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

IN RE: Reglamento de Interconexión	Caso Núm. NEPR-MI-2019-0009 ASUNTO: Comentarios al Reglamento de Interconexión Propuesto

MOCIÓN SOMETIENDO COMENTARIOS ADICIONALES DEL INSTITUTO DE COMPETITIVIDAD Y SOSTENIBILIDAD ECONÓMICA DE PUERTO RICO AL SEGUNDO BORRADOR DEL REGLAMENTO PROPUESTO

AL HONORABLE NEGOCIADO DE ENERGÍA:

COMPARECE el Instituto de Competitividad y Sostenibilidad Económica de Puerto Rico ("ICSE"), por conducto de la representación legal que suscribe y muy respetuosamente expone, alega y solicita:

1. El 16 de octubre de 2026, el Negociado de Energía emitió una Resolución y Orden mediante la cual circuló un segundo borrador al Distributed Energy Resources Interconnection Regulation.

2. Mediante dicha Resolución y Orden, el Negociado invitó a las personas y entidades interesadas a presentar comentarios en o antes del 6 de noviembre de 2026.

3. En respuesta a esa invitación y dentro del término concedido, el ICSE somete los comentarios que se acompañan como **Anejo 1**, relativos a la política pública energética y la asignación de los costos de las mejoras a la red necesarias para integrar generación distribuida y con recomendaciones específicas.

POR TODO LO CUAL, se solicita muy respetuosamente al Negociado tome conocimiento de lo antes expresado y acepte los comentarios sometidos.

CERTIFICO: Haber presentado este escrito mediante el portal de radicación del Negociado de Energía de Puerto Rico.

En San Juan, Puerto Rico, a 6 de noviembre de 2026.

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Anejo 1

Comentarios del ICSE

ADDITIONAL COMMENTS OF ICSE ON THE REVISED PROPOSED INTERCONNECTION REGULATION

I. Introduction

Puerto Rico's statutory energy policy aspires to transform the electric system into a model integrating distributed energy resources (DER). These producers use private capital to finance, develop, and operate generation resources promoted by law. Implementing this policy requires an electric grid capable of accommodating those resources. Joint Resolution 5-2026 expressly calls for proactive hosting-capacity planning and budgeting, an obligation that cannot be displaced by project-specific requirements imposed during the interconnection process.

As previously stated by ICSE, the allocation of interconnection costs must distinguish between facilities dedicated exclusively to a particular project, shared improvements that accommodate multiple projects, and investments that address systemic deficiencies or benefit the electric system generally. While project-specific costs may properly be assigned to individual developers, automatically requiring the first interconnecting project to finance improvements benefiting the broader system or subsequent projects creates inequities and discourages private investment. A strict application of the cost-causer-pays principle, without considering proportionality and the benefits received, may undermine the very public policy the regulation is intended to implement.

Accordingly, the Proposed Regulation should establish a framework that facilitates safe and reliable interconnection while ensuring that PREPA and the EPS fulfill their respective responsibilities for developing and maintaining the infrastructure necessary to implement Puerto Rico's energy policy. Interconnection requirements should not become a means of transferring the costs of systemic deficiencies to those investing in the implementation of that policy. ICSE presents below its comments on specific provisions of the Revised Proposed Regulation, followed by relevant experiences from other jurisdictions and recommendations for Puerto Rico.

II. Comments to Specific Sections of the Revised Proposed Regulation

1. **Section 1.05.** The added paragraph should be amended to specify that the EPS must fulfill its obligations in strict compliance with the legislatively established public policy. The EPS's obligations are based on that public policy and, therefore, cannot deviate from it.

2. **Section 1.09(35).** Having adequate hosting capacity to implement the new public policy is an obligation of the EPS, just as maintaining a T&D system capable of supporting the previous public policy was an obligation of the solely responsible entity at the time, PREPA. When referring to the "EPS," we necessarily include PREPA, given that it owns the grid and ***still*** has a legal mandate concerning its operation and development.

The real question, then, is who should bear the responsibility for providing additional hosting capacity when the existing capacity is insufficient. That responsibility clearly belongs to PREPA and the EPS.

3. **Section 1.09(83).** If there is insufficient hosting capacity, or if the interconnection of distributed energy resources requires improvements because of the grid's deterioration, lack of maintenance, insufficient investment, or other deficiencies attributable to the system itself, neither the costs of the impact study nor the necessary improvements should be charged to DER developers. These are systemic deficiencies that existed before the proposed DER project.

4. **Section 5.07.** See comments to Sections 1.09(35) and 1.09(83).

5. **Section 7.01.** PREB must remain vigilant to ensure that the EPS does not turn customer responsibilities into hurdles that limit or impede the development and implementation of public policy.

6. **Section 7.09(B).** This section is key to making the implementation of public policy possible. Unless this section fully accommodates the participation of the private sector in supporting and implementing that policy, its objectives will not be achieved. As previously stated by ICSE, ensuring the existence of a grid to which new producers and prosumers can interconnect is the responsibility of PREPA and its T&D system. This means that the grid must be ready to accommodate those who, by generating electricity and interconnecting, are

implementing public policy. They are acting because the new public policy calls for them to do so.

Imposing the cost of bringing the grid into alignment with public policy on those investing to implement that policy turns a system responsibility into an individual burden on those investing in its transformation. It also discourages investment and, therefore, deters compliance with the public mandate.

III. Experiences in Other Jurisdictions and Recommendations for Puerto Rico

ICSE evaluated regulatory policies in those states with the greatest penetration of rooftop solar in the past decade according to the U.S. Energy Information Administration: California, Arizona, Texas, Florida, New York, Massachusetts.[1] Maine, Minnesota, and Connecticut are included given the fact that these jurisdictions' innovations were cited in recent public filings before the Massachusetts Department of Public Utilities. Herein is a list of innovations that were observed:

1. Offering fast-track, simplified processes for residential and/or small commercial generators (CA, FL, NY, MA, ME, MN).[2]
2. Establishing deadlines for permitting actions (FL).[3]
3. Automated instant permitting (CT).[4]

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[1] U.S. Energy Information Administration, U.S. Small-Scale Solar Generation Has Quadrupled in the Last Decade, October 16, 2026. https://www.eia.gov/todayinenergy/detail.php?id=68324.

[2] California Public Utilities Commission, Electric Rule 21: Generating Facility Interconnections. https://www.cpuc.ca.gov/rule21; Florida Public Service Commission, Fla. Admin. Code r. 25-6.065, Interconnection and Net Metering of Customer-Owned Renewable Generation; Massachusetts Department of Public Utilities, D.P.U. 25-48, Interconnection Tariff Revisions (2025). https://www.mass.gov/info-details/utility-interconnection-in-massachusetts; Maine Public Utilities Commission, 65-407 C.M.R. ch. 324, Small Generator Interconnection Procedures. https://www.maine.gov/mpuc/legislative/laws-rules; Minnesota Public Utilities Commission, Minnesota Distributed Energy Resources Interconnection Process and Agreement (MN DIP/MN DIA), Docket No. E-999/CI-16-521. https://mn.gov/puc/activities/economic-analysis/distributed-energy/interconnections/.

[3] Florida Legislature, Chapter 2025-140, Laws of Florida (HB 683), amending Fla. Stat. § 553.791(7)(a), Alternative Plans Review and Inspection. https://www.flsenate.gov/Laws/Statutes/2025/553.791.

[4] Connecticut General Assembly, Public Act No. 26-127 (HB 5340), § 15, An Act Concerning Renewable Power Generation (2026). https://www.cga.ct.gov/2026/ACT/PA/PDF/2026PA-00127-R00HB-05340-PA.PDF; Connecticut Public Utilities Regulatory Authority, Docket No. 25-01-

4. To avoid potential large cost of needed grid upgrades, DERs dynamically adjust their power output based on real-time congestion (CT).[5]
5. Allowing third parties to approve solar permits (TX).[6]
6. Requiring utilities to publish the component costs of grid upgrades (CA, NY).[7]
7. Distinguishing between customer systems configured to export power to the grid and those configured not to export, so as to exempt the latter from grid upgrade costs (CA).[8]
8. Limiting customers' export potential by limiting system size to some percentage of annual usage (AZ).[9]
9. Allowing DC to AC ratio oversizing to escape the requirements of larger systems (FL).[10]
10. Recovering grid upgrade/modernization costs through monthly surcharges applied to all customers (FL).[11]

27, Investigation into Interconnection Process Modifications, Interim Decision, March 2025. https://portal.ct.gov/PURA/Docket/Docket-and-Document-Information; Connecticut Public Utilities Regulatory Authority, Distributed Generation Interconnection Working Group Meeting Summary, March 10, 2026. https://portal.ct.gov/PURA/Electric/Interconnection-Policy-Working-Group.

[5] See Public Utilities Regulatory Authority, Docket No. 25-01-27, Interim Decision, March 26, 2025.

[6] Texas Legislature, HB 14, 88th Legislature, Regular Session (2023), codified at Tex. Loc. Gov't Code ch. 247, Third-Party Review of Development Documents and Inspection of Improvements. https://www.legis.state.tx.us/tlodocs/88R/billtext/html/HB00014F.HTM.

[7] California Public Utilities Commission, *Electric Rule 21: Generating Facility Interconnections*. https://www.cpuc.ca.gov/rule21; New York State Public Service Commission, *Order on Interconnection Costs and Study Timelines*, Cases 24-E-0621 and 24-E-0415, issued August 17, 2026. https://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterSeq=74820.

[8] California Public Utilities Commission, Electric Rule 21: Generating Facility Interconnections, provisions applicable to non-exporting facilities. https://www.cpuc.ca.gov/rule21.

[9] Arizona Public Service Company, Rate Rider EPR-6: Partial Requirements Service for On-Site Renewable Distributed Generation Net Metering, Revision No. 5, effective March 8, 2024. https://www.aps.com/en/Residential/Service-Plans/Compare-Service-Plans/Renewable-Energy-Riders.

[10] Florida Public Service Commission, Fla. Admin. Code r. 25-6.065, Interconnection and Net Metering of Customer-Owned Renewable Generation, Tier 1 eligibility requirements.

[11] Fla. Stat. § 366.96, Storm Protection Plan Cost Recovery. https://www.flsenate.gov/Laws/Statutes/2024/366.96; Florida Public Service Commission, Fla. Admin. Code r. 25-6.031, Storm Protection Plan Cost Recovery Clause. https://www.law.cornell.edu/regulations/florida/Fla-Admin-Code-Ann-R-25-6-031.

11. Recovering grid upgrade costs through a one-time charge applicable to all solar customers with receipts pooled in a revolving fund (MA, ME, MN).[12]

These experiences demonstrate that several jurisdictions are developing alternatives to traditional cost-causer ratemaking practices to address the difficulties associated with interconnecting distributed generation to legacy distribution systems.

These alternatives include cost-sharing arrangements, pooled funds, simplified interconnection procedures, hosting-capacity analysis, flexible export limitations, improved cost transparency, and mechanisms for stakeholder participation and dispute resolution.

Based on these experiences, ICSE presents two recommendations for Puerto Rico.

First, the Puerto Rico Energy Bureau should take advantage of the regulatory innovations developed in other jurisdictions in this rulemaking proceeding.

Second, the Energy Bureau should create and lead an interconnection working group to develop consensus-based approaches to new interconnection policies and procedures.

[12] Massachusetts Department of Public Utilities, D.P.U. 26-57, Common System Modification Fee, Notice of Filing and Request for Comments, April 2026. https://www.mass.gov/info-details/utility-interconnection-in-massachusetts; Maine Public Utilities Commission, 65-407 C.M.R. ch. 324, § 3(B), Cost Responsibility—Distribution Upgrades. https://www.law.cornell.edu/regulations/maine/65-407-C-M-R-ch-324-SS-3. Northern States Power Company, Minnesota Electric Rate Book—MPUC No. 2, § 10, Original Sheet No. 81.4, Cost Sharing Provisions, Terms, and Conditions, effective January 3, 2023, Docket No. E002/M-18-714. https://www.xcelenergy.com/staticfiles/xe/Regulatory/Regulatory%20PDFs/rates/MN/Me_Section_10.pdf.