Puerto Rico Legislature Approves 100 Percent Renewable Energy Target

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The law now heads to the governor for signature.

Puerto Rico today joined a small, but growing, cohort of jurisdictions pursuing 100 percent renewables when its House of Representatives approved legislation (PS 1121) that revamps the island's energy system. Hawaii and Washington, D.C. are the only other U.S. localities that have the same ambitious target, although Illinois is currently considering legislation. California and New Mexico now have 100 percent carbon-free targets. In addition to increasing the island's renewable energy portfolio standard to 100 percent by 2050, with incremental milestones set for 2025 and 2040, the law bans coal power after 2028. In 2017, coal powered 17% of the island's electricity, while renewables accounted for just 2 percent. The bill also aims to clear hurdles that have tripped up the clean energy industry in the past.

PS 1121 protects net metering for five years, mandates automatic interconnection and net metering for systems under 25 kilowatts, and requires larger systems between 25 kilowatts and 5 megawatts to be approved within 90-days. The renewables industry hopes the mandates will alleviate frustrations around what P.J. Wilson, president of the island's Solar Energy and Storage Association, calls the "excruciating process" that's tied to permitting and interconnecting systems of all sizes. The law also requires that the island's utility, the Puerto Rico Electric Power Authority (PREPA), must purchase renewable energy credits from solar installations to meet the RPS and nixes any taxes on solar production, solar panels or storage systems.

Investor trepidation, meet certainty

The new law won plaudits from Puerto Rico's clean energy industry. Since Hurricane Maria, support for 100 percent renewables in Puerto Rico has swelled, with many clean energy companies, like Sunrun, jumping into what they viewed as a growth market. But policy delays and uncertainties have so far rendered the true magnitude of the opportunity murky. The new law adds clarity. Though investors have expressed interest in working in Puerto Rico, that's come with "trepidation about the uncertainty of the future of the energy paradigm on the island." Only time will tell whether or not [the law is] effective when we measure whether or not more investment dollars are flowing.

At the same time, clean energy advocates said the new RPS and the law's accompanying renewables policies are only as good as their enforcement. Puerto Rico already had a 20 percent by 2035 RPS that it is still far from meeting. Having good policies on the books is just half the equation. The new law aims to allay those concerns by strengthening the island's energy regulator, its energy bureau created in 2014, with a bigger budget and a clearly-defined role. Though PREPA has tussled with the energy bureau — most recently over its latest integrated resource plan — the fact that PREPA did not stand in the way of the bill indicates the 100 percent target has the momentum and support it needs to succeed. Puerto Rico's challenges with renewables [have] more to do with will than anything. The law's passage shows that the will now clearly exists, especially after having lived what we lived, and knowing the future isn't going to get any easier in terms of the strength of storms and extreme weather. Advocates who have cheered the bill's passage hope the proposal in Puerto Rico, and the other 100 percent mandates circulating on the mainland, will act as a catalyst to similar actions elsewhere. Next, the law heads to Governor Ricardo Rosselló. He is expected to sign it, though his office did not respond to request for comment. *Source: greentechmedia*