytime Minimum Load.~~.~~

(iii) Although export will not be considered, load reducers that are applying to interconnect, that do not export, will be considered to effectively reduce

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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; [3]

(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 to a neighboring distribution

[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.

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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 4.04.C above, or if the proposed interconnection fails the screens, but the EPS Operator determines 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 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. 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. The notice shall include an itemized cost estimate and construction schedule for such modifications prepared in accordance with Section 7.08. Within ~~fifteen~~fifteen~~fifteen~~fifteen (15) Business Days, the Interconnection Customer must inform the EPS Operator ~~whether~~whether~~whether~~whether it elects to continue~~,~~,, to elect a Limited Export configuration under Section 7.09 in lieu of the modifications, or to withdraw. If the Interconnection Customer ~~elects~~electselects to continue, the EPS Operator shall provide an executable Interconnection Agreement 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. The notice shall

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include an itemized cost estimate and construction schedule for such Upgrades prepared in accordance with Section 7.08. Within ~~fifteenfifteenfifteen~~ (15) Business Days, the Interconnection Customer must inform the EPS Operator ~~whetherwhetherwhether~~ it elects to proceed with the proposed interconnection~~,~~ to elect a Limited Export configuration under Section 7.09 in lieu of the Upgrades, or to withdraw. If the Interconnection Customer ~~electselectselects~~ to proceed, the EPS Operator ~~shallshallshall~~ either (i) provide an executable Interconnection Agreement within ~~fifteenfifteenfifteen~~ (15) 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 5.09, 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 any of the supplemental review screens, the EPS Operator shall specify which screens the interconnection application failed, including the technical reason for failure, and the data and the analysis supporting the supplemental review. The EPS Operator shall provide information and detail about the specific system threshold or limitation causing the interconnection application to fail the screen. If the Interconnection Customer chooses to amend the interconnection application to address the specific failed screens, the Interconnection Customer must submit an updated interconnection application demonstrating the redesign within 10 business days after receiving the screen results. The redesign shall only include changes to address the screen failures or identified upgrades (which could include, for example, the addition of DC-coupled or AC-coupled energy storage). Increases in export capacity or changes in point of interconnection are not permitted and shall require the interconnection application to be withdrawn and resubmitted. The EPS Operator will evaluate whether the redesign addresses the screen failure and notify the Interconnection Customer of the results of this evaluation within ten (10) business days. This redesign option to mitigate impacts shall only be available one time during the supplemental review process. If the Interconnection Customer does not amend or withdraw its interconnection application within 10 business days of receiving results, it shall continue to be evaluated under the study process consistent with ~~Article 5.~~Article 5.

F. Where the results of the initial review or supplemental review identify a constraint, the notice of results shall state the Export Capacity, if any, that could be accommodated without the identified modifications or Upgrades. The Interconnection Customer may, within the election

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period, reduce the Export Capacity of the proposed interconnection by a means identified in Section 7.09 to that level, in which case the Interconnection Application shall proceed without the modifications or Upgrades and without loss of Queue Position, and the reduction shall not be a Material Modification.

ARTICLE 5. STUDY PROCESS

SECTION 5.01. 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. 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 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 5.03. 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

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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.

Commented [A46]: Use one penetration level, 30% of peak, across the Simplified screen, the Fast Track screen and the cluster trigger.

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

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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 5.04. 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 5.05. 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:

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Commented [A47]: The use of the term IBRs is excluding synchronous generators (CHPs).

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(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 5.06. 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):

Commented [A50]: +38kV

(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

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(Zig-Zag or Grounded Wye-Delta) to protect utility infrastructure from fault-induced overvoltages.

SECTION 5.07. 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~~ adopted 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 Interconnection~~The ~~Interconnection~~Interconnection Customer will be required to make an upfront payment of the estimated cost of the study. A true up cost will be done at the end of the study 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.

E. 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.

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F. The feasibility study shall consider a base case,[4] as well as all Distributed ~~Energy~~~~Energy~~Energy Resources (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~~~~The~~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.

G. 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 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.

H. 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.

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

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SECTION 5.08. System Impact Study.

A. A system impact study shall identify and detail the incremental EPS impacts that would result if the proposed Distributed Generation System or Microgrid 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. This may include evaluation of impacts to portions of the EPS within the boundaries of a Microgrid. ~~A~~AA 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 Resources (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~~evaluateevaluate the proposed interconnection ~~based~~basedbased 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.

C. 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.

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D. 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 ~~TIRTIR~~TIR) within five (5) Business Days.

E. 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.

F. Where the system impact study shows potential for Transmission System adverse system impacts, within five (5) Business Days

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

H. 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.

I. A one-time modification of the interconnection application is allowed as a result of information from the system impact study.

(1) If the Interconnection Customer chooses to amend the interconnection application to address the specific system impacts, the Interconnection Customer must submit an updated interconnection application demonstrating the redesign within fifteen (15) business days after receiving the system impact study results from the utility. The redesign shall only include changes designed to address the specific system impacts or identified upgrades (which could include, for example, the addition of DC-coupled or AC-coupled energy storage). This redesign option to mitigate impacts shall only be available one time during the study process. Increases in export capacity or changes in point of interconnection are not permitted and shall require the interconnection application to be withdrawn and resubmitted;

(2) The EPS Operator shall notify the Interconnecting Customer within ten (10) business days of receipt of the modified interconnection application if any additional information is needed. If additional information is needed or document corrections are required, the Interconnection Customer shall provide the required information or corrections within ten (10) business days from receipt of the EPS Operator notice;

(3) The actual costs to the utility for any necessary restudies as a result of a modification described above shall be paid by the Interconnection Customer. Such restudies should be limited to the impacts of the modification and shall be billed to the Interconnection Customer at cost and not for work previously completed. The EPS Operator shall use reasonable efforts to

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limit the scope of such restudies to what is necessary. The revised impact study shall be completed within fifteen (15) business days.

SECTION 5.09. 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

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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~~sixtysixty (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

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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 6.01. Simplified Process

For the Simplified Process, the Interconnection Customer ~~signs~~signssigns the interconnection agreement form ~~incorporated~~incorporatedincorporated in the ~~Simplified~~~~Simplified~~Simplified Interconnection Notification and Agreement at the time it submits the notification, and the EPS Operator ~~returns~~returnsreturns the countersigned agreement within the period, and with the effect, stated in Article 3.C(5).

SECTION 6.02. Fast Track and Study Process

A. Except for ~~Microgrids~~MicrogridsMicrogrids with a Nameplate Rating above 5 MW as provided in ~~F~~F, 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

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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 ~~Meter~~MeterMeter required for operation of the Distributed Generation System within twenty (20) ~~Business~~BusinessBusiness Days after the Interconnection Customer signs the executed Interconnection Agreement, and shall install the Meter in the existing meter socket, except where a Meter Socket Adapter approved under Section 8.03 is installed in that socket, in which case the Meter shall be installed into the Meter Socket Adapter

G. After the Interconnection Agreement is signed by the Parties, the interconnection of the ~~Distributed~~~~Distributed~~Distributed Energy Resource shall proceed under the provisions of the Interconnection Agreement, except to the extent ~~this~~thisthis 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 6.03. Energy Bureau's Approval for ~~Distributed~~~~Distributed~~Distributed Energy Resources Above 5 MW

For ~~-~~ DER with a Nameplate Rating above 5 MW, after the Facilities Study has been completed according to Section 5.~~10~~09, the Interconnection Customer or the EPS Operator

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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~~Article 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 ninety (90) calendar day period. ~~If the~~The Energy ~~Bureau does not~~ Bureau's failure to issue a determination within ~~this~~any period~~, the Interconnection Customer may request that the Energy Bureau act within an additional thirty (30) calendar days~~ established in this Section shall not constitute approval of the DER interconnection. 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's obligation to issue the Interconnection Agreement under Section 6.2 shall commence upon receipt of the Energy Bureau's written approval.

The Energy Bureau's determination under this Section shall constitute a final decision for purposes of Article 13 of this Regulation. The Interconnection Customer or the EPS Operator may request reconsideration or seek judicial review of such determination in accordance with Article 13.

SECTION 6.04. 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~~Article 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.

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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 6.05. 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.

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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 7.01. 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 7.02. 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 ~~fails~~failsfails to meet a deadline provided herein, it shall notify the Interconnection Customer ~~and the Energy Bureau~~ in writing, explain the reason for the failure ~~and provide~~ the date by which it will complete the applicable step, without prejudice to the ~~consequences~~consequencesconsequences provided in this Regulation for the missed deadline.

~~B.~~A. The Energy Bureau may fine the EPS Operator ~~one thousand dollars ($1,000) per day if it fails to comply~~if non-compliance with the time frames 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.

B. Before imposing any fine or administrative penalty under this Section, the Energy Bureau shall notify the EPS Operator in writing of the alleged noncompliance, the facts on which it is based, and the provision allegedly violated, and shall grant the EPS Operator no less than [ ] days to respond, cure the noncompliance, or show that the noncompliance resulted from a Force Majeure Event or other circumstances beyond its reasonable control. Any fine or administrative penalty imposed under this Section shall not be enforceable or payable until the determination imposing it becomes final and firm.

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C. The EPS Operator shall not be subject to fines under this Section and this Regulation 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 the Interconnection Customer or third parties whose cooperation is required to complete studies or construct facilities;

(4) The Interconnection Customer's request for an extension under Section xxx;

(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 xxx; or

(6) The Energy Bureau's failure to assign and make available to the EPS Operator, from an identified and dedicated funding source, a budget specifically earmarked for the activities and programs introduced or amended by this Regulation, including administrative, personnel, contractor, and other related costs, in an amount not lower than the actual costs to be incurred by the EPS Operator. In such case, the EPS Operator shall not be subject to any fine or penalty, and no time frame or deadline established in this Regulation for the affected activity or program shall begin to run until such budget has been assigned and made available and the Energy Bureau has established a reasonable time frame to implement such activity or program.

D. Notice and Opportunity to Respond. Before imposing any fine under Section xxx, 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 xxx and supporting documentation.

E. Proportionality. In determining the amount of any fine under Section xxx the Energy Bureau shall consider:

(1) The duration and cause of the delay;

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(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.

~~C.~~B. 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 7.03. 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 7.04. Commissioning, Inspection, Testing, Authorization

A. The Interconnection Customer shall test and inspect its Distributed Generation System Microgrid, and Interconnection Facilities before interconnection in accordance with the commissioning tests required by IEEE 1547 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~~.

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 Interconnection Site to inspect the interconnection and observe the testing. The Interconnection

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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 7.04~~Section 7.04 A, B, C, and ~~D~~DD:

(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.

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SECTION 7.05. 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. ~~Except~~ExceptExcept for a system under the Simplified Process, which may operate upon the certification described in Article 3.C(3), the Interconnection Customer shall not operate its Distributed Generation System or Microgrid 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.

If the EPS Operator identifies a Distributed Generation System ~~operating~~operatingoperating in Parallel without an Interconnection Agreement or, for the Simplified Process, without having submitted a Simplified Interconnection Notification and Agreement, the EPS Operator shall notify the Interconnection Customer in writing and allow not less than thirty (30) calendar days to submit the required notification or application before disconnecting the system, except an unsafe installation as provided in Article 3.C(4)(vi).

SECTION 7.06. 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.

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SECTION 7.07. 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~~~~Energy~~~~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.

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.

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

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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.

B. No insurance is required if the Distributed Generation System or Microgrid's Export Capacity is less than or equal to 300 kW.

SECTION 7.08. 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 7.09. 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

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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. The cost responsibility of an Interconnection Customer for Upgrades shall be determined in accordance with the principles of reasonableness, proportionality, and benefit received established in Section 2 of Joint Resolution 5-2026, and shall be limited to the least-cost Upgrades necessary for, and attributable to, the interconnection. An Interconnection Customer shall not be assigned the cost of correcting a pre-existing condition of the Electric Power System, or of Upgrades that serve customers generally.

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 ~~an~~anan itemized cost estimate, including overheads, for the purchase and construction of the Interconnection Facilities, Distribution Upgrades, and Network Upgrades (i.e. (i.e. the estimates shall break out the materials, labor and other costs for major components of the Upgrades). The estimate shall be provided before the Interconnection Customer is required to make any election under Article 4 or Article 5, and the final amount charged shall not exceed the estimate by more than ten percent (10%) except for a documented change in the scope of the work requested by the Interconnection Customer.

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.

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Commented [A53]: The draft Regulation uses "Upgrades" as a capitalized term throughout, but never defines it. Without a definition, the scope of the costs subject to allocation is uncertain, and the provisions that rely on the term may be applied inconsistently. The Energy Bureau should adopt an express definition of "Upgrades" that covers all additions, modifications, improvements, and replacements to the EPS, including feeders, service transformers, secondary conductors, and associated facilities, that are necessary to accommodate the interconnection of a Distributed Energy Resource.
The definition should also be tied to the cost-allocation framework set by statute. Article 9(c) of Act 114-2007, as amended, provides that the necessary improvements or changes to the feeder shall be defrayed by the requesting company. The statute therefore puts the cost of Upgrades and replacements caused by an interconnection on the requesting company, which is the cost-causer. A regulation cannot depart from that mandate. The Regulation should implement it expressly and unambiguously.
The Regulation must also guarantee that these costs are actually recovered from the party that caused them. The Energy Bureau should provide that if the requesting company fails to pay the costs of Upgrades or replacements attributable to an interconnection, the Interconnection Customer is responsible for paying them. Without this backstop, unpaid costs are shifted onto non-participating customers who receive no benefit from the interconnection. That outcome would undermine the cost-causation principle in Act 114-2007.
To make this obligation enforceable, the same provision should be included in the Interconnection Agreement and in the Simplified Interconnection Notification and Agreement. Each Interconnection Customer would then expressly acknowledge and accept its responsibility for these costs if the requesting company does not pay, and the EPS Operator would have a clear contractual basis to recover them, including through the disconnection and other remedies available under the Regulation.

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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 Section 9.05.F of this Regulation.

Field Code Changed

F. 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.

G. 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

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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.

H. 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 ~~Energy~~~~Energy~~Energy Resource

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A. The technical specifications in this Section 7.10 are intended to identify acceptable Export Control methods to facilitate the interconnection and Parallel Operation of Limited-Export and Non-Export ~~Distributed~~~~Distributed~~Distributed Energy Resources with the EPS.

Export controls identified in this section are not all inclusive and may be updated through the TIR. Alternative controls may be used but only if approved by the EPS Operator. If a Distributed Generation System or Microgrid uses any configuration or operating mode in this Section 7.10, 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 7.10 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. An Interconnection Customer may elect a configuration or operating mode

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under this Section in its Interconnection Application or at any election point during review, and the EPS Operator shall evaluate the interconnection as so configured.

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 Rating: This option requires the Distributed Generation System or Microgrid's 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 Generation System or Microgrid's Nameplate Rating be no greater than 50% of the verifiable minimum Host Load over the past 12 months.

For Generating Facilities or Microgrids 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 ~~these~~thesethese subsections 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.

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(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 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 Generation System or Microgrid may utilize ~~a Power~~aPower Control System[5] certified by a NRTL to UL 3141 (or the NRTL certification requirement decision that preceded it) and inverter system with a maximum open loop response time of no more than 30 seconds. Upon loss of communications, a Limited Export system using a Power Control System shall revert to its certified export limit and shall not be required to cease export. Failure of the control or inverter system resulting from abnormal conditions must result in the Distributed Generation System or Microgrid entering an operational mode where no energy is exported across the Point of Common Coupling to the EPS.

If a Distributed Generation System or Microgrid 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 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

[5] 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.

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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 7.10, 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. Economic Curtailment Compensation

~~A. Purpose. This Section implements Section 2 of Joint Resolution 5-2026, which requires the adoption of the concept of compensation for the economic losses of customers who suffer restrictions on the export of energy associated with the imposition of inverter configurations.~~

~~B. Scope. This Section applies to every Net Metering System, whether interconnected under the Simplified Process, the Fast Track Process, or the Study Process. An Interconnection Customer is entitled to compensation under this Section for any restriction on the export of energy from a Net Metering System that (1) is imposed by the EPS Operator, or results from inverter or Power Control System settings required by the EPS Operator or the Energy Bureau, whether at interconnection or thereafter, and (2) is not a Limited Export or Non-Export configuration voluntarily elected by the Interconnection Customer under Section 7.09 or Article 4. A restriction arising from a condition of the EPS Operator's facilities, whether the service transformer, secondary conductors or service drop serving the Point of Common Coupling or any facility upstream of the service transformer, is compensable. A restriction attributable to a condition of the installation on the Interconnection Customer's side of the Meter, or to the Interconnection Customer's noncompliance with this Regulation, documented in a written notice, is not compensable for the period of the condition or noncompliance.~~

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Commented [A54]: The Joint Resolution directs PREB to resume the interconnection rulemaking proceedings and adopt a new interconnection regulation consistent with the *Puerto Rico Energy Public Policy Act*, Act No. 17-2019, 22 L.P.R.A. §§ 1141–1141r, and the Joint Resolution. See P.R. J. Res. 5-2026 § 2. Specifically, Section 2 provides that the new regulation shall "adopt" modern interconnection technologies and concepts, including "compensation for economic losses to customers that suffer restrictions in energy export (curtailment) associated with the imposition of inverter configurations." *Id.* § 2 (translation supplied). The wording chosen by the Legislature is important. The Joint Resolution directs PREB to adopt modern technologies and concepts. *See id*. It does not prescribe a particular curtailment-compensation formula; determine which instances of curtailment are compensable; identify the customers entitled to payment; establish the source of funds for such payments; determine which customer classes, if any, must bear those costs; or direct that a fully operative compensation mechanism take effect upon adoption of the regulation. *See id*. Nor does Puerto Rico law presently recognize a right to compensation for energy that is never delivered to the electric system. Act 114-2007 entitles net-metering customers "to receive a credit for each kilowatt-hour of energy supplied to the electric grid." Act No. 114-2007, art. 5(c), 22 L.P.R.A. § 1015(c) (translation supplied). This section, by contrast, would apply an automatic quarterly bill credit for energy "the customer would have exported but for the restriction," at a rate and under a methodology left to the TIR, and would treat the payments as "a cost of the EPS Operator's compliance with this Regulation." That credit is a "subsidy" under Act 22-2016, which defines the term as "any subsidy, aid, credit, tax credit, or grant created by law or regulation that has the effect or purpose of reducing a customer's cost of electric service." Act No. 22-2016, art. 1.2(y), 22 L.P.R.A. § 802(y) (translation supplied). Article 2.4 of Act No. 22-2016 conditions any new electric-service subsidy on a legislative evaluation, prior certifications from the Office of Management and Budget and the Department of the Treasury identifying the maximum amount and source of funds, funding from sources other than PREPA revenues, and a term not exceeding five years. *Id.* art. 2.4, 22 L.P.R.A. § 814. None of those prerequisites has been satisfied, and nothing in RC 5-2026 purports to displace them. That reading is also consistent with the position expressed by the Solar and Energy Storage Association of Puerto Rico ("SESA") during the stakeholder process. Addressing another concept listed in the same sentence of Section 2, SESA expressly recognized that incorporating a concept identified by RC 5-2026 does not require developing the entire implementing mechanism in this rulemaking, explaining that "we don't expect during this proceeding to do a complete full-blown specific [hosting] capacity ... process." Negociado de Energía en Vivo, NEPR-MI-2019-0009 Hybrid Workshop, YouTube, at 2:16:51 (Oct. 23, 2026), https://www.youtube.com/watch?v=vXnw7JDZNHo. SESA further contemplated that costs could be addressed "when a rate case comes up or there's federal funding available." *Id.* That view aligns with LUMA's reading of RC 5-2026. Because curtailment compensation appears in the same sentence of Section 2 as an example of the "modern technologies and concepts" the Regulation must adopt, there is no textual basis for requiring a fully operative compensation mechanism in this proceeding. Section 7.11 should therefore be removed. PREB can comply with the legislative directive by defining the concept, directing its evaluation as part of the study under Article 4 of Act 114, and providing that any funding and cost-recovery mechanism be considered in the applicable rate proceeding, without ...

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~~C. Conditions of any restriction. Before imposing a compensable restriction, the EPS Operator shall issue a written notice to the Interconnection Customer stating the condition addressed, the data and criteria relied upon, the restriction imposed, its expected duration, and the Upgrade or other action that will remove it. The restriction shall be the least restrictive measure reasonably necessary, shall be reviewed by the EPS Operator at least every six (6) months, and shall be lifted when the condition is resolved. The notice may be reviewed under Section 13.02. No compensable restriction of export shall be imposed, on any system or group of systems, because of the condition or capacity of any facility upstream of the service transformer, whether by instruction, by remote command, or by inverter or Power Control System settings, unless so established in the Technical Interconnection Requirements as approved by the Energy Bureau. The EPS Operator maintains the right to impose emergency export restrictions to maintain reliability that are not compensable.~~

~~D. Measure of compensation. Compensation shall be at the rate established or updated in the TIR for energy export applicable to the customer under Article 9, of the energy the customer would have exported but for the restriction, estimated from the system's metered exports before the restriction or, where no such record exists, from a production model using the system's Export Capacity and the applicable solar resource, in a methodology published in the TIR as approved by the Energy Bureau. In setting the rate in the TIR, consideration shall be made on the impact of the financial cost of compensation on other customers of the EPS Operator, and the extent to which the EPS Operator can recover the costs of payments for uncompensated exports. Compensation is payable for any calendar quarter in which the estimated value of the energy the customer would have exported in that quarter but for the restriction exceeds seventy-five dollars ($75) for systems 25 kW or smaller, or 10% of total value of energy generated for systems greater than 25 kW.~~

~~E. Administration. The EPS Operator shall apply the compensation as a credit on the customer's bill within thirty (30) days after the end of each calendar quarter, without requiring a claim by the customer, and shall identify the credit on the bill. Compensation paid under this Section is a cost of the EPS Operator's compliance with this Regulation and shall not be assessed to Interconnection Customers through fees under this Regulation.~~

~~F. Reporting. The EPS Operator shall report the number of restrictions imposed, their duration, the feeders affected, and the compensation credited, in the Quarterly Interconnection Report under Section 12.02.~~

A. Removed.

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SECTION 7.12. 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.

SECTION 7.13. Proactive Hosting Capacity Planning and Budgeting

A. Purpose. This Section implements Section 2 of Joint Resolution 5-2026, which requires this Regulation to adopt proactive hosting capacity planning and budgeting.

B. Forecast. Within eighteen (18) months after the effective date of this Regulation, and annually thereafter, the EPS Operator shall prepare and publish on the Cyber Portal a forecast, by feeder, of the Distributed Generation and Energy Storage expected to interconnect during at least the following five (5) years, based on historical interconnection volumes, the Public Queue, and the public policy objectives of Act 17-2019.

C. Hosting capacity analysis. Together with the forecast, the EPS Operator shall publish a hosting capacity analysis of every distribution feeder and, to the extent data permits, of each line section and service transformer, prepared under a methodology filed with ~~and approved by~~ the Energy Bureau that (1) states its assumptions, data sources, and data vintage; (2) calculates Daytime Minimum Load as gross load; (3) uses Export Capacity, including the effect of export controls under Section 7.09; and (4) is validated against field measurements where available. The publication shall include, for each feeder and, where available, line section and service transformer, the Daytime Minimum Load, the Nameplate Rating and Export Capacity of interconnected and queued Distributed Generation Systems, and the available Hosting Capacity, and the interconnected and queued capacity shall be updated monthly. The methodology and the analysis shall build on the hosting capacity work developed in Case No. NEPR-MI-2019-0011 (Distribution Resource Planning), including its Hosting Capacity Working Group and the interconnection-capacity maps and hosting-capacity analyses required in that proceeding, and shall be coordinated with it.

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Commented [A55]: The Joint Resolution directs PREB to resume the interconnection rulemaking proceedings and adopt a new interconnection regulation consistent with the *Puerto Rico Energy Public Policy Act*, Act No. 17-2019, 22 L.P.R.A. §§ 1141–1141r, and the Joint Resolution. *See* P.R. J. Res. 5-2026 § 2. Specifically, Section 2 provides that the new regulation shall "adopt" modern interconnection technologies and concepts, including planificación proactiva de capacidad de alojamiento y planificación presupuestaria (proactive hosting capacity planning and budgeting." *Id.* § 2. (translation supplied).

The wording chosen by the Legislature is important. The Joint Resolution directs PREB to adopt modern technologies and *concepts*. *See id.* It does not prescribe to adopt particular formulas, budgeting, compensation or fully developed mechanisms.

That reading is also consistent with the position expressed by the Solar and Energy Storage Association of Puerto Rico ("SESA") during the stakeholder process. SESA's views on the Joint Resolution are entitled to no special deference, but its concession on this narrow point is telling precisely because it runs against SESA's own interest in an expansive reading of the measure. SESA was among the most prominent public advocates for RC 5-2026. *See, e.g., SESA urge a la gobernadora firmar resolución para frenar cobro de $300 a clientes solares*, METRO (Dec. 23, 2025), https://www.metro.pr/noticias/2025/12/23/sesa-urge-a-la-gobernadora-firmar-resolucion-para-frenar-cobro-de-300-a- ...

Commented [A56]: This creates a standing planning function: forecast, hosting capacity analysis down to the service transformer, monthly updates, and a 3-year Plan. The data foundation (complete GIS and connectivity, AMI integration, Line Section measurement, DER registration) and the analytical ...

Commented [A57]: Historical interconnection volumes have been inconsistent and are not a reliable basis for forecasting future interconnections, much less for supporting investment decisions. For an example of a report showing inconsistencies in the reported volumes, see: 20260814-MI20190016-Exhibit-4-Informe-de-Progreso-de-Interconexion.pdf

Commented [A58]: The 18-month clock starts at the effective date, before any methodology is approved (§7.13(F) proceeding starts within 180 days) and without cost recovery.
Without backing away from earlier comments, if dated obligations are kept, (a) the clock should run from the Bureau's approval of the methodology and of the associated cost recov ...

Commented [A59]: The definition of Daytime Minimum Load (1.09) includes measured net daytime minimum load plus estimated DER output.

Commented [A60]: Conflicts with §1.09 'Export Capacity' (not to be used for planning activities) and 'Nameplate Rating' (used for all planning activities) (Analysis D2). Export controls do not limit fault current, and settings can be altered. The reference to §7.09 should be §7.10. ...

Commented [A61]: Verify whether 7.09 should be 7.10

Commented [A62]: Service-transformer values can identify an individual customer's installation.

Publish feeder-level values only. Line Section and service-transformer values should be given only to the Interconnectio ...

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~~D. Plan and budget. Within eighteen (18) months after the effective date of this Regulation, and every three (3) years thereafter, the EPS Operator shall file with the Energy Bureau a Distribution Hosting Capacity Plan covering at least the following five (5) years that (1) identifies each feeder, and were available, each line section, and service transformer where the forecast under paragraph B exceeds the available Hosting Capacity under paragraph C; (2) identifies the potential least-cost Upgrades and measures, including smart inverter settings, voltage regulation, and Energy Storage, that will accommodate the forecast without restriction, with their estimated cost and a completion schedule that precedes the forecast need; and (3) identifies available funding for those Upgrades, prioritizing federal funds to the greatest extent possible and how the remainder could be recovered through rates approved by the Energy Bureau, and proposes the corresponding budgets for consideration in the EPS Operator's federal funding requests, rate cases, integrated resource plans, and capital plans. Upgrades identified in the Distribution Hosting Capacity Plan do not need to be undertaken if the funding has not been identified and secured. The Upgrades identified in the Plan shall not be assigned to individual Interconnection Customers.~~

~~E.~~D. Effect. The identification of a constraint in the forecast, the analysis, or the Plan shall not be a basis for denying, delaying, or restricting the interconnection, operation, or export of any Distributed Generation System, other than a restriction of export established in the Technical Interconnection Requirements ~~as approved by the Energy Bureau~~, as provided in Section 7.10.C; the EPS Operator's remedy for a forecast constraint is the timely completion of the Upgrades and measures identified in the Plan. The Pre-Application Report under Section 2.02 and the screens under Articles 3 and 4 shall use the most recent data published under this Section.

~~F.~~E. Proceeding. The Energy Bureau shall open a proceeding within one hundred and eighty (180) days after the effective date of this Regulation to approve the methodology under paragraph C, and review the Plans filed under paragraph D, and oversee compliance with this Section, and may consolidate with it any existing docket concerning hosting capacity or distribution planning, including Case No. NEPR-MI-2019-0011.

ARTICLE 8. TECHNICAL REQUIREMENTS

SECTION 8.01. General Technical Requirements

The EPS Operator shall develop and maintain Technical Interconnection Requirements consistent with ~~the requirements of~~ this Regulation. Only the EPS Operator may develop, propose, and file the Technical Interconnection Requirements and any amendments or revisions thereto.

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Commented [A63]: The source of funds already established by law. Act 114-2007 already identifies who pays for Upgrades caused by Interconnection Customers, the requesting company (Art. 9(C)), which is ultimately the cost-causer. This Regulation should implement that framework, not replace it.
Federal funds may not be used to facilitate the interconnection of a single Interconnection Customer or a group of Interconnection Customers (once they are Interconnection Customers). They should not be considered as priority funding source for these Upgrades.
Upgrades may not be recovered through rates. First, Act 114-2007 already identifies the source of funds. Second, Upgrades benefit only the Interconnection Customer(s) that cause them, not all customers of the T&D System. Socializing these costs would make non-participating customers subsidize private interconnections.
Budget considerations should be made case by case, so that Upgrade costs are allocated to the cost-causer.
LUMA, as EPS Operator, LUMA disagrees that Upgrades need not be made unless funds are identified and secured. As explained above, the law has already identified the source of funds. The Energy Bureau's role is to give the EPS Operator, through this Regulation, the tools and legal authority to enforce that framework. This includes disconnection mechanisms and stringent penalties for requesting companies that fail to pay Upgrade costs.
The last sentence should be reversed. Upgrades are to be assigned to the individual Interconnection Customers that cause them. That is the framework set by a valid and enforceable statute, and a regulation cannot amend it.

Commented [A64]: Because most feeders are already saturated (76% above 30% of peak; 36% probably backfeeding), limited profiles would be common rather than exceptional. A profile known at the time of sale and elected at interconnection is a term of interconnection, not a curtailment

Commented [A65]: Its scope should include the data milestones, the methodology and the recovery of the cost of building and maintaining the capability, and it should conclude before any publication obligation starts.

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~~, which shall be submitted to the Energy Bureau for the Energy Bureau's review and approval and shall not become effective unless approved, or deemed approved, by Order of the Energy Bureau~~

~~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 and shall not become effective unless and until approved, or deemed approved, by the Energy Bureau through a Resolution and Order.. For the avoidance of doubt, only the EPS Operator may propose and file the Technical Interconnection Requirements and any amendments or revisions thereto.~~

A. The technical requirements apply to Distributed ~~Energy~~~~Energy~~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 Resources 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~~~~Energy~~Energy Resource to the EPS. Compliance with these requirements is intended to prevent the Distributed ~~Energy~~~~Energy~~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~~~~Regulation~~Regulation incorporates IEEE Std 1547-2018. and IEEE Std 2800-2020. Where conflicts exist between IEEE Std 1547-2018 and this ~~Regulation~~~~Regulation~~Regulation, this Regulation and the then-effective Technical Interconnection Requirements shall govern~~this Regulation and the Technical Interconnection Requirements approved by the Energy Bureau shall govern~~.

D. A Distributed ~~Energy~~~~Energy~~Energy Resource interconnecting to the Distribution System must interconnect through ~~a~~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

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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.

G. The Technical Interconnection Requirements, and any amendment to them, shall be ~~published for stakeholder comment for not less than~~filed with the Energy Bureau thirty (30) days before these become effective. Such filing shall be for notice and review and shall not require approval by the Energy Bureau as a condition to effectiveness. During the thirty (30)-calendar-day period, the Technical Interconnection Requirements shall remain publicly available in the Energy Bureau docket. If the Energy Bureau does not require modifications within that period, the Technical Interconnection Requirements shall become effective upon expiration of the thirty (30)-calendar-day period without further action by the Energy Bureau. Upon becoming effective, the EPS Operator shall publish the Technical Interconnection Requirements on the EPS Operator's Website and Cyber Portal.~~, and the Energy Bureau shall not act on them earlier than thirty (30) days after the close of the comment period.~~

H. During the thirty (30)-calendar-day-period ~~If~~ the Energy Bureau ~~does not approve, reject, or~~ may request additional information or require modifications to the Technical Interconnection Requirements necessary to ensure consistency with this Regulation and applicable law. If the Energy Bureau requires modifications, the EPS Operator shall make the required amendments or revisions and file the revised Technical Interconnection Requirements with the Energy Bureau. The revised Technical Interconnection Requirements shall become effective immediately upon filing, without further review or approval by the Energy Bureau, and the EPS Operator shall publish the revised Technical Interconnection Requirements on the EPS Operator's Website and/or Cyber Portal. Any request by the Energy Bureau for

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additional information shall suspend the thirty (30)-calendar-day period only once, and the remaining days shall resume upon the EPS Operator's filing of the requested information. ~~require modifications to the Technical Interconnection Requirements, or to any amendment to them, within [ ] ([ ]) days after the close of the stakeholder comment period under paragraph G, the Technical Interconnection Requirements or the amendment, as applicable, shall be deemed approved as submitted. The EPS Operator shall publish the deemed approved Technical Interconnection Requirements or amendment, which shall become effective upon publication. Any request by the Energy Bureau for additional information shall suspend this period only once, and the remaining days shall resume when the EPS Operator files the requested information.~~

I. Initial Technical Interconnection Requirements.

(1) Within fifteen (15) Business Days after the Energy Bureau issues the Order adopting this Regulation, the EPS Operator shall file the Initial Technical Interconnection Requirements with the Energy Bureau. Only the EPS Operator may develop, propose, and file the Initial Technical Interconnection Requirements.

(2) The Initial Technical Interconnection Requirements shall be subject to the notice and review procedures set forth in subsections (G) and (H) of this Section and shall not require approval by the Energy Bureau as a condition to effectiveness.

(3) Accordingly, the Initial Technical Interconnection Requirements shall remain publicly available in the Energy Bureau docket for thirty (30) calendar days following their filing. If the Energy Bureau does not require modifications during such period, the Initial Technical Interconnection Requirements shall become effective upon expiration of the thirty (30)-calendar-day period without further action by the Energy Bureau.

(4) If, during the thirty (30)-calendar-day period, the Energy Bureau requires modifications to the Initial Technical Interconnection Requirements, the EPS Operator shall make the required amendments or revisions and file the revised Initial Technical Interconnection Requirements with the Energy Bureau. The revised Initial Technical Interconnection Requirements shall become effective immediately upon filing, without further review or approval by the Energy Bureau.

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(5) Upon becoming effective pursuant to subsection (3) or (4), the EPS Operator shall publish the Initial Technical Interconnection Requirements on the EPS Operator's Website and/or Cyber Portal and provide notice to all registered Interconnection Customers.

(6) Thereafter, any amendment or revision to the Technical Interconnection Requirements shall be governed by subsections (G) and (H) of this Section.

SECTION 8.02. 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. ~~Inverters~~~~Inverters~~Inverters, Power Control Systems~~, and Energy Storage listed by the California Energy Commission~~, or certified by a Nationally Recognized Testing Laboratory to UL 1741 (with its applicable supplements) and IEEE Std 1547-2018 and IEEE Std 1547.1-2020, are approved for use upon such listing or certification without further evaluation 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~~~~EPS~~EPS Operator's Website and/or Cyber Portal website. The EPS Operator shall keep this list updated ~~quarterly.~~~~quarterly~~quarterly. The first review and update shall occur no later than thirty (30) Business Days after the approval of this ~~Regulation.~~~~Regulation~~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

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digital file in PDF format, documents certifying that the inverter complies with the following:

(1) 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.

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

(3) Comply with the Voltage Flicker limits, depending on the IEEE 1547-2018, IEEE 2800 standards, or subsequent revisions, and other applicable.

(4) Comply with these regulations. Should any conflict arise with other standards, these regulations will prevail.

(5) Have the ability to Operate in Parallel with the EPS.

(6) Have the ability to adjust in the field of frequency, voltage and operating times.

E. The EPS Operator shall approve or deny such equipment in writing, stating the basis for any denial, within twenty (20) Business Days after receiving complete documentation; a denial may be reviewed under Section 13.02.

F. For further information regarding these interconnection ~~requirements~~~~requirements~~requirements, see the TIR.

SECTION 8.03. Meter Socket Adapters

A. Purpose and applicability

(1) In accordance with Section 2 of Joint Resolution 5-2026, this Section sets forth requirements for customer-owned Meter Socket Adapters installed in single-phase services rated two hundred (200) amperes or less, and to other service or meter-socket configurations where the Meter Socket Adapter is NRTL listed for that configuration.

(2) The EPS Operator shall not deny, condition, or delay any step of the interconnection process, the installation or configuration of a Meter, or enrollment in a Net Metering Program on the ground that the interconnection incorporates a Meter Socket Adapter that meets this Section. A Meter Socket Adapter is

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Commented [A66]: Add a provision to publish the equipment that has been denied. With this LUMA receive multiple inquiries as to equipment that will be denied outright.

Commented [A67]: Please refer to the comments made in response to other sections that provide that are being included in accordance with Joint Resolution 5-2026. Those are incorporated herein by reference.
It is further stated that thus far, there is no discussion on the record on how MSA benefit the T&D System or T&D System Customers.

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owned by the Interconnection Customer, is not a Material Modification, and shall not cause an interconnection to fail any screen or trigger a Supplemental Review.

B. General Requirements

(1) No later than thirty (30) Business Days after the effective date of this Regulation, the EPS Operator shall publish and maintain on the DG Portal: (a) the minimum product and technical requirements for Meter Socket Adapters, which shall not exceed the criteria in Section 8.03.B.2; (b) the installation procedures required by Section 8.03.C; (c) the list of Meter Socket Adapter models approved for use in Puerto Rico; and (d) a dedicated electronic mail address and submission instructions for model evaluation requests and installation notices. The EPS Operator shall update the list of approved Meter Socket Adapter models within ten (10) Business Days after each approval and shall review it at least quarterly.

(2) The EPS Operator shall approve a Meter Socket Adapter model, and shall facilitate its installation, if the device:

(i) is qualified to be connected to the supply side of the service disconnect pursuant to the applicable provisions of the National Electrical Code as adopted in Puerto Rico; a supplementary regulation of PREPA or the EPS Operator shall not be applied to prohibit or condition a Meter Socket Adapter that meets this Section;

(ii) is listed by a Nationally Recognized Testing Laboratory to UL 414 and to the standards applicable to the other functions the device performs, and is rated appropriately for the meter socket into which it is intended to be installed;

(iii) is certified to meet all applicable standards, as determined by a nationally recognized testing laboratory approved by the Energy Bureau; and,

(iv) does not prevent access to the sealed meter socket compartment or the pull section of the service section of the electric meter or switchboard, as applicable;

(3) Any existing Customer generation or Energy Storage sources on the property that are interconnected with the EPS Operator

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service must be identified on the application for the installation of a Meter Socket Adapter and submitted drawings;

(4) Only one (1) Meter Socket Adapter may be installed in a meter socket; Meter Socket Adapters shall not be stacked.

(5) The EPS Operator shall approve or deny a Meter Socket Adapter model in writing no later than twenty (20) Business Days after receiving a complete evaluation request from a manufacturer, an Interconnection Customer, or a registered installer. If the EPS Operator neither approves nor denies the model within that period, the model shall be deemed approved and shall be added to the published list within five (5) Business Days. No separate application or approval is required for the installation of an approved model; the Interconnection Customer shall identify the model in the Simplified Interconnection Notification or Interconnection Application and, where the installation is performed under Section 8.03.C(2), the Authorized Agent shall give the notice required there.

(6) The EPS Operator shall not reject Meter Socket Adapters for reasons other than justified safety concerns or demonstrated non-compliance with established national industry standards. The EPS Operator shall assess Meter Socket Adapters on an objective, consistent, and non-discriminatory basis, based solely on the criteria established in this Section and applicable national industry standards.

(7) Any device rejection shall be in writing and shall state with specificity the factual and technical basis for the denial, including any testing evidence relied upon to demonstrate non-compliance with applicable safety criteria or standardized interoperability requirements. A denial may be appealed to the Energy Bureau under Section 13.02.

(8) The EPS Operator shall not require testing beyond Nationally Recognized Testing Laboratory listing, except a verification that the Meter Socket Adapter does not impair Meter accuracy or Meter communications. Such verification shall be performed at the EPS Operator's expense within the period stated in paragraph (5). The EPS Operator shall accept equivalent verification results obtained by a manufacturer or another electric utility for the same model, unless the EPS Operator identifies in writing a material difference between the

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Commented [A68]: And be compliant with the approved Interconnection request including verification that the installation is compliant (sizing, etc)

Commented [A69]: Add a section here: A meter Socket Adapter which is requested for a location where a Socket AP is installed must be modified by Utility. A Mester Socket Adapted shall not be installed in these cases. Utility must make adjustments to its network configuration for AMI network communications and remove the Socket AP prior to a Meter Socket Adapter being installed. Utility shall have 30 additional days to complete this (in addition to the 30 days for interconnection permitted) to adjust network configuration.

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metering and communications equipment used to obtain those verification results and its own.

C. Installation Requirements

(1) The EPS Operator shall facilitate the installation of Meter Socket Adapters that meet the criteria in Section 8.03.B.2.

(2) The installation, removal, or servicing of a Meter Socket Adapter, including the removal and reinstallation of the Meter for that purpose, shall only be performed by the EPS Operator or by an Authorized Agent. For purposes of this Section, an Authorized Agent is a licensed electrical engineer or expert electrician licensed in Puerto Rico who is registered with the EPS Operator under paragraph (6), and such a person is hereby authorized, as an agent of the EPS Operator, to remove and reinstall the Meter for the installation, removal, or servicing of an approved Meter Socket Adapter. An Authorized Agent shall (i) give notice through the Cyber Portal not less than two (2) Business Days before removing the Meter, identifying the service address, the Meter serial number, and the approved model; (ii) before reinstalling the Meter, inspect the meter socket and not proceed where a condition would prevent the Meter from being reinstalled safely; r; and (iii) submit a completion notice with photographs of the meter socket before and after the installation within one (1) Business Day. No site visit by the EPS Operator shall be required as a condition of the installation or of the operation of the system; the EPS Operator may inspect and reseal the installation at any time. Only the EPS Operator may install the tamper-evident seals.

(3) Only EPS Operator personnel or the EPS Operator's authorized agents are permitted to remove or reinstall an EPS Operator meter. Except as provided in paragraph (2), no Interconnection Customer, their agents, or any non-EPS Operator third-party may access, or otherwise breach the seal surrounding the electric meter. If installation of the Meter Socket Adapter requires removal of the EPS Operator meter, removal and reinstallation of the meter must be performed by the EPS Operator or an Authorized Agent.

(4) Any maintenance of a Meter Socket Adapter which requires its removal shall be performed by, or with the Meter removed by, the EPS Operator or an Authorized Agent in accordance with paragraph (2).

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Commented [A70]: LUMA does not support the Authorized Agent concept and maintains that the recommended approach be that the Utility be the only authorized entity to remove and/or reinstall the meter. Additionally, as previously commented Reg 7982 would need to be updated.

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(5) Interconnection Customers will supply and retain the ownership of Meter Socket Adapters and associated equipment, exclusive of any EPS Operator-owned metering hardware.

(6) The EPS Operator shall register a licensed electrical engineer or licensed expert electrician who requests registration as an Authorized Agent within twenty (20) Business Days after a complete request, subject to the requester providing evidence to the EPS Operator that they (i) have sufficient technical expertise to install Meter Socket Adapters, (ii) have not been subject of any findings of safety violations or meter-related fraud, and (iii) has successfully completed training on installation procedures developed by the EPS Operator that the EPS Operator will provide at no charge in Spanish and English. The EPS Operator may suspend or revoke a registration for cause by written notice stating the basis, subject to review under Section 13.02. Where the Interconnection Customer requests that the EPS Operator itself remove and reinstall the Meter, the EPS Operator shall do so within ten (10) Business Days after the request. No licensed electrical engineer or licensed expert electrician shall be registered as an Authorized Agent until the EPS Operator has developed the requisite application and training materials.

D. Fees

(1) All fees imposed under this Section, including any fee for an additional site visit, shall be based on the reasonable cost of providing the applicable service and shall be established in the TIR ~~as approved by the Energy Bureau~~.

(2) The Interconnection Customer, or authorized agent on the customer's behalf, shall pay the EPS Operator a one-time fee for the cost of providing support, including reasonable administration, time, and materials, for removal of the utility meter to enable installation, removal, or related service of a Meter Socket Adapter. Any additional support or services required or requested will be charged an additional one-time fee for each site visit. The EPS Operator shall not be required to perform any work or site visit under this paragraph until the applicable fee has been paid in full.

(3) If the installation of an approved Meter Socket Adapter requires relocation of the meter enclosure or the replacement of the meter housing to accommodate a Meter Socket Adapter,

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Commented [A71]: EPS Operator will need to update CIS and GIS to tag those locations with these assets for tracking. This will need to flag for example any claim that the devices disappears after a utility visit that a device existed in the first place and also so that we can implement procedures around install, removal, track interference or issues with these devices if necessary, and then also to be sure we don't go attempt to install a Socket AP at that site if there is a MSA.

Commented [A72]: If ultimately approved, items (i) and (ii) shall be certified through a sworn statement in a form provided by the EPS Operator and that will be made available in the LUMA website.

Commented [A73]: Written notification would be a copy to the College of Electricians as well given that revoking a certification would likely constitute review of the license.

Commented [A74]: LUMA opposes to this entire section.

Commented [A75]: A fee based on the "reasonable cost" of a service must never be set below the actual costs forecasted/projected the EPS Operator will incur to provide that service. Any shortfall between the fee and those costs would have to be recovered through base rates. That would make all customers subsidize services provided for the benefit of individual Interconnection Customers, which is contrary to the cost-causer principle. LUMA recommends clarifying that fees shall be no less than the full cost of providing the applicable service.

Commented [A76]: The EPS Operator must have a fixed fee. It would require Model Bill updates as this needs to present on LUMA invoice. This needs to be added to CC&B and related systems for billing, payment and reconciliation.
Budget must be allocated for these improvements and additional work that is not contemplated in the FY26-28 budgets.

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except where the location of the existing meter socket fails to meet the safety standards of the National Electrical Code. Where relocation or replacement is so required, the EPS Operator shall, upon request of the customer, provide an estimate of the associated costs, which shall be the responsibility of the Interconnection Customer to the extent they are reasonably attributable to the installation of the Meter Socket Adapter and are not otherwise required to be borne by the EPS Operator under applicable law, regulation, or tariff. The EPS Operator shall not be required to perform any work or site visit under this paragraph until the applicable fee has been paid in full.

ARTICLE 9. NET ENERGY METERING

SECTION 9.01. Participation in Net Metering Programs

A. A Distributed Generation System fueled by Renewable Energy Sources may participate in net metering if it ~~has~~has~~has~~:

(1) ~~An Export~~A Nameplate Capacity of not more than twenty-five (25) kW for residential customers;

(2) ~~An Export~~A Nameplate Capacity of not more than one (1) MW for commercial, governmental, industrial or agricultural customers, or educational institutions or medical-hospital facilities connected to distribution voltages (up to 13.2 kV); and

(3) ~~An Export~~A Nameplate Capacity of 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 (38 kV or 115 kV).

(4) 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. The Distributed Generation System shall also comply with all other eligibility requirements set forth in Act 114-2007, as amended, and other applicable laws and regulations.

B. **Energy Storage Paired with Net Metering Systems**

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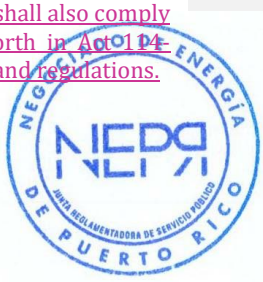
Commented [A77]: This must be removed. Utility does not own the equipment that would be modified, it does not perform this work and should not quote this work. Utility would not be relocating or repairing a meter base (exception would be in cases federally funded but those are the exception of the exception). Utility is not responsible under any regulation or law for performing those services or repairs.

Commented [A78]: Restored to Nameplate Capacity. Article 2(a) of Act 114-2007 sets the net metering limits based on the system's generating capacity ("capacidad generatriz"), not its export capacity. Using Export Capacity would let systems with a generating capacity above the statutory limits of 25 kW, 1 MW, and 5 MW qualify, which a regulation cannot do.

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(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. An Energy Storage device standing alone may be interconnected under this Regulation and shall not export energy to the Electric Power System, except that it may export under the terms of a virtual power plant, demand response, or similar program approved by the Energy Bureau, and shall be compensated for such export as provided in that program.

(2) When an Energy Storage Device is paired with a Net Metering System, the Interconnection Customer shall elect one of~~InterconnectionInterconnectionInterconnection Customer shall elect one ofelectelect oneof~~ the following operating restrictions of the Energy Storage Device, unless the Energy Storage Device participates in a program approved by the Energy Bureau that provides otherwise:

(i) Restricted from exporting electricity to the Electric Power System, beyond Inadvertent Export, 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) The customer may propose to modify the operating restriction by submitting a revised attestation to the EPS Operator. The EPS Operator must approve the proposed revision in writing; approval shall not be unreasonably withheld or delayed.

SECTION 9.02. Basic Net Metering Program

A. In the Basic Net Metering Program, a Distributed Generation System connected to the Distribution System shall have a maximum ~~Export~~Nameplate Capacity (kW AC) of twenty-five (25) kW for residential customers and one (1) MW for commercial, governmental, industrial, agricultural, educational institutions and hospital medical facilities. ~~Distributed~~~~Distributed~~Distributed Energy Resources connected to the subtransmission or transmission systems shall have a maximum ~~Export~~Nameplate Capacity (kW AC) of five (5) MW for commercial customers, governmental, industrial, agricultural, educational institutions and hospital medical facilities.

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B. Net metering for a Distributed ~~Energy~~~~Energy~~Energy Resource whose ~~Export Capacity~~NameplateCapacity 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 ~~the~~~~the~~the certification of the distributed generator by a licensed licensed electrical engineer or licensed expert electrician, in accordance with Section 9(b) of Act 114-2007.

SECTION 9.03. Aggregate Net Metering Program

C. Eligibility. Any customer may aggregate two (2) or more service agreements held in its name or by an entity under common ownership or control with it, as the customer shall certify through the Cyber Portal.

~~D.~~A. Locations. Participating service agreements may be anywhere in the EPS Operator's service territory, on or off the premises of the Net Metering System.

~~E.~~D. Voltage levels. Participating service agreements may differ in voltage level and rate schedule.

~~F.~~E. ~~Export~~Nameplate Capacity. The ~~Export~~Nameplate Capacity at each generating location, meaning each participating service agreement where a Net Metering System is installed, shall not exceed one (1) MW at distribution voltage or five (5) MW at subtransmission or transmission voltage, nor any lower limit under Section 9.01.A. These limits apply per generating location, not to the combined ~~Export~~Nameplate Capacity of different locations.

~~A.~~B. Allocation. Through the Cyber Portal, the customer shall designate the percentage of each Net Metering System's exported energy credited to each participating service agreement, totaling not more than one hundred percent (100%). The customer may change the percentages or service agreements once in any twelve (12) months and whenever a service agreement is added or closed; changes take effect with the first billing period beginning at least thirty (30) days after filing.

~~G.~~F. Application and crediting. The Simplified Interconnection Notification or Interconnection Application shall identify each generating location, the other participating service agreements, and the percentages. Energy is credited under Section 9.05.F.

SECTION 9.04. Shared Net Metering Program

~~H.~~G. Eligibility.Eligibility. Customers with service agreements at the same premises may share one Net Metering System.System. Premises means a building or complex (such as a condominium, apartment complex, mixed-use building, commercial ~~center~~centercenter, or public housing) under ~~one~~oneone owner, horizontal

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Commented [A83]: Restored to Nameplate Capacity. Article 2(a) of Act 114-2007 sets the net metering limits based on the system's generating capacity ("capacidad generatriz"), not its export capacity. Using Export Capacity would let systems with a generating capacity above the statutory limits of 25 kW, 1 MW, and 5 MW qualify, which a regulation cannot do.

Commented [A84]: LUMA recommends deleting this section. The proposed Aggregate Net Metering Program would introduce a new administrative mechanism that may require substantial changes to existing utility processes and systems, without a demonstrated need for such a broadly applicable program. If the Bureau nevertheless retains Section 9.03, the program should be narrowly defined to avoid unnecessary administrative complexity and costs. Among other things, the Bureau should consider limiting the program to circumstances analogous to community or shared solar, establishing reasonable geographic parameters for participating accounts (similar to the limitation in Regulation 8915, 2 miles), identifying the entities eligible to participate, and adopting clear rules governing the allocation of generation among participating accounts. Any allocation methodology should be administratively workable within the utility's billing system and should not require individualized or frequently changing allocation percentages that would materially increase program administration.

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Commented [A88]: We would like the Bureau to provide an explanation on this matter, specifically regarding how these can be implemented.

property regime, ~~or~~oror owners' association, on one parcel or on contiguous parcels, including parcels separated only by a street, easement, or right-of-way.

~~I.~~A. ~~Points~~PointsPoints of delivery. Participating service agreements need not share a point of delivery or Interconnection Transformer with the Net Metering ~~System~~SystemSystem.

~~J.~~H. Interconnection Customer. The owner of the premises, the board or council of owners, the owners' association, or a person authorized by any of them shall be the Interconnection Customer and sign the Interconnection Agreement.

~~K.~~I. Participation agreement. The Interconnection Customer shall file through the Cyber Portal a participation agreement with the participating customers assigning each participating service agreement, including any common-area service agreement, a percentage of the Net Metering System's exported energy, totaling not more than one hundred percent (100%).

~~L.~~J. Changes. Customers may join or leave on thirty (30) days' notice to the Interconnection Customer, which shall update the filing; Section 9.03.E governs other changes and effective dates. A new customer of record keeps its service agreement's percentage unless the agreement is amended.

~~A.~~B. ~~Export~~Nameplate Capacity. The ~~Export~~Nameplate Capacity of the Net Metering System shall not exceed the least of: (1) one (1) MW at distribution voltage or five (5) MW at subtransmission or transmission voltage; (2) the capacity of the Interconnection Transformer, unless upgraded under this Regulation; and (3) for residential premises, twenty-five (25) kW per participating service agreement.

~~M.~~C. Each participating customer that is not the owner of the Distributed ~~Energy~~~~Energy~~Energy Resource must sign an Agreement for Participation in the Shared Net Metering Program (see Attachment X of the TIR).

SECTION 9.05. 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.

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Commented [A89]: Must be removed. Shared net metering should be under the same point of delivery (or in essence it is aggregate, based on purpose and scope)

Commented [A90]: Restored to Nameplate Capacity. Article 2(a) of Act 114-2007 sets the net metering limits based on the system's generating capacity ("capacidad generatriz"), not its export capacity. Using Export Capacity would let systems with a generating capacity above the statutory limits of 25 kW, 1 MW, and 5 MW qualify, which a regulation cannot do.

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Commented [A92]: The Regulation cannot address this so generally. These must be specificity for how to address who qualifies and how bill credits are handled. Also, who has rights to object their invoice based on these things and who solves disputes.
This is an example of why customer programs must be addressed in a separate regulation or order.

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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 that 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. For the Aggregate and Shared Net Metering Programs, these daily maximums apply to each participating service agreement, so that a Net Metering System's maximum is the sum of those of its participating service agreements.

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.

(2) 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 the Aggregate and Shared Net Metering Programs, the EPS Operator shall, for each billing period, credit the energy exported to the EPS at the generating location, as registered by its Meter, to the participating service agreements in the percentages on file. Paragraphs A to E, including the carryover under paragraph D and the annual compensation under paragraph E, apply to each participating service

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agreement as if the energy credited to it had been exported at its own Meter. Unassigned percentages are credited to the service agreement at the generating location. The EPS Operator may bill the participating service agreements on the same billing cycle.

G. For the Shared Net Metering Program, ~~thethethe~~ percentage of a closed or vacant service agreement is credited to the service agreement the Interconnection Customer designates.

ARTICLE 10. 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 7.06 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.

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Commented [A93]: Sugestion to replace entire section (subject to reconciliation to sections mentioned). The main reason is to simplify processes for all parties and use a mechanism that is already in plance and that was approved by PREB through a formal rulemaking process and which directly contemplates that matters related to those that are regulated in this draft may be addressed using its processes.

A.Prior to seeking reconsideration before the Energy Bureau pursuant to Article 13, any Party may elect to submit disputes arising under this Regulation to mediation or arbitration in accordance with the procedures established in Regulation 8558, *Reglamento de Procedimientos de Mediación y de Arbitraje de la Comisión de Energía de Puerto Rico* (6 de febrero de 2015). Participation in the mediation or arbitration procedures under Regulation 8558 is voluntary and does not preclude a Party from proceeding directly to reconsideration before the Energy Bureau.
B.A Party electing to pursue mediation or arbitration under Regulation 8558 shall provide written notice to the other Party and to the Energy Bureau within ten (10) Business Days of the EPS Operator's decision giving rise to the dispute. Such notice shall identify the decision at issue and state the Party's election to pursue mediation or arbitration under Regulation 8558.
C.A Party that has elected to pursue mediation or arbitration under Regulation 8558 may withdraw from such proceeding at any time by providing written notice to the other Party and to the mediator or arbitrator. Upon withdrawal or termination of the mediation or arbitration proceeding, the withdrawing Party or any affected Party may proceed to file a request for reconsideration before the Energy Bureau in accordance with Article 13.
D.For purposes of calculating the twenty (20) day term to file a request for reconsideration under Article 13:
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
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 XXxx of Regulation 8558.
A.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.

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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.~~Article 13.

G. At any time, either Party may request reconsideration by the Energy Bureau in accordance with Article 13.

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~~H. Party may proceed to file a request for reconsideration before the Energy Bureau in accordance with Article 13 Reconsideration and Judicial Review.~~

H.

I. For purposes of calculating the twenty (20) day term to file a request for reconsideration under ~~Article 13~~Article 13 Reconsideration and Judicial Review:

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

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.

J. 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.

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ARTICLE 11. PENALTIES; INVESTIGATIONS

A. Anyone who infringes this Regulation or who alters all or part 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 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.

B. The EPS Operator is authorized to investigate matters regarding the interconnection of Distributed Energy Resources with the Electric Power System, 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.

C. If the EPS Operator and/or Energy Bureau, as applicable, determines that a Distributed Generation System or Microgrid 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 of such violation and to refer the professional to the pertinent professional association, to the Public Energy Policy Program of the Department of Economic Development and Commerce for the corresponding disciplinary action.

SECTION 11.02. Term and Termination of the Interconnection Agreement

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.

A. 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

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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.

B. 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.

C. 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 12. PUBLIC REPORTING AND RECORD RETENTION

SECTION 12.01. Public Queue

The EPS Operator shall maintain a public interconnection queue pursuant to 0 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
C. Export Capacity
D. Primary fuel type (*e.g.*, solar, wind, bio-gas, etc.)
E. Secondary fuel type (if applicable)
F. Exporting or Non-Exporting
G. City
H. Zip code
I. Substation

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J. Feeder
K. Status (active, withdrawn, interconnected, etc.)
L. Date application deemed complete
M. Date of notification of Fast Track screen results, if applicable
N. Fast Track Screen results, if applicable (pass or fail, and if fail, identify the screens failed)
O. Date of notification of supplemental review results, if applicable
P. Supplemental review results, if applicable (pass or fail, and if fail, identify the screens failed)
Q. Date of notification of feasibility study results, if applicable.
R. Date of notification of system impact study results, if applicable
S. Date of notification of Transmission System impact study results, if applicable
T. Date of notification of Facilities Study results and/or construction estimates, if applicable
U. If upgrades were needed, the estimated and final cost of the upgrades

SECTION 12.02. Quarterly 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~~~~Distributed~~Distributed Energy Resources received, approved, studied, installed, withdrawn, and denied under the Simplified Process, the Fast Track Process, and the Study Process.

B. The fuel type, number, Nameplate Rating, and Export Capacity of ~~Distributed~~~~Distributed~~Distributed Energy Resources approved for interconnection.

C. The fuel type, number, Nameplate Rating, and Export Capacity of all ~~Distributed~~~~Distributed~~Distributed Energy Resources currently interconnected to the EPS.

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

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

F. Compliance with the time frames of this Regulation, including the number and percentage of systems under the Simplified Process for which net metering was reflected on the bill within thirty (30) days of the certification notice, and the number and percentage of

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Interconnection Applications evaluated within ninety (90) days, with the average and maximum days for each.

G. The Simplified Interconnection Fee and Reserve Fund information required by Article 3.B(6), and the export restriction and compensation information required by Section 7.10.F.

H. The number of Meter Socket Adapter models submitted for evaluation, approved, and denied, with the reasons for each denial and the average days to decision; the number of Meter Socket Adapter installations completed, identified by whether performed by the EPS Operator or an Authorized Agent; and the number of registered Authorized Agents.

I. The underlying data in tabular format, *i.e.*, a searchable spreadsheet.

SECTION 12.03. 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 of Distribution system impacts, of Transmission System impacts, or of facilities required by a proposed interconnection.

ARTICLE 13. RECONSIDERATION AND JUDICIAL REVIEW

SECTION 13.01. Reconsideration

A. Any person who is not satisfied with a decision made by the EPS Operator under this Regulation may first follow the ~~procedures~~proceduresprocedures identified in Article 10Article 10, or may file a request for reconsideration before the Energy Bureau within the term of twenty (20) days, calculated in accordance with Article 10.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.

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.

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SECTION 13.02. 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. 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.

ARTICLE 14. SUPERERSESSION

~~This Regulation supersedes PREPA's~~In accordance with Article 10 of Act 114-2007, once this Regulation becomes effective in accordance with Article 15, PREPA shall repeal Regulation 8915, known as *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, known as *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~~) and any and all conflicting ~~provision of any other prior~~ regulation, manual, technical requirement, guideline, operating procedure, administrative policy, or other normative document concerning matters within this Regulation and the Energy Bureau's jurisdiction.

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Existing Interconnection Agreements and Net Metering Program enrollments shall remain valid under their terms and Applicable Law. Applications and notifications pending on the effective date shall be governed by this Regulation as to all remaining stages. Steps validly completed under the previously applicable regulations shall remain valid, subject to Applicable Law. Pending applications and notifications shall continue without refiling or loss of their existing priority in the interconnection process. Deadlines already running on the effective date shall continue under the rules in effect when they began. The entry into force of this Regulation shall not, by itself, require repeated studies or additional fees.

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ARTICLE 15. EFFECTIVE DATE

SECTION 15.01. General Condition Precedent

Subject to Section 15.02, 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 15.02. Special Condition Precedent

Commented [A94]: Effectiveness shall also consider EPS Operator's ability to comply - as provided by the Energy Bureau's enablement provisions, such as budget to implement revisions to Cyber Portal.

Notwithstanding Section 15.01, this Regulation shall not become effective until the Initial Technical Interconnection Requirements have ~~been approved or deemed approved by~~submitted to the Energy Bureau pursuant to Section 8.01 and process therein. Upon such ~~approval or deemed approval~~submitting and process therein, 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 8.01.~~Section 8.01.

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