According to a recent study by the National Renewable Energy Laboratory, increased renewable energy generation has the potential to save consumers tens of billions of dollars a year over the current mix of electric power options. It should then come as no surprise that world governmental entities and major private corporations are instituting ambitious plans to transition to electricity generated from sources like wind and solar power.

Puerto Rico has taken a stance in support of the renewable energy initiative; Act 114-2007 shows just how much the island is on the cutting edge of this historical development. In order to attract investment in renewable energy sources, Act 114-2007 establishes a program that requires the Puerto Rico Electric Power Authority (PREPA) to interconnect and to establish net metering for those customers who install renewable energy systems, including solar and wind power energy components. Net metering is a billing mechanism that credits energy system owners for the electricity they add to the grid. This way the electric energy generated by a consumer and returned to the grid may be credited to offset energy costs.

Further, on December 18, 2014, the Energy Commission of Puerto Rico issued Order Number CEPR-MI-2014-0001 to establish the standards and technical requirements upon which the regulations adopted by PREPA regarding the net metering program and the procedures for interconnection of distributed generators to the electrical grid shall comply, as forecasted by Act 114-2007.

The Order also requires the Puerto Rico State Office of Energy Policy (SOEP) to investigate the equipment used for interconnecting solar photovoltaic systems (PV) and of other systems of distributed generation that are generally accepted as adequate by the best practices in the electric power industry.

The following are some of the most important requirements in the Order that will come into effect on February 2, 2015:

- PREPA must establish a uniform technical and administrative process in all the offices around the Island;
- PREPA must create an online process for evaluation letter request and for net metering application;
- PREPA must evaluate the interconnection applications according to the Small Generator Interconnections Agreement (SGIA) of the Federal Energy Regulatory Commission;
- PREPA must establish a registry of all the GDs connected to the network;
- PREPA must create an expedited process for systems of up to 10KW;
- Among other policies for under 300KW and under 25KW systems.

For assistance in a sector of relentless change, demand and complexity, you can rely on the legal team at Estrella LLC for any matter involving energy. At Estrella LLC, we understand the technical and commercial factors that shape the energy industry and our clients receive strategic coverage for their needs, including corporate, regulatory, contractual and litigation/arbitration matters.