

## PREPA Promulgates Final Interconnection Regulations

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### An McV Energy Alert

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On February 6, 2017, the Puerto Rico Electric Power Authority (“PREPA”) filed its Regulation to Interconnect Generators to the Distribution System of the Puerto Rico Electric Power Authority and to Participate in the Net Metering Programs, Regulation No. 8915 (“Distribution System Interconnection Regulation”), before the Puerto Rico Department of State. The Distribution System Interconnection Regulation will become effective on March 8, 2017, thirty (30) days after its filing before the Department of State.

The Distribution System Interconnection Regulation establishes a regulatory framework which, among other things:

- Establishes an expedited plug-and-play interconnection process for systems with a generation capacity of 10kW or less installed in residences and businesses, the application for which PREPA must approve or deny within ten (10) business days. It will no longer be necessary for PREPA to endorse the drawings for such systems.
- Allows applicants to notify PREPA with at least ten (10) working days in advance of the acceptance testing of installed systems; if PREPA personnel is absent for such testing, PREPA cannot demand additional acceptance testing inspections.
- Permits clients to interconnect installed and tested systems with a generation capacity of 10kW or less once electrical certifications have been duly prepared and electronically submitted to PREPA. Inspections by PREPA will not be required for such systems.
- For applications for systems with a generation capacity greater than 10kW and up to 1MW, requires PREPA to issue an evaluation letter within ten (10) business days and endorse drawings within five (5) business days of the filing of certified drawings prepared in accordance with the requirements of the evaluation letter. Systems with a capacity of 500kW or more must include a coordination study with relay protection adjustments and must be inspected by PREPA.
- Provides for the preparation of a supplemental study within 180 days of issuance of the evaluation letter for systems that are based on inverter technology but do not meet the criteria for the expedited interconnection

## PREPA Promulgates Final Interconnection Regulations

process.

- Permits the electronic filing or submittal of documents, including electrical drawings, acceptance testing certifications, and digitally signed interconnection and net metering agreements, which will constitute a single document.
- Creates an Aggregate Net Metering Program exclusively for government entities and not-for-profit university institutions and a Shared Metering Program exclusively for residential and commercial clients subject to the horizontal property regime.
- Exempts clients authorized to interconnect an inverter-based system with a capacity of less than 300kW from obtaining a general liability policy.
- Requires clients with interconnection and net metering agreements currently in force to renew them upon expiration based on the new, consolidated interconnection and net metering agreements, attached as an annex of the Distribution System Interconnection Regulation but must first test the systems pursuant to the said Regulation.

On the same date, the Puerto Rico Electric Power Authority also filed its Regulation to Interconnect Generators with the Electric Transmission or Subtransmission System of the Puerto Rico Electric Power Authority and to Participate in the Net Metering Programs (“Transmission System Interconnection Regulation”), Regulation No. 8916, which applies to distributed generation systems with a capacity of 5 MW or less to be interconnected with PREPA’s transmission or subtransmission system. The Transmission System Interconnection Regulation will become effective on March 8, 2017, thirty (30) days after its filing before the Department of State.

Among others:

- Applications under the Transmission System Interconnection Regulation require additional technical information due to the complexity of the systems.
- For systems with a capacity of 500kW or more, a coordination study with protection adjustments are required.
- For systems with a capacity greater than 1MW, clients or authorized representatives must perform acceptance testing according to the attached General Guidelines on Acceptance Testing for the Interconnection of DGs with PREPA’s Electrical Transmission or Subtransmission System.

## PREPA Promulgates Final Interconnection Regulations

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- PREPA must notify electronically any deficiencies in the system within five (5) business days after conducting its inspection.

For systems with a capacity greater than 1MW, a report containing proposed strategies to comply with technical requirements is required.

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