



PUERTO RICO INFRASTRUCTURE
FINANCING AUTHORITY
Commonwealth of Puerto Rico

GOVERNMENT OF PUERTO RICO

PUERTO RICO INFRASTRUCTURE FINANCING AUTHORITY

AMERICAN RECOVERY AND REINVESTMENT ACT

STATE ENERGY PROGRAM
REBATES REGULATION



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Chapter One

INTRODUCTION AND BACKGROUND

I. Title and Introduction

This regulation shall be known as the "**State Energy Program Rebates Regulation.**"



The Puerto Rico Infrastructure Financing Authority (AFI, for its Spanish acronym) was created with the purpose of assisting other infrastructure government entities to finance and develop their capital improvement programs and other infrastructure projects. Since its creation in 1988, AFI has developed knowledge and expertise in managing projects throughout Puerto Rico. AFI has also developed sufficient expertise in financing these projects.

On March 9, 2009, Act No. 8 (Act No. 8) was enacted to amend AFI's organic act and designated AFI as the government entity in charge of implementing in Puerto Rico the American Recovery and Reinvestment Act of 2009 (ARRA). ARRA was signed into law by President Barack Obama to preserve and create jobs and promote economic recovery; to assist those most impacted by

the recession; to provide investments needed to increase economic efficiency by spurring technological advances in science and health; to invest in transportation, environmental protection, and other infrastructure that will provide long-term economic benefits; and, to stabilize State and local government budgets in order to minimize and avoid reductions in essential services and counterproductive state and local tax increases.

As part of the obligations of AFI under Act No. 8 in implementing ARRA in Puerto Rico, AFI has the duty to ensure the maximization of the funds to be received by Puerto Rico and to take all necessary steps to comply with ARRA and any terms and conditions imposed by particular grants allocated to Puerto Rico, including attaining full transparency in the use of the funds.

One of the programs under which Puerto Rico has received ARRA funds is the State Energy Program (ARRA-SEP) administered by the United States Department of Energy (DOE). The goals established for the ARRA-SEP are:

1. Increase energy efficiency to reduce energy costs and consumption for consumers, businesses and government.
2. Increase energy generation from renewable sources.
3. Reduce reliance on imported energy.
4. Improve the reliability of electricity and fuel supply and the delivery of energy services.
5. Reduce the impacts on the environment of energy production and use, including, reducing greenhouse gas emission.
6. Stimulate the creation and retention of jobs.



Under this program, the Puerto Rico Energy Affairs Administration (EAA) has created the various subprograms to distribute one-time grants in the form of rebates to individuals and businesses (for profit and non-for-profit) to incentivize the purchase and installation of solar energy systems, solar water heaters and wind energy systems, and for the retrofiting of buildings to make them more energy efficient. As subgrantee of the EAA, AFI has received to date, among other amounts under ARRA-SEP,

approximately \$11,600,000 for the rebate subprograms included in this Regulation.

This Regulation is one of the steps in the implementation process to facilitate the achievement of the goals mentioned above.

II. Legal Basis

These guidelines are issued in accordance with and pursuant to the powers conferred to AFI under Section 7 of Act No. 44 of June 21, 1988, as amended; Act No. 8 of March 9, 2009; and Act No. 170 of August 12, 1983, as amended.

III. Purpose



The purpose of this regulation is to create parameters, mechanisms and standard criteria for implementing the Sun Energy Subprogram, the Building Energy Efficiency Retrofit Subprogram, the Solar Water Heater Rebate Subprogram, the Agriculture Renewable Energy Subprogram, and the Wind Energy Subprogram under ARRA-SEP in Puerto Rico. This document states the criteria to become an eligible participant, selecting applicants and defining the

process to request rebates under the named subprograms.

This Regulation repeals Reg. No.7792 which shall be hereby superseded in its entirety by this Regulation.

IV. Applicability

This Regulation shall be applicable to AFI and the general public, including individuals and legal entities, in the process of submitting, evaluating and selecting applications to receive assistance under any of the ARRA-SEP subprograms included herein.



The application of those entities of the Government of Puerto Rico that have been submitted under Reg. No.7792, will continue to be evaluated pursuant to the provisions of such Regulation. Other government entities, including municipalities, that wish to participate of the SEP rebates programs on a competitive basis under Reg. No.7792, may submit their applications until May 31, 2010. After such date, this Regulation shall be applicable only to private Applicants.

Private Applicants that have submitted their applications under Reg. No.7792, will continue to be evaluated under the provisions thereof except with respect to the more flexible processes included in this Regulation, which AFI will apply to permit SEP funds to be used in a more expedient and effective way in accordance with the goals of ARRA and the SEP program.

V. Definitions

The following terms used in this Regulation shall have the meaning ascribed to them as follows, unless otherwise defined in any particular Chapter hereto:



5.1 **Applicant** is the person or entity requesting a rebate under this Regulation. The Applicant may be the owner of the Facility where the Project will be developed or a third party tenant. Certified installers can be Applicants for their own Projects. An Applicant is responsible for the development and submission of all application materials and will be the main contact for AFI.

5.2 **Application Documents** shall mean all forms and documents to be completed and submitted by Applicants to request a rebate under any of the ARRA-SEP sub-programs included in this Regulation.

5.3 **Commercially available** shall mean that the product can be acquired through typical procurement processes.

5.4 **Facility** shall mean an installation used by the Applicant for one and the same purpose, in one particular location, having one or more electrical power utility meter(s) in such same location, paid by the Applicant, and upon which location the equipment or systems will be installed, or the retrofit measures will be made, to receive a rebate pursuant to this Regulation.

5.5 **Homeowner** shall mean the owner of a single stand-alone residence in Puerto Rico.

5.6 **Load side** shall mean the cables in an electric power utility meter that are



connected after the metering device towards the Facility or load.

5.7 **Major Components** shall mean photovoltaic panels, wind turbines, wind turbine towers and inverters, as the context of the various Project technologies covered under this Regulation may require.

5.8 **PREPA** shall mean the Puerto Rico Electric Power Authority.

5.9 **Project** shall mean the a Wind Energy Systems, Solar Energy Systems, the retrofitting measures and other eligible equipment installed and related activities, to be performed in an eligible Facility.

5.10 **Proven Technology** shall mean a technology or system that is documented to have been commercially available for at least one (1) year with enough technical documentation supporting its accuracy, reliability and energy savings and is duly certified by the EAA, if applicable.

5.11 **Request for Information** shall mean the communication sent to an Applicant from any member of the AFI Evaluation Committee or any designated representative of such committee, requesting additional information or clarification of any aspect of the Application Documents.

5.12 **Tenant** shall mean a person (natural or legal) that uses or occupies a Facility and pays rent for such use or occupancy in a Facility that is owned by another person.

VI. **Other Generally Applicable Provisions**

6.1 **Applications**



Only one (1) application shall be submitted per Facility. Duplicity of applications for a single Facility may result in the disqualification of all applications. In AFI's discretion, and provided there are sufficient rebates available, AFI may accept applications under different subprograms for the same Facility. AFI may also accept multiple applications for a single Facility

when the Facility is owned by a government entity.

6.2 **Application Documents**

Application Documents for the sub-programs included in this Regulation can be picked up at:

AFI
Capital Center, North Tower
16th Floor
235 Arterial Hostos Avenue
San Juan, Puerto Rico 00918-1454

They may also be downloaded at:

<http://www.afi.gobierno.pr> or at

<http://www.aae.gobierno.pr>



AFI will issue standard forms and agreements to be executed by Applicants as part of the Application Documents in compliance with the requirements of this Regulation. These forms may be modified from time to time as necessary to best reach the goals of the ARRA-SEP and this Regulation.

Before submitting their applications, Applicants may request guidance from AFI in

order to facilitate and ensure that Application Documents are complete when submitted.

6.3 **Evaluation Committee**

a. AFI will evaluate all applications received as of the closing of each period in the dates stated below. The official date of receipt will be the date of hand delivery to AFI or the postmarked date via certified mail. Such evaluations will be performed by a group of employees and external independent technical consultants designated by AFI. The evaluation performed will determine the eligibility in accordance with the subprogram for which the application is submitted and will verify the compliance with the requirements specified for such subprogram in this Regulation.

b. AFI employees and external independent technical consultants that are members of the evaluating committee reviewing and approving applications may not participate

in any of the subprograms. Any other employees may participate provided the conditions set forth in Section 1823(e)(3) of the Ethics in Government Act are complied with.

6.4 **Selection Process**

- a. Applications will be evaluated in consecutive monthly periods closing on the last United States Postal Service business day of the month until the date when all funds shall have been reserved or disbursed. AFI may determine in its sole discretion to reallocate funds from one subprogram under this Regulation to another if it concludes that there is greater need, demand or utility in assigning more funds to one subprogram over another. Determinations concerning rebate awards will be made after each application period closes and all applications for such period are received and evaluated. Awards will be



made based on each sub-program's criteria as stated in this Regulation.

b. AFI may in its sole discretion request Applicant to present evidence of available financing or funds to complete the Project that will be partially funded with the rebates under this Regulation.

c. An Applicant can submit different applications in each application period for different Facilities. Each application shall consist of only one Facility. If an individual, organization or company submits more than one application in the same application period, the first application submitted will be evaluated and the others will be placed on a waiting list. If multiple applications were submitted at the same time, Applicant will have to identify the priority preferences. Otherwise, AFI will consider first the application of the biggest, most comprehensive Project.

After all applications from all Applicants not on the waiting list are evaluated and rebates allocated, if there are sufficient remaining funds in the applicable subprogram, AFI may determine to consider the applications placed on the waiting list in the order they were received or may wait until the next period in which case all applications in the waiting period will return to the general list of applicants. If an individual, organization or company has more than one application remaining on the waiting list, the first application submitted will be evaluated and the others will be placed on a second waiting list and in accordance with the priority preference submitted by the Applicant or the biggest, most comprehensive Project, as indicated above. This process will be repeated in each application period until all funds are expended.



d. Applications will be received until all rebate funds are reserved or expended. When all funds in any particular subprogram are reserved or expended, or if AFI reallocates all funds from one subprogram to another, AFI will issue an announcement to this effect in AFI's website <http://www.afi.gobierno.pr>. As of the date of the announcement, no more applications will be received by AFI for such subprogram. Any remaining application received before the date of the announcement, will be placed on a final waiting list. If additional ARRA or equivalent funds are received by AFI for these subprograms, AFI may contact all Applicants, but shall not be obligated to do so, in order to confirm their interest in participating of a reopening of the evaluation process for their application on file. Applications will be evaluated for possible rebates in the order they were received before funds were expended or reallocated.



e. Without limitation and in addition to other prerogatives reserved by AFI in this Regulation, AFI reserves and holds, at its reasonable discretion, the right and option to waive any requirement, defect or technicality in any Application Documents received whenever such requirement, defect or technicality does not affect the process, is immaterial, does not put the Applicant in a competitive advantage over other Applicants and such determination would be in the best interest of AFI and the State Energy Program. Whenever such a waiver is granted, AFI will keep in the Applicant's file the rationale behind the determination to grant the waiver.

f. For retrofit Projects, Applicants shall first contact an energy auditor in order to perform a Facility Energy Audit and select the building energy efficiency retrofit measures that best fit the needs of the Applicant's Project and

that will be submitted in the application.

- g. For Renewable Energy Projects, Applicants shall contact an EAA approved SES or WES Installer to help determine the correct system for the Facility.
- h. Minimum documents required for an application are listed below. Such list may be modified from time to time and such modifications shall be reflected in the Application Documents requested from Applicants. The Application Documents may include additional forms or documents.
- i. For retrofit Projects, completed Project Energy Audit Form, Energy Savings Summary Form and Facility Energy Audits;
- ii. Completed Installer Information Form, including site sketch;
- iii. For retrofit projects only, a document describing and comparing the existing equipment with the new



equipment and clearly indicating the measures to be performed to the Facility. This document must include technical information of the equipment to be replaced or modified and the new equipment;

- iv. Project price quotation;
- v. Completed Vendor Information Form;
- vi. Wind study for WES Projects (if applicable);
- vii. A photo of the Facility to be retrofitted or where the Project will be installed;
- viii. Owner's proof of ownership (e.g., property's title deed or any other valid document requested by AFI evidencing ownership);
- ix. Applicant's valid identification (driver's license, passport, U.S. military photo ID, state or federal government issued photo ID). If Applicant is a corporation, a Good



Standing Certificate issued by the
PR State Department;

- x. Last six (6) electric utility bills; and
- xi. If Applicant is a Tenant, copy of the lease agreement, Owner's valid identification (driver's license, passport, U.S. military photo ID, state or federal government issued photo ID), and owner's permission in writing to perform the Project, including estoppel or equivalent certificate or document stating owner's agreement to AFI's preference over the ownership of the equipment and the prerogative to remove them in case of a breach by Applicant to the conditions stated in this Regulation.
- xii. When applicable, Buy American Act Certification.



xiii. For Agriculture Renewable Energy Subprogram, endorsement letter from the DOA.

i. By submitting an application under this Regulation, an Applicant is expressly authorizing AFI to share and exchange with other local and federal governmental authorities information regarding the Applicant, and necessary to obtain additional information from such agencies to validate the information provided by Applicant and to determine eligibility as part of the evaluation process. Disclosure of the information provided by Applicant may also be made to appropriate Federal or Puerto Rico agencies for prosecution or further investigation if a violation or possible violation of a civil or criminal law is apparent; to the U.S. General Accounting Office for inspection by auditors; and to Inspectors General. Completion of an application is voluntary, but failure to provide the requested



information will preclude Applicant from participating in the subprograms under this regulation.

- j. AFI will evaluate the Application Documents and determine if they are complete and eligible for the rebates. AFI reserves the right to visit or inspect any proposed Project site during the evaluation period.
- k. If the application is approved and funds are still available, AFI will reserve the rebate amount. AFI will issue and send a Rebate Reservation Notice Letter package to the Applicant.
- l. The Rebate Reservation Notice Letter to be sent to Applicants when their Projects are selected will indicate the approved rebate amount and the reservation expiration date. Except for the Solar Water Heater Subprogram, the funds will be reserved for six (6) months during which the Project must be installed, permitted and interconnected (when



applicable). Otherwise, the reservation will expire unless this period is extended by AFI as provided under this Regulation. The Applicant shall execute and return to AFI the Rebate Agreement stating the intentions to construct the Project with the assigned rebate. Such agreement will be included with the Rebate Reservation Notice Letter package. If AFI does not receive the Rebate Agreement postmarked within fifteen (15) calendar days from the date in which the Rebate Reservation Notice Letter package was postmarked as sent by AFI, the rebate reservation may be cancelled in AFI's discretion, unless the Applicant shows valid reasons for the delay.

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- m. Except for the Solar Water heater Subprogram, an Applicant can request an extension of the reservation expiration date of up to ninety (90) additional calendar days. Extension requests shall be submitted at least thirty (30) calendar

days before the six (6) months original reservation term expires. Extension requests shall be in writing and include the number of additional calendar days requested and the reason for the need of additional time. Extension requests will only be considered for reasonable circumstances such as permit delays, materials availability, or other circumstances beyond the Applicant's control.

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- n. Once the Project is completely installed, interconnected (when applicable), permitted (as certified by the Applicant) and fully paid, the Applicant shall submit a Rebate Claim Form to AFI, which form will have been included in the Rebate Reservation Notice Letter package. AFI will send an inspector to verify the Project completion and compliance with the rebate conditions. Rebates will not be awarded for partially permitted, installed or connected Projects that do

not comply with all terms and conditions of the Rebate Reservation Notice Letter, Rebate Agreement and this Regulation.

- o. The final rebate amount will be determined following verification of the Project by an AFI inspector.
- p. Upon final approval of the Rebate Claim Form and the satisfactory field inspection, AFI will issue a rebate to the Applicant within thirty (30) calendar days from such approval.



6.5 **Requests for Information**

AFI will contact the Applicant if additional information or further explanations are required to complete or clarify an application. Such Request for Information shall be in writing, sent via U.S. postal service, facsimile, electronic mail or communicated through telephone call(s) followed by written confirmation sent to Applicant through any of the mentioned mechanisms. All Requests for Information sent



through electronic mail and facsimile shall be confirmed in writing as received. The postmarked date, or the date of the confirmation of receipt of the electronic mail or facsimile, as applicable, will be deemed the date of delivery of the Request for Information. Applicants shall promptly respond to the Request for Information and deliver the information requested within the term indicated in the Request for Information. If the Applicant does not respond within such term, the application may be cancelled in AFI's discretion. If the application has been cancelled and is submitted again, it will be treated as a new application in the subsequent evaluation period.

6.6 **Payback**

Retrofit Projects must have a simple Payback Period of eight (8) years or less.

6.7 **Safety**

In no way the proposed Project degrade the building safety and/or affect the security of its occupants

6.8 **Proper Disposal**

When applicable, all equipment removed from a Facility shall be properly recycled or properly disposed of by the Applicant.

6.9 **New Equipment**



All equipment and Major Components installed under the sub-programs included in this Regulation shall be new. Rebuilt, refurbished or relocated equipment do not qualify for rebates.

6.10 **Proven Technology**

Only Proven Technology systems will be eligible for rebates. Pilot or demonstration systems are not eligible for rebates.

6.11 **Warranties**

Installations must have a minimum five (5) year warranty. All equipment and Major

Components installed under the subprograms included in this Regulation shall have a minimum warranty as required by EAA's Regulations for Renewable Energy Systems.

6.12 **Installations**

Installations must meet all applicable federal, state, local codes, certifications and standards and adhere to Puerto Rico's building permit processes and regulations. Applicable codes include EAA's Regulations for Renewable Energy Systems.

6.13 **Permanence**

Only permanent systems are eligible for rebates. Physical permanence is shown by equipment secured to a permanent surface using fasteners or other fittings standard to the industry. Any installation that shows signs of portability (unsecured equipment, quick disconnects, others) will not qualify for rebates. AFI reserves the right to verify system permanence with a site inspection. Applicant or owners if

Applicant is a Tenant, at the time of removal, shall notify AFI in writing if for any reason the system has to be removed within ten (10) years after payment of rebate by AFI. Failure to comply with these requirements may entail a repayment of the full amount of the rebate that would become immediately due and payable to AFI.

6.14 **Inspectors and Energy auditors**



Energy audits under any of the subprograms included in this Regulation shall be performed by an inspector or energy auditor certified by the EAA, or by a Professional Electrical or Mechanical Engineer with an active license in Puerto Rico. If the engineer is not a Professional Electrical or Mechanical Engineer but is a Professional Engineer or Registered Architect with an active license in Puerto Rico, such professionals should hold at least one of the following certifications issued by the Association of Energy Engineers:

- a) Certified Energy Auditor (CEA);
- b) Certified Energy Manager (CEM).

6.15 New Projects

Rebates only apply to new Projects that have not been constructed as of the date when Applicant submits the Application Documents. Rebates will not be offered retroactively.

6.16 Deed or Contractual Restrictions

Rebates will not be granted where deed or contractual restrictions prohibit the installation of equipment contemplated under the applicable subprogram.

6.17 Tenants

Tenants of a Facility can apply for rebates as long as they have the owner's permission in writing estoppel certificates and any other necessary documents included as part of the Application Documents and the Applicant is the person or entity that pays the electricity bill. Also, the rebate's treatment as for

Homeowner's Facilities or Business Facilities, as applicable, and maximum rebate amount as stated for each subprogram, will depend on the person or entity that pays the electric bill at the time of the application.

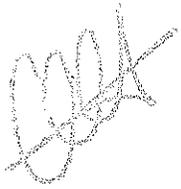
6.18 **Homeowner Associations**

For residential buildings and mixed-use residential buildings, only installations or measures for common areas are eligible. Application Documents must be completed and submitted by the Homeowners' Associations, provided that the association complies with requirements to act on behalf of members as provided under the applicable local condominium laws and regulations, constituent deeds, association bylaws and equivalent documents. A certified resolution or any other applicable document evidencing such compliance and permission for the installation of the new system or equipment shall be submitted with the Application Documents. This type of application will be considered to be a Homeowner's application. Commercial areas in



one of the aforementioned building types are not eligible for rebates.

6.19 **Insurance Requirements**



Applicant who has received a Rebate Reservation Form will ensure that installers have insurance in place until the completion of the Project, from a company or companies lawfully authorized to do business in the Commonwealth of Puerto Rico and having a rating no lower than A- (Excellent) from A.M. Best's Key Rating Guide (latest edition in effect at the date of this Regulation and at the time of renewal of any policies required by this Regulation), as follows:

- a. Commercial general liability insurance (form CG 00 01 or equivalent) in a limit of not less than \$1,000,000 per occurrence, \$1,000,000 per occurrence for personal injury, \$2,000,000 general aggregate, and \$1,000,000 products and completed operations aggregate written for a period of two years beyond final payment.

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- b. Minimum additional \$1,000,000 umbrella for excess liability coverage.
- c. Commercial automobile liability with a combined single limit of \$1,000,000 with a hired and non-owned endorsement. Personal automobile liability coverage will be acceptable in lieu of commercial automobile coverage only if the vehicle used at the job site is not commercially insured. Limits for personal auto must be at least \$250,000 bodily injury per person, \$500,000 bodily injury per accident, and \$250,000 property damage per accident with an endorsement that the policy covers business related use with an additional \$1,000,000 personal umbrella policy.
- d. Workers' Compensation coverage as required by the Workmen's Accident Compensation Act of the Commonwealth of Puerto Rico with Employers' Liability limits of \$500,000 each accident, \$500,000 disease-each



employee and \$500,000 disease-policy limit.

e. The general liability insurance policies shall:

(i) Name Applicant and AFI as additional insured.

(ii) Provide that such policies are primary insurance to any other insurance available to the additional insureds, with respect to any claims arising out of this Regulation, and that insurance applies separately to each insured against whom claim is made or suit is brought, except with respect to limits of liability.

(iii) Include hold harmless endorsement in favor of Applicant and AFI.

f. In the Rebate Agreement to be sent in the Rebate Reservation Notice Letter package, AFI may modify the above requirements and include such additional terms and conditions to the

insurance requirements as deemed necessary for the particular Project.

6.20 **Other Grants or Assistance**



Unless otherwise stated in any particular subprogram under this Regulation, rebates cannot be combined or supplemented with any energy program tax credits, including those under Act No. 248 of 2008, or other local energy program incentives. Additionally, rebates cannot be combined with any other ARRA energy grants, except for the ARRA-SEP Revolving Loan Program. In no case should a Project receive total incentives that exceed the overall total Project cost. Applicants are required to reveal information about other incentives programs in which the submitted Project will participate or has participated. Failure to comply with this requirement may entail a repayment of the full amount of the rebate and any other amount received under the State Revolving Loan program, which amounts would become

immediately due and payable to AFI and Economic Development Bank, respectively.

6.21 **PREPA Bills**

By accepting a rebate from any of the ARRA-SEP subprograms, Applicants commits to submit to AFI copies of the electric utility bills corresponding to the six (6) months following the installation of the applicable equipment or system. Applicant's acceptance of a rebate shall also constitute an express authorization to AFI to request from PREPA original duplicates of such electric utility bills.



6.22 **Location**

Only Projects for Facilities located in Puerto Rico are eligible for rebates.

6.23 **Fraud and Non Compliance**

- a. If there is suspicion of fraud in any application or submittal process, AFI reserves the right to prohibit the party from participating in any of the

ARRA-SEP sub-programs or in other ARRA program implemented by AFI.

- b. If an awarded project does not comply with all terms and conditions of this regulation or of the particular rebate agreement signed with AFI, the individual, organization or company to whom the rebate was awarded, shall be required to return the rebate amount awarded hereunder.

 6.24 **Davis Bacon Act**

All laborers' wage rates shall be no less than the locally prevailing wage and fringe benefits paid on projects of similar character as stated in Section 1606 of ARRA (Davis Bacon). The Davis-Bacon Act directs the U.S. Secretary of Labor to determine wages to be paid to various classes of laborers according to location. Such wages indicated by the Secretary of Labor can be found at <http://www.wdol.gov>.

6.25 **Buy American Act**

For Government owned Facilities rented to Applicants, Major Components shall comply with ARRA Section 1605-Buy American.

6.26 **ARRA Prohibited Projects**

- a. Pursuant to Section 1604 of ARRA, ARRA funds cannot be used for any aquarium, zoo, swimming pool, golf courses or gambling establishments.

6.27 **Unforeseeable Circumstances**



If during the process of advancing the Projects, circumstances arise that require changes to the systems or equipment described in the Rebate Reservation Form, the Applicant must immediately notify AFI in writing. AFI will evaluate if the changes require a new application or a modification to the Rebate Reservation Notice Letter.

6.28 **Code of Ethics for Contractors, Service Providers and Applicants for Economic Incentives**

Applicants shall abide by Act No. 84 of June 20, 2003 (Code of Ethics for Contractors, Service Providers and Applicants for Economic Incentives) and may not have been convicted of any crime against public funds or public functions or being under investigation for any such violations.

6.29 **Government Certifications**



Applicant who has received a Rebate Reservation Notice Letter shall present the following certifications before the Rebate can be disbursed by AFI upon compliance with all other conditions of this Regulation and the Rebate Agreement:

- a. Certification issued by the Puerto Rico Treasury Department evidencing that Applicant does not have any income tax debts outstanding, or if a debt is

outstanding, he/she has a validly agreed upon and current payment plan.

- b. Certificate of filing income tax returns with Puerto Rico Treasury Department for the prior five (5) years.
- c. Certificate of no debt for real property taxes or for any other tax under Puerto Rico law.
- d. Certificate of no debt with the Puerto Rico Department of Labor.
- e. Certificate of no debt for Worker's Compensation Insurance.
- f. Certificate of no debt for child support under Puerto Rico law issued by ASUME or under the law of any other state of the United States.
- g. Sworn Statement in compliance with Act No. 428 of September 22, 2004.



6.30 **Failed Inspections Processes**

If an inspector under any of the subprograms under this Regulation determines that the installed system varies from the system described in the Rebate Reservation Form or the Rebate Claim Form, AFI will notify the Applicant through a Failed Inspection Notice Letter that explains the reasons for the inspection failure. Applicants shall have sixty (60) calendar days from the postmarked date of the Failed Inspection Notice Letter under any subprogram hereunder to take one of the following actions:



- a. Fix the system based on the comments submitted in the Failed Inspection Notice Letter and reapply for inspection by sending a letter to AFI requesting a new inspection.
- b. Accept the inspection failure and accept a reduced revised rebate amount stated in the Failed Inspection Notice Letter, which amount could be zero (\$0).

- c. Requests a reconsideration of the Failed Inspection Notice Letter as stated in Chapter Seven, Section II.

6.31 **Final Determination of Rebates Amounts**

The Evaluation Committee will consider the estimate of applicable costs presented in each application in accordance with the specifications of the subprogram under which the application is presented. The final determination of the amount of the rebate to be reserved and ultimately granted will be guided by the requirements indicated in this Regulation, including inspection, permanence, etc, and prevailing market costs of the different items that qualify in the calculation of the rebate as part of the Project. Higher than prevailing market costs of any item will not automatically result in higher rebate amounts and will have to be explained in detail.



SUN ENERGY SUBPROGRAM

I. Type of Awards

AFI anticipates awarding grants in the form of rebates as stated in this Chapter Two.

II. Definitions

The following terms used in this Chapter shall have the meaning ascribed to them as follows:

2.1 **Project** shall mean a Solar Energy System installed in an eligible Facility.

2.2 **Solar Energy System** or **SES** shall mean a complete and functional Solar Photovoltaic System.

2.3 **Solar Photovoltaic System** shall mean a renewable energy system that uses solar cells to convert sunlight into electricity.

2.4 **Wattage rating** shall mean the Standard Test Conditions (STC) power rating indicated on the nameplate of a photovoltaic module.



III. Eligibility

3.1 To the extent funds are available, Puerto Rico Homeowners, and organized businesses operating in Puerto Rico are eligible to receive a one-time rebate for a portion of the costs of a new, properly installed and functional SES.

3.2 Homeowners will be eligible to receive a rebate for the purchase and installation of a new SES at four dollars per watt (\$4/watt) based on the total Wattage Rating up to fifty percent (50%) of the cost of the SES with a maximum rebate of thirty thousand dollars (\$30,000) per SES per Facility. Homeowners may combine a rebate under this Sun Energy Subprogram with a rebate under the Solar Water Heater Subprogram.

3.3 Businesses (for profit and not for profit) will be eligible to receive a rebate for the purchase and installation of a new SES at four dollars per watt (\$4/watt) based on the total Wattage Rating up to fifty percent (50%) of the cost of the SES with a maximum

rebate of two hundred thousand dollars (\$200,000) per SES per Facility.

IV. Requirements for Equipment, Components and Installers

4.1 Major Components must be EAA certified. See <http://www.aae.gobierno.pr> for a list of EAA certified components.

4.2 Installations under this sub-program must be performed by an EAA Certified Renewable Energy Systems Installer. For a list of licensed/certified contractors see: <http://www.aae.gobierno.pr>

4.3 Replacement of electric power utility meters shall be approved by PREPA.

4.4 The installer is responsible for determining the optimal location of the solar photovoltaic panels. The proposed location must provide maximum benefits. AFI retains the right to deny rebates based on excessive shading or poor orientation of the SES. Excessive shading is considered to be when a structure, tree, or other obstacle blocks the SES during normal

daylight hours and accounts for ten percent (10%) or more loss of production.

- 4.5 Before reserved rebates are approved for payment, Applicants shall submit to AFI an EAA Installation Certificate no later than fifteen (15) calendar days from the date EAA issues the certificate. Failure to submit a duly completed EAA Installation Certificate within the stated period may result in the cancellation of the reservation of the award.

V. Exclusions and Restrictions

- 
- 5.1 New SES shall be connected to the load side of the Applicant's electric power utility meter. New SES shall not be connected directly to equipment preceding electric power utility meters, from the utility towards the load. Installations shall comply with applicable electrical codes, including PREPA standards and local net-metering laws and regulations, as applicable.
- 5.2 SES smaller than two (2) kilowatts (kW) are not eligible for rebates.

5.3 Costs for construction of structures or other supporting elements not related to the anchoring of the new SES are not eligible for rebates, including roof treatments which are not considered integral part of the SES.

5.4 Costs for batteries and charge controllers are not included as part of the rebate. If Applicant includes the cost of batteries or charge controllers in the price quotation, this amount will not be considered in the eligible Project costs.



5.5 For SES installed on the ground, systems cannot have a total wattage rating of more than 60 kW and shall be located on the ground within the boundaries of an existing facility.

5.6 For SES not installed on the ground, systems have to be appropriately sized units and shall be located on existing rooftops and/or parking structures.

VI. Eligible Project Costs

6.1 The following costs may be included as part of the total Project costs. In any case, the rebate amount will not exceed reasonable market prices/costs, the maximum rebate amount and/or the dollars per watt amount mentioned in Section III of this Chapter.

- 
- a. Equipment pertaining only to the new SES (photovoltaic panels, inverters, disconnect switches, load centers, panel boards, meters, feeders, mounting fasteners) excluding batteries and charge controllers or any other part that is not integral to the SES.
 - b. Installation costs that do not include modifications to the building required to install the new SES
 - c. Design and engineering costs
 - d. Interconnection costs
 - e. Permitting costs

AFI may request copies of construction documents and evidence of costs incurred before determining final rebate amount or disbursing reserved rebates.

VII. Application Procedure

7.1 Applicants shall contact an EAA approved SES installer to help determine the correct system for the Facility. It is recommended that at least three (3) SES installers should be contacted in order to receive a competitive price for the system.

 7.2 Applicants shall fill out the Application Documents and deliver them to:

Sun Energy Subprogram
Puerto Rico Infrastructure
Financing Authority
Capital Center, North Tower, 16th Floor
235 Arterial Hostos Avenue
San Juan, Puerto Rico 00918-1454

7.3 Applications will be evaluated for possible rebates based on the compliance with this Regulation and highest number of total wattage rating of the SES over the eligible rebate amount (watt/rebate). If two or more Projects

are equally compliant and have equal watt/rebate number but there are not enough funds for all Projects, the Projects will be selected in the order they were received.

- 7.4 If the application is approved and funds are still available, AFI will reserve the rebate amount based on the total wattage rating of the proposed SES and conditions described in this regulation.



BUILDING ENERGY EFFICIENCY RETROFIT SUBPROGRAM

I. Type of Awards

AFI anticipates awarding grants in the form of rebates as stated in this Chapter Three.

II. Definitions

The following terms used in this Chapter shall have the meaning ascribed as follows:

2.1 **Facility Energy Audit** is an inspection, survey and analysis of energy flows in a Facility with the objective of understanding the energy dynamics of the system under study.

2.2 **New Facility** is a building that has finished construction or remodeling five (5) years or less prior to the application date.

2.3 **Payback Period** shall mean the amount of time (months) it takes to recover the capital spent on a Retrofit Project without considering any grants or rebates that could be given.

2.4 **Retrofit** is the replacement of equipment or material with newer technology to improve the energy efficiency and consumption of an existing building.

III. Eligibility

3.1 To the extent that funds are available, organized businesses operating in Puerto Rico are eligible to receive a one-time rebate for a portion of the costs of energy efficiency retrofit Projects in a Facility.



3.2 Businesses (for profit and not for profit) will be eligible to receive a rebate for the implementation of a building energy efficiency retrofit Project in a Facility up to fifty percent (50%) of the eligible costs with a maximum rebate of three hundred thousand dollars (\$300,000).

3.3 The maximum allowable total cost of a Facility Energy Audit is five thousand dollars (\$5,000), with a maximum allowable unit cost of twenty cents per square foot (\$0.20/ft²). A fifty percent (50%) fund

matching to cover the costs of the audit is required.

IV. Exclusions and Restrictions

4.1 A pre-project Facility Energy Audit will be required. Rebate for the Facility Energy Audit will be given as indicated above if the Project is awarded a rebate under this subprogram and constructed as submitted and approved.

4.2 Rebates will not be granted for retrofit Projects in New Facilities or building expansions.

4.3 The Facility must have been occupied for the same or similar use during the previous year from the date of submittal of the application. Rebates will not be awarded to replace equipment that has already been replaced in a renovation that took place five (5) years or less prior to the application date.

4.4 Applicant must continue to use the Facility for the same or similar purpose.

V. Ineligible Facilities

5.1 The following types of facilities shall be ineligible to receive rebates under this Chapter Three:

- a. Houses or residential buildings such as townhouses, apartments and high rise buildings
- b. New Facilities
- c. Building expansions
- d. Buildings under construction or partially built buildings
- e. Design-build projects
- f. Temporary buildings or facilities

VI. Eligible Retrofit Measures

6.1 The following measures/technologies shall be eligible for rebates under this Chapter Three:

- a. Interior and/or exterior lighting (e.g., replace incandescent light bulbs with

LED or fluorescent lights, T8, premium T8 or T5 fluorescents);

- b. Energy management control system (ex: Light occupancy sensors, dimmers, zone lighting, direct load controls, HVAC controls);
- c. Windows retrofit;
- d. Replace existing standard efficiency electric motors or pumps with National Electrical Manufacturers Association (NEMA) rated premium efficiency electric motors or pumps;
- e. Install variable frequency drives and variable speed motors for air handler units and water system pumps and fans to allow increased energy efficiency and controllability;
- f. Replace HVAC units with new, more energy efficient ones;



- g. Upgrade of existing constant air volume ventilation systems to variable air volume ventilation systems;
- h. Chiller retrofits for existing chillers less than ten (10) years old;
- i. Chiller or cooling tower replacement for existing chillers older than ten (10) years;
- j. Combustion air control system for boilers;
- k. Demand outside air ventilation systems;
- l. Thermal Energy Storage Equipment; and
- m. Any other measures consistent with the objectives of energy conservation and efficiency evaluated and approved by EAA.



VII. Ineligible Retrofit Measures

7.1 The following measures/technologies may not be used if rebates are to be requested under this Chapter Three:

- a. Unproven technologies or equipment not listed by Underwriter Laboratories (UL listed);
- b. Non-commercially available products;
- c. Improvements to building structures or new structures;
- d. Maintenance measures to fix problems and/or perform repairs (e.g., pipes or duct leaks, electrical problems, etc.); and
- e. Any other measures not included in Section VI of this Chapter Three.



VIII. Eligible project costs

8.1 The following costs may be included as part of the total Project costs. In any case, the rebate amount will not exceed reasonable market prices/costs and the maximum rebate amount mentioned in Section III of this Chapter:

- a. Material and equipment pertaining to the energy retrofit;

- b. Installation costs that do not include modifications to the building required to install new equipment;
- c. Facility Energy Audit costs, in the amounts stated in Section 3.3 of this Chapter Three;
- d. Design and engineering costs, if applicable; and,
- e. Permitting costs, if applicable.



AFI may request copies of construction documents and evidence of costs incurred before determining final rebate amount or disbursing reserved rebates.

IX. Application Procedure

9.1 Applicants shall contact an energy auditor in order to perform a Facility Energy Audit and select the building energy efficiency retrofit measures that best fit the needs of the Applicant's Project.

9.2 Applicants shall fill out the Application Documents and deliver them to:

Building Energy Efficiency
Retrofit Subprogram
Puerto Rico Infrastructure
Financing Authority
Capital Center, North Tower, 16th Floor
235 Arterial Hostos Avenue
San Juan, Puerto Rico 00918-1454

9.3 Applications will be evaluated for possible rebates based on the shortest Payback Period of the Retrofit Project. If two or more Projects have equal Payback Periods but there are not enough funds for all Projects, the Projects will be selected in the order they were received.



X. Energy Audit Requirements

10.1 Energy audits under this subprogram shall be an audit based on American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) Procedures for Commercial Building Energy Audits. It shall include the following:

- a. Meeting with building's owner or manager to discuss current energy use.
- b. Walk-through of the building to collect information.

- c. Collection and analysis of utility bills.
- d. Preparation of a list of possible modifications to equipment to be discussed with the building's owner or manager.
- e. Preparation of estimates of potential savings and implementation costs for each selected modification.
- f. Preparation of an audit report.

10.2 The following items must be included in the energy audit report:

- a. One or more pictures of the project.
- b. A description of the building including its use and inventories of major energy-using equipment.
- c. Audit process utilized.
- d. A summary of energy use and cost associated with each end-use.

- e. A table listing the estimated costs for all practical measures, the savings, and financial performance indicator.
- f. For each practical measure, include:
 - i. A discussion of the existing situation and why it is using excess energy
 - ii. Expected life of new equipment, and the impact on the life of existing equipment
 - iii. Calculations performed
- g. Overall economic project evaluation.
- h. Recommended measurement and verification method(s) that will be required to determine the actual effectiveness of the recommended measures.
- i. All data supporting information provided on forms R-1 through R-5 of ASHRAE.
- j. Attachments that include utility bills calculations.



10.3 If the Project focuses only on one system, a Facility Energy Audit for only that system will be accepted (e.g., if it is a lighting retrofit, a detail lighting retrofit audit will be accepted). However, all the items indicated in Section 10.2 of this Chapter shall be included in the energy audit report. Additionally the report shall include a brief explanation of why and how a sole measure was selected for the project.



10.4 ASHRAE's Procedures for Commercial Building Energy Audits should be used as reference for the audits and audit forms.

SOLAR WATER HEATER REBATE SUBPROGRAM

I. Type of Awards

AFI anticipates awarding grants in the form of one-time one thousand dollars (\$1,000) rebates as stated in this Chapter Four.

II. Definitions

The following terms used in this Chapter shall have the meaning ascribed as follows:



2.1 **Dwelling Unit** shall mean a structure or part of a structure that is used as a home or residence by one or more persons.

III. Eligibility

3.1 To the extent that funds are available, Puerto Rico Homeowners are eligible to receive a one-time one thousand dollars (\$1,000) rebate for the purchase and installation of a new solar water heater to be used in a Dwelling Unit.

3.2 Individuals aged 18 years and over who are the owners or tenants of an existing Dwelling Unit are eligible to apply for a rebate.

- 3.3 Homeowners may combine a rebate under this Solar Water Heater Subprogram with a rebate under the Sun Energy Subprogram.

IV. Requirements for Equipment, Components and Installers

- 4.1 Solar water heater collectors must be certified and approved by EAA.
- 4.2 Storage tanks must be correctly sized to meet household requirements. Solar collectors should be sized according to manufacturer's recommendation to meet requirements of tank size.
- 4.3 Plumbing connections for the installation of the new solar water heater must be made by a Puerto Rico licensed plumber.
- 4.4 Electrical connections for the installation of the new solar water heater must be made by a Puerto Rico licensed electrician.
- 4.5 The installer is responsible for determining the optimal location of the solar collectors. The proposed location must provide maximum benefits.



V. Exclusions or Restrictions

5.1 Applications will not be considered if the Dwelling Unit where the water heater will be installed is not the principal place of residence of the Applicant.

5.2 Solar water heaters for industrial, commercial, and any other non-residential buildings are not eligible for rebates under this subprogram.

5.3 Use of existing tanks or existing solar panels will not be allowed.

5.4 Gas and non-domestic purpose water heaters (e.g., spa, swimming pool) do not qualify for this subprogram.

5.5 Solar water heater must replace an existing electric or gas water heater.

VI. Application Procedure

6.1 Applicants shall contact an EAA approved solar water heater manufacturer or distributor to help determine the correct water heater for the Dwelling Unit. It is recommended to

obtain at least three cost estimates in order to receive a competitive price for the system.

6.2 Applicants shall fill out the Application Documents and deliver them to:

Solar Water Heater Rebate Subprogram
Puerto Rico Infrastructure
Financing Authority
Capital Center, North Tower, 16th Floor
235 Arterial Hostos Avenue
San Juan, Puerto Rico 00918-1454

6.3 The funds for approved applications will be reserved for two (2) months during which the solar water heater must be installed and connected. The Applicant shall execute and return to AFI the Rebate Agreement stating the intentions to install the new solar water heater. Such agreement will be included with the Rebate Reservation Notice Letter package. If AFI does not receive the Rebate Agreement postmarked within fifteen (15) calendar days from the date in which the Rebate Reservation Notice Letter package was postmarked as sent by AFI, the rebate reservation may be cancelled in AFI's



discretion, unless the Applicant shows valid reasons for the delay.

- 6.4 After installing the solar water heater, the Applicant shall submit a Rebate Claim Form to AFI accompanied by the solar water heater proof of purchase, installation invoice, and installer data.

VII. Additional Conditions

- 7.1 An Applicant can request an extension of the reservation expiration date for up to fifteen (15) additional calendar days. Extension requests shall be submitted at least five (5) calendar days before the two (2) months original reservation term expires. Extension requests shall be in writing and include the number of additional calendar days requested and the reason for the need of additional time. Extension requests will only be considered for reasonable circumstances such as permit delays, materials availability, or other circumstances beyond the Applicant's control.

AGRICULTURE RENEWABLE ENERGY SUBPROGRAM

VIII. Type of Awards

AFI anticipates awarding grants in the form of rebates as stated in this Chapter Five.

IX. Definitions

9.1 **DOA** shall mean the Puerto Rico Department of Agriculture.

9.2 **Farmer** shall mean a person or business approved or certified by the DOA to do business in the agriculture industry in Puerto Rico.

9.3 **Renewable Energy System** or **RES** means a complete and functional Solar Energy System or Wind Energy System properly connected to supply electric energy to a Facility.

9.4 **Solar Energy System** or **SES** shall mean a complete and functional Solar Photovoltaic System.

9.5 **Solar Photovoltaic System** shall mean a renewable energy system that uses solar cells to convert sunlight into electricity.

9.6 **Wattage Rating** shall mean the Standard Test Conditions (STC) power rating indicated on the nameplate of a photovoltaic module or the rated power for wind turbines.

9.7 **Wind Energy System** or **WES** shall mean a complete and functional wind energy turbine, including its tower.

X. Eligibility



To the extent funds are available, Puerto Rico Farmers are eligible to receive a one-time rebate for a portion of the costs of a new, properly installed and functional RES. Farmers will be eligible to receive a rebate for the purchase and installation of a new RES up to forty percent (40%) of the cost of the RES with a maximum rebate of two hundred thousand dollars (\$200,000) per RES per Facility. Additionally, SES rebates will not exceed four dollars per watt (\$4/watt) based on the total Wattage Rating.

As an exception to the general prohibition of the first paragraph of Section 6.20 of Chapter One, if authorized by the United States Department of Energy, this subprogram will permit Applicants to combine the rebates granted hereunder with other rebates or incentives awarded by the Puerto Rico Department of Agriculture to cover costs of installing RES in the same Facilities. However, in any case, the conditions of the second paragraph of Section 6.15 of Chapter One will apply.

XI. Requirements for Equipment, Components and Installers



11.1 Major Components must be EAA certified. See <http://www.aae.gobierno.pr> for a list of SES EAA certified components. Suppliers of Major Components not included in the EAA list, should contact EAA to apply for certification of their equipment.

11.2 Wind turbines shall comply with the following Nationally Recognized Test Laboratory (NRTL) Standards:

a. IEC 61400-11

b. IEC 61400-2

c. UL 1741

11.3 Installations under this subprogram must be performed by an EAA Certified Renewable Energy Systems Installer.

See <http://www.aae.gobierno.pr> for a list of licensed/certified contractors.

11.4 In addition to the aforementioned certification, WES installations under this subprogram must be performed by an EAA Certified Wind Turbine Installer.

11.5 Replacement of electric power utility meters shall be approved by PREPA.

11.6 SES installers are responsible for determining the optimal location of the solar photovoltaic panels. The proposed location must provide maximum benefits. AFI retains the right to deny rebates based on excessive shading, poor orientation of the SES. Excessive shading is considered to be when a structure, tree, or other obstacle

blocks the SES during normal daylight hours and accounts for ten percent (10%) or more loss of production.

11.7 WES installers are responsible for determining the optimal location of the wind turbine. The proposed location must provide maximum benefits. AFI retains the right to deny rebates based on poor location of the WES. Poor location of a WES is considered when the required wind speed for a wind turbine is not obtained, thus the wind turbine cannot produce the rated KW capacity.



11.8 Before reserved rebates are approved for payment, Applicants shall submit to AFI an EAA Installation Certificate no later than fifteen (15) calendar days from the date EAA issues the certificate. Failure to submit a duly completed EAA Installation Certificate within the stated period may result in the cancellation of the reservation of the award.

XII. Exclusions and Restrictions

12.1 New RES shall be connected to the load side of the Applicant's electric power utility meter. New RES shall not be connected directly to equipment preceding electric power utility meters, from the utility towards the load. Installations shall comply with applicable electrical codes, including PREPA standards and local net-metering laws and regulations, as applicable.

12.2 SES smaller than two kilowatts (2kW) are not eligible for rebates.



12.3 Costs for construction of structures or other supporting elements not related to the RES or the anchoring of the new RES are not eligible for rebates, including roof treatments which are not considered integral part of the RES.

12.4 Costs for batteries and charge controllers are not included as part of the rebate. If Applicant includes the cost of batteries or charge controllers in the price quotation,

this amount will not be considered in the eligible Project costs.

12.5 For SES installed on the ground, systems cannot have a total wattage rating of more than 60 kW and shall be located on the ground within the boundaries of an existing facility.

12.6 For SES not installed on the ground, systems have to be appropriately sized units and shall be located on existing rooftops and/or parking structures.



12.7 The wind turbines of a proposed WES shall have a maximum nominal rating of 20 kW.

12.8 WES rebates will be awarded to Projects at proposed sites with consistent wind power densities to make the project feasible. WES must be located within a zone already proven to be highly potential in wind resource in accordance to industry wide standards. If upon the evaluation of the proposed Project and site, AFI (in consultation with EAA) determines that the Project reflects a

questionable feasibility due to wind speed and/or consistency, a wind study will be required.

XIII. Eligible Project Costs

13.1 The following costs may be included as part of the total Project costs. In any case, the rebate amount will not exceed prevailing market prices/costs, the maximum rebate amount and/or the dollars per watt amount mentioned in Section III of this Chapter.

- 
- a. Equipment pertaining only to the new RES (photovoltaic panels, wind turbines and wind turbine towers, inverters, disconnect switches, load centers, panel boards, meters, feeders, mounting fasteners) excluding batteries and charge controllers
 - b. Installation costs that do not include modifications to the building required to install the new RES
 - c. Design and engineering costs

d. Interconnection costs

e. Permitting costs

AFI may request copies of construction documents and evidence of costs incurred before determining final rebate amount or disbursing reserved rebates.

XIV. Application Procedure

14.1 Applicants shall contact an EAA approved SES or WES installer to help determine the correct system for the Facility.

14.2 Applicants shall fill out the Application Documents and deliver them to:



Agriculture Renewable Energy Subprogram
Puerto Rico Infrastructure
Financing Authority
Capital Center, North Tower, 16th Floor
235 Arterial Hostos Avenue
San Juan, Puerto Rico 00918-1454

14.3 Applications will be evaluated for possible rebates based on the compliance with this Regulation and highest number of total wattage rating of the RES over the eligible rebate amount (watt/rebate). If two or more

Projects are equally compliant and have equal watt/rebate number but there are not enough funds for all Projects, the Projects will be selected in the order they were received.

A handwritten signature or set of initials, possibly 'CJA', written in dark ink. The signature is slanted and appears to be a stylized representation of the letters.

WIND ENERGY SUBPROGRAM

I. Type of Awards

AFI anticipates awarding grants in the form of rebates as stated in this Chapter Six.

II. Definitions

2.1 **Wattage Rating** shall mean the rated power for wind turbines.

2.2 **Wind Energy System** or **WES** shall mean a complete and functional wind energy turbine, including its tower.



III. Eligibility

3.1 To the extent funds are available, organized businesses operating in Puerto Rico are eligible to receive a one-time rebate for a portion of the costs of a new, properly installed and functional WES.

3.2 Businesses (for profit and not for profit) will be eligible to receive a rebate for the purchase and installation of a new WES up to fifty percent (50%) of the cost of the WES

with a maximum rebate of two hundred thousand dollars (\$200,000) per WES per Facility.

IV. Requirements for Equipment, Components and Installers

4.1 Major Components must be EAA certified. See <http://www.aae.gobierno.pr> Suppliers of Major components not included in the EAA list, should contact EAA to apply for certification of their equipment.

4.2 Wind turbines shall comply with the following Nationally Recognized Test Laboratory (NRTL) Standards:

a. IEC 61400-11

b. IEC 61400-2

c. UL 1741

4.3 Installations under this subprogram must be performed by an EAA Certified Renewable Energy Systems Installer and an EAA Certified Wind Turbine Installer.

See <http://www.aae.gobierno.pr> for a list of licensed/certified contractors.

4.4 Replaced electric power utility meters shall be approved by PREPA.

4.5 The installer is responsible for determining the optimal location of the wind turbine. The proposed location must provide maximum benefits. AFI retains the right to deny rebates based on poor location of the WES. Poor location of a WES is considered when the required wind speed for a wind turbine is not obtained, thus the wind turbine cannot produce the rated KW capacity.

4.6 Before reserved rebates are approved for payment, Applicants shall submit to AFI an EAA Installation Certificate no later than fifteen (15) calendar days from the date EAA issues the certificate. Failure to submit a duly completed EAA Installation Certificate within the stated period may result in the cancellation of the reservation of the award.

V. Exclusions and Restrictions

5.1 New WES shall be connected to the load side of the Applicant's electric power utility meter. New WES shall not be connected directly to equipment preceding electric power utility meters, from the utility towards the load. Installations shall comply with applicable electrical codes, including PREPA standards and local net-metering laws and regulations, as applicable.

 5.2 The wind turbines of the proposed WES shall have a maximum nominal rating of 20 kW.

5.3 WES rebates will be awarded to Projects at proposed sites with consistent wind power densities to make the project feasible. WES must be located within a zone already proven to be highly potential in wind resource in accordance to industry wide standards. If upon the evaluation of the proposed Project and site, AFI (in consultation with EAA) determines that the Project reflects a questionable feasibility due to wind speed

and/or consistency, a wind study will be required.

5.4 Costs for construction of structures or other supporting elements not related to the anchoring of the new WES are not eligible for rebates.

5.5 Costs for batteries and charge controllers are not included as part of the rebate. If Applicant includes the cost of batteries or charge controllers in the price quotation, this amount will not be considered in the eligible Project costs.

VI. Eligible Project Costs

6.1 The following costs may be included as part of the total Project costs. In any case, the rebate amount will not exceed prevailing market prices/costs and/or the maximum rebate amount mentioned in Section III of this Chapter.

- a. Equipment pertaining only to the new WES (wind turbines, wind turbine towers, inverters, disconnect switches, load

centers, panel boards, meters, feeders, mounting fasteners) excluding batteries and charge controllers

- b. Installation costs that do not include modifications to the building required to install the new WES
- c. Design and engineering costs
- d. Interconnection costs
- e. Permitting costs



AFI may request copies of construction documents and evidence of costs incurred before determining final rebate amount or disbursing reserved rebates.

VII. Application Procedure

- 7.1 Applicants shall contact an EAA approved WES installer to help determine the correct system for the Facility. It is recommended that at least three WES installers should be contacted in order to receive a competitive price for the system.

7.2 Applicants shall fill out the Application Documents and deliver them to:

Wind Energy Subprogram
Puerto Rico Infrastructure
Financing Authority
Capital Center, North Tower, 16th Floor
235 Arterial Hostos Avenue
San Juan, Puerto Rico 00918-1454

7.3 Applications will be evaluated for possible rebates based on the compliance with this Regulation and the highest number of total wattage rating of the WES over the eligible rebate amount (watt/rebate). If two or more Projects are equally compliant and have equal watt/rebate number but there are not enough funds for all Projects, the Projects will be selected in the order they were received.



Chapter Six

OTHER PROVISIONS AND EFFECTIVENESS

I. Interpretation

1.1 This regulation shall be interpreted as a whole. In case any one or more of the provisions of this regulation shall for any reason be held by a court of competent

jurisdiction to be invalid or contrary to any superseding law or regulation, including ARRA and regulations thereunder, such invalid provision shall be deemed not included and the regulation as a whole shall be construed and enforced as if such invalid provision had not been contained herein.

- 1.2 This regulation shall not be deemed to waive or modify any applicable provisions of laws or regulations regulating renewable energy systems, equipment, designers, and installers in Puerto Rico. Any applicable certifications and permits shall also be obtained or requested for the Application Documents to be submitted.

II. Filing of Complaints

- 2.1 Applicants may present the Executive Director of AFI a complaint or reconsideration request in connection with an inspection failure determination made under this Regulation within fifteen (15) calendar days from the postmarked date of the Failed Inspection Notice Letter. The Applicant shall explain in

writing the reasons for which the inspection determination should be reconsidered.

- 2.2 Reconsideration requests shall be processed as provided under AFI's regulation for the establishment of a procedure to answer complaints, if such procedure exists as of the time the complaint is filed. Otherwise, the Board of Directors shall determine the procedure to be applied to answer complaints under the ARRA-SEP Subprogram.

III. Effectiveness

- 3.1 The Board of Directors of AFI approved this regulation on May 24, 2010 by Resolution 2010-21. This Regulation replaces Regulation Num. 7792 which shall be herein superseded.
- 3.2 This regulation will become effective on the date stated in the attached Governor's certification, pursuant to Section 2.13 of Act No. 170 of August 12, 1988, as amended.



Humberto Marrero Recio
Executive Director



GOBIERNO DE PUERTO RICO

CERTIFICACIÓN

De conformidad con lo dispuesto en la Sección 2.13 de la Ley Núm. 170 de 12 de agosto de 1988, según enmendada, conocida como la "Ley de Procedimiento Administrativo Uniforme", por la presente certifico que el interés público requiere que la enmienda al Reglamento para el Programa Estatal de Energía, Reglamento Núm. 7792 de 12 de enero de 2010, adoptada por la Autoridad para el Financiamiento de la Infraestructura de Puerto Rico el 24 de mayo de 2010, entre en vigor inmediatamente. Estas enmiendas son necesarias para agilizar la implementación efectiva del Programa Estatal de Energía conforme a los requerimientos de la Ley de Estímulo Económico Federal ("American Recovery and Reinvestment Act of 2009").

En San Juan, Puerto Rico, hoy 2 de junio de 2010.


Luis G. Fortuño
Gobernador