

CLIENT ALERT



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Puerto Rico Administration of Energy Affairs issues Draft Reference Guide for Green Energy Fund

As indicated in the Draft Puerto Rico Green Energy Fund Regulation, the Puerto Rico Administration of Energy Affairs issued the Draft Reference Guide for Tier 1 and Tier 2 green energy projects. Tier 1 applies to green energy projects of 100 kW or less. Funds under Tier 1 may be used by residential, commercial and industrial customers. Tier 2 applies to commercial and industrial projects greater than 100kW and up to 1 MW. The Draft Guidance includes schedules for allocation of funds. Tier 1 funds are allocated semi-annually. Tier 2 funds are allocated on a quarterly basis. Unlike Tier 1, Tier 2 funds are competitive.

The Draft Reference Guide provides that green energy technologies eligible for the incentives are

solar (photovoltaic) and wind. The application process and requirements are further discussed in the Draft Reference Guide. Application fees range from \$250 to \$1,000 for Tier 1 proposals and from \$2,000 to \$4,000 for Tier 2 proposals. Once a proposal has been preliminarily approved, the petitioner must execute a reservation agreement and pay a reservation guarantee fee of 1% of total project cost, excepting for projects of 25kW or less, where the amount is \$1,000.

We expect that these incentives will encourage the sprawl of green energy projects in Puerto Rico in accordance with the public policy adopted in Law No. 82 and Law No. 83 of July 19, 2010.

We at Goldman remain committed in assisting you and your business to adjust to changes in the law. For further information you may contact *Alicia Lamboy* at 787.759.4144 (alamboy@gaclaw.com); or *Gretchen Mendez* at 787.759.4207 (gmendez@gaclaw.com) .



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