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ENERGY ALERT

Interconnection Procedures and Net Metering Standards

On December 18, 2014, the Puerto Rico Energy Commission (the "Energy Commission") issued Order No. CEPR-MI-2014-0001 (the "Order") to establish the requirements to be adopted by the Puerto Rico Electric Power Authority ("PREPA") in any rule or regulation pertaining to the net metering program and the interconnection procedures for distributed generation systems.

Pursuant to the Order, PREPA is required to implement and have available web-based processes for the filing and evaluation of net metering and/or interconnection applications for distributed generation systems. Moreover, under Section A.(3) of the Order, the applications for interconnection of distributed generation systems must be evaluated by PREPA in accordance with (1) the Small Generator Interconnection Procedures ("SGIP") and Small Generator Interconnection Agreements ("SGIA") pursuant to the Federal Energy Regulatory Commission's ("FERC") Order No. 2006, and (2) the Interstate Renewable Energy Council's ("IREC") Model Net Metering Rules and Model Interconnection Procedures.

The Energy Commission also required PREPA to include Virtual or Aggregate Net Metering in its net metering program and establish a Shared Renewable Energy Program which would provide opportunities for individuals and businesses unable to host an onsite distributed generation system. Also, PREPA is required to establish an Expedited Plug and Play Program whereby customers with certified photovoltaic system of up to 10 kW installed on residential and commercial establishments can obtain PREPA's endorsement to install the system within fifteen (15) days.

With regards to Interconnection Agreements with PREPA, the Energy Commission's Order provides that said agreements will not expire, unless the customers desire to terminate it subject to a 20-day prior written notice to PREPA. The customer shall be responsible for the maintenance and repair of its distributed generation system.

Further, the Order requires PREPA to review and evaluate the need to keep the existing restriction on the maximum aggregated capacity of distributed generation systems that can be interconnected with PREPA's system. Pursuant to the Order, PREPA is required to obtain authorization from the Energy Commission to keep the existing limits or to establish new limits. PREPA's request for authorization to keep current limits or set new ones must be accompanied by technical studies and documents in support thereof.

If you have any questions or comments or wish additional information regarding this matter please contact any of the attorneys listed below, members of our Environmental, Energy & Land Use Practice Group:

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