

Congress of the United States
Washington, DC 20515

May 17, 2024

Financial Oversight and Management Board for Puerto Rico
P.O. Box 192018
San Juan, PR 00919-2018

Dear Members of the Board,

We are writing to express our concern regarding the recent action by the Fiscal Oversight and Management Board (FOMB) to direct the Governor and Legislature of Puerto Rico to repeal or amend the recently enacted Puerto Rico Law 10-2024. The FOMB is focused on the law's temporary preemption of a study of Puerto Rico's net metering program, raising the possibility that the study's results could be used to weaken or functionally eliminate net metering in Puerto Rico. Any attempt to reduce the economic viability of rooftop solar and batteries by paring back net metering should be rejected at this critical stage of Puerto Rico's energy system transformation. Net metering has proven essential for families in Puerto Rico and essential for Puerto Rico's progress towards its own renewable goals.

Net metering has served the people of Puerto Rico well since the program was established under Puerto Rico Law 114-2007. It not only compensates homeowners for their contribution to the grid and their reduced dependence on imported fuels, but it also makes renewable energy production economically viable for millions for whom it would otherwise be out of reach.

Net metering is an engine for economic recovery. Currently, the renewables sector contributes approximately \$1.5 billion to Puerto Rico's economy each year and employs more than 10,000 people.¹ In addition to the direct economic benefits, the tens of thousands of solar and storage installations on the island today provide critical backup power for Puerto Rican families and businesses, helping them avoid economic hardship while supporting uninterrupted economic activity during power outages. Many of these systems provide a literal lifeline to people who depend on the uninterrupted operation of medical equipment.

Weakening or ending net metering in Puerto Rico could be devastating. Rooftop solar has added over 800 MW to an electric system whose demand is about 2,500-3,000 MW.² As a result, residential solar technology is responsible for most of the progress the archipelago has made toward its ultimate goal of generating 100% renewable energy by 2050. Puerto Rico's net

¹ According to the Puerto Rico Energy Bureau's (PREB) Net Metering Quarterly Compliance Docket, (https://energia.pr.gov/numero_orden/nepr-mi-2019-0016/), 316 MW (316,000 kW) of distributed solar came online in 2023. Most of this new solar growth was residential, and 95% of residential systems are reported to include batteries (<https://pr100.gov/report>). Surveys conducted by solar providers indicate that an average residential system is about \$30,000 and includes 6kW of solar (\$5,000 per kW).

² According to PREB's Net Metering Quarterly Compliance Docket, there were 814 MWs of distributed solar registered and receiving net metering as of March 2024. https://energia.pr.gov/numero_orden/nepr-mi-2019-0016/

metering and rooftop solar programs have successfully displaced energy that would otherwise be generated by imported fossil fuel, lowering overall costs for all ratepayers.

Puerto Rico is currently facing a deficit of energy production, forcing investment in new elements of liquified natural gas infrastructure that are likely to become stranded assets as the cost of renewables continues to decline. The archipelago needs more renewable production, not less. Undermining net metering would dramatically slow one of the most active solar and battery markets in the country at the time it is needed most.

Making rooftop solar and battery storage systems less affordable could hurt the lowest-income people most. Should net metering be eliminated or weakened, the result would be a growing divide between those stuck with exorbitant energy prices from imported fossil fuels and those who can afford their own dependable solar and battery system. Slowing the adoption of rooftop solar and batteries would mean missed opportunities to leverage the private market to protect those most vulnerable to another hurricane's impacts.

We urge you to protect net metering in Puerto Rico. We believe that a continued commitment to preserving net metering and a renewed focus on solar energy will benefit the island's economy and people. It is imperative that the FOMB aligns its actions with these goals to ensure a sustainable and prosperous future for Puerto Rico.

Thank you in advance for your attention to this matter. We look forward to your prompt response.

Sincerely,



Raúl M. Grijalva
Member of Congress



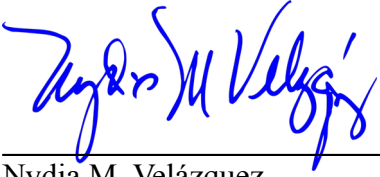
Bernard Sanders
United States Senator



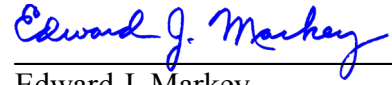
Jenniffer González-Colón
Member of Congress



Martin Heinrich
United States Senator



Nydia M. Velázquez
Member of Congress



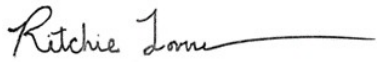
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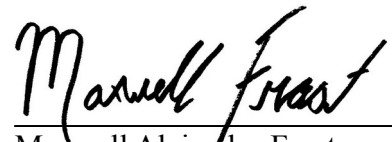
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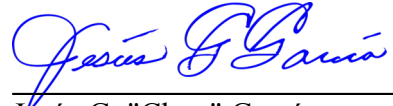
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