

NEWS ALERTS

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## Puerto Rico Energy Commission enacts the Regulation on Microgrid Development

A key component to a new electric system.

On May 16, 2018 the Puerto Rico Energy Commission ("Commission") issued a Resolution adopting the Regulation on Microgrid Development ("Regulation") pursuant to Act 57-2014, as amended, the "Puerto Rico Energy Transformation and RELIEF Act"; Act 82-2010, as amended, the "Public Policy on Energy Diversification by Means of Sustainable and Alternative Renewable Energy in Puerto Rico Act"; Act 83-2010, the "Green Energy Incentives Act"; and Act 38-2017, the "Uniform Administrative Procedure Act of the Government of Puerto Rico".

In an effort to assist in the rebuilding and strengthening of the electric power system in Puerto Rico, in the aftermath of Hurricanes Irma and Maria, the Commission enacted the Regulation to foster the creation of microgrids. The Regulation provides the regulatory and legal framework for the development and creation of microgrid systems in Puerto Rico as a means of delivering reliable energy services. The Regulation also promotes and enables customer choice and control over their electric service, increases energy system resiliency and efficiency, fosters environmentally sustainable initiatives and spurs economic growth by creating a market for microgrid services.ruled to be shut down and replaced by the SURI portal on the day listed below.

Furthermore, the Regulation enables the implementation of the microgrid systems through different business and operational models and classifies them in three main categories: (i) Personal Microgrids; (ii) Cooperative Microgrids and (iii) Third-Party Microgrids, which must



comply with requirements specific to each classification. Moreover, the Regulation provides mechanisms for demonstrating microgrid system compliance, provisions for rates, deposits, rate review and a two tiered registration process. The Regulation could benefit thousands of businesses and families that already have renewable systems, as well as anyone who wants to transition to clean energy generation systems.

You may contact the attorneys at **Vidal**, **Nieves & Bauzá**, **LLC** should you have any questions regarding the Regulation, or need support with respect to any requirement to take advantage of its benefits.

**Vidal, Nieves & Bauzá, LLC** is a corporate law firm with a special emphasis in energy and environmental matters, corporate, transactional, real estate and insurance practices.

Pedro I. Vidal-Cordero pvidal@vnblegal.com • 787.413.8883 Pedro J. Nieves-Miranda pnieves@vnblegal.com • 787.413.8881

P.O. Box 366219 San Juan, Puerto Rico 00936-6219

B7 Tabonuco Street, Suite 1108, Guaynabo, Puerto Rico 00968

Cristina E. Moscoso-D'Abate cmoscoso@vnblegal.com • 787.625.0882 j

Joserrolando Emmanuelli jemmanuelli@vnblegal.com • 787.413.8880 Arline V. Bauzá-Figueroa abauza@vnblegal.com • 787.413.8884

Caroline López-Beauchamp clopez@vnblegal.com • 787.413.8885

T. +1 787.413.8880 F. +1 787.625.0889

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