



## **Agreement for Participation in the Shared Net Metering Program INDIVIDUALS**

### **APPEAR**

**AS ONE PARTY:** The Puerto Rico Electric Power Authority, hereinafter referred to as "the Authority", a public corporation and governmental entity of the Commonwealth of Puerto Rico, created by Act No. 83 of May 2, 1941, as amended, represented herein by its agent, LUMA ENERGY SERVCO, LLC, hereinafter referred to as "LUMA". LUMA serves as agent of the Authority in this Agreement for Participation in the Shared Net Metering Program (hereinafter the "Agreement") pursuant to the Puerto Rico Electric Power Transmission and Distribution System Operation and Maintenance Agreement (hereinafter "OMA") between the Authority, LUMA, LUMA Energy, LLC and the Public-Private Partnerships Authority dated June 22, 2020, whereby LUMA was contracted to provide certain operation and maintenance services for such system which remains the property of the Authority. While the OMA is in effect, all provisions of this Agreement relating to the Authority taking any action, receiving any notice or disclosure or making any determination or referring to the Authority as a beneficiary of the terms and conditions of this Agreement, shall be deemed to refer to LUMA acting in the name or as an agent of the Authority, unless otherwise provided for in this Agreement. In addition, all provisions in this Agreement that refer to acts of LUMA refer to LUMA acting on behalf of or as an agent of the Authority.

**AS THE OTHER PARTY:** [CUSTOMER NAME], hereinafter referred to as "the Customer", of legal age, **civilStatus**, **profession** and resident of **address**.

The Authority and the Customer are sometimes referred to individually as "the Party" and collectively as "the Parties".

### **TERMS AND CONDITIONS**

#### **1. SCOPE OF THE AGREEMENT**

The Parties sign this Agreement and its Exhibits with the purpose that the Customer benefits from the credit of the energy produced by the common distributed generation system (GD) located in the same locality of his property. Customer acknowledges that in order to remain in the Shared Net Metering Program (Program) it will have to comply with all applicable terms and conditions of the Regulations for Interconnecting Generators with the Electric Power Distribution System of the Electric Power Authority and Participate in the Net Metering Programs as amended or superseded by the Puerto Rico Authority or Energy Bureau (Regulations) and this Agreement and its Exhibits, which are an essential part of the following terms and conditions:

- 1.1 The Customer intends to use the energy produced by the common GD located at [address], which operates in parallel with the Authority's electrical distribution system

(this and/or the Authority's transmission system, hereinafter "Authority System") in accordance with the Agreement to Interconnect Generators with the Electric Power Authority's Electrical Distribution System and Participate in Net Metering Programs (Agreement of Interconnection) in force between the owner of the GD and the Authority, which becomes part of this Agreement.

- 1.2 The Customer has an account with the Authority number [number] and is covered by the corresponding rate for the Customer under such account.
- 1.3 The provisions of this Agreement shall not affect other agreements that exist between the Authority and the Customer.

## **2. EFFECTIVE DATE, TERM AND TERMINATION**

- 2.1 This Agreement shall be effective during the same term as Customer's Electric Power Supply Agreement, unless: (a) terminated by mutual agreement of the Parties, (b) replaced by another agreement, (c) Customer's electric service terminates or is transferred, (d) the Interconnection Agreement expires or is terminated, or (e) this Agreement is terminated by any of the Party's breach of any of the terms and conditions of this Agreement, as set forth in paragraph 2.3 or Article 12 of this Agreement.
- 2.2 The benefit of accreditation of the energy produced by the GD and consumed by the Customer in this Program, will be effective at the beginning of the billing period after the installation or configuration of the meter. The effective date of this Agreement shall be the date of signature.
- 2.3 The Authority may, at any time, terminate, cancel or accelerate the expiration of this Agreement, with prior notice, in the event that the Customer breaches any of its obligations under this Agreement. The exercise of the right to terminate, cancel or terminate this Agreement shall not be construed as constituting a waiver by the Authority of any additional remedies provided by this Agreement or by law in case of delay or breach of the Customer's contractual obligations.

## **3. PARTICIPATION IN THE SHARED NET MEASUREMENT PROGRAM**

- 3.1 In order for the Customer to participate in this Program, the owner of the GD will have to maintain an Interconnection Agreement with the Authority and meet the requirements for its interconnection and to participate in the Program.
- 3.2 To participate in this Program, the Customer will have to comply at all times with the provisions of the Regulations.
- 3.3 All properties connected to the GD must have electricity service at the same voltage level and the same Authority delivery point to which the GD is interconnected. The delivery point can be the interconnection transformer in secondary distribution systems or the private substation in primary distribution systems.

## **4. ENERGY METERING AND BILLING**

- 4.1 The billing of the energy consumed by the Customer and the credit for the energy it

exports will be made based on the net consumption and net export of energy by the Customer. The energy consumed and exported by the Customer will be measured and credited in the manner described below, except in those cases in which federal law or regulation expressly and specifically requires otherwise.

- 4.2 Energy compensation will be effective at the beginning of the billing period following the installation or configuration of the meter.
- 4.3 For Customers with existing electrical installations, the meter must be in an accessible place and, if not, the Customer will be obliged, with prior coordination, to allow the necessary access to Authority personnel, as required. For cases where the meter is not physically accessible, the meter reading may be done remotely. The tests and readings to such meter shall be in accordance with Authority's practices.
- 4.4 In each billing period, the Authority shall measure the energy consumed by the Customer and the energy exported to the Authority's System.
- 4.5 If during the billing period, the Authority supplies the Customer with more energy than is credited for its participation in the common GD energy export, Customer will be charged for its net consumption (the result by subtracting from the energy consumed by the Customer the energy credited for its participation in the common GD energy export and any energy export credits, if any).
- 4.6 If during the billing period, the credit for the Customer's participation in the export of energy from the common GD is greater than its energy consumption, the Customer will be charged the minimum bill according to the rates to which it is eligible. The minimum bill is the amount the Authority charges the Customer who does not consume electricity during a billing period. The Authority shall credit the Customer for excess energy during the billing period up to a daily maximum of three hundred kilowatt-hours (300 kWh) for residential customers and ten megawatt-hours (10 MWh) for commercial customers. The energy export credit will be applied to the bill for the next billing period. The excess is the amount resulting from the Customer's participation in the export of energy from the common GD to the Authority System and any previously accrued energy export credits, if any, are subtracted from the energy consumed by Customer.
- 4.7 Any energy export credit accrued by Customer during the previous year that has not been used at the close of the billing period in June of each year will be offset as follows:
  - A. The Authority shall use the greater of the following amounts: ten (10) cents per kilowatt-hour (kWh) or the amount resulting from subtracting from the total price it charges its customers, converted into cents per kilowatt-hour (kWh), the adjustment fee, for the purchase of energy and fuel.
  - B. The Authority will credit the Customer with 75% of the surplus and 25% credited to the Department of Education's electricity bill.
- 4.8 100% of the energy produced by the GD will be credited equally among all participants of this program.

## **5. OBLIGATIONS AND DUTIES OF THE OWNER OF THE GD**

- 5.1 Customer acknowledges that the continued validity of this Agreement or the services it receives from the GD may be affected by the GD owner's failure to comply with the Interconnection Agreement. In addition to other obligations and duties in such Interconnection Agreement, the owner of the GD is obligated to provide access to the GD facilities so that Authority employees may perform their duties, including but not limited to: (a) periodically inspect the measurement and protection and control systems; (b) read or test instrumentation equipment installed by the Authority; (c) maintain or repair Authority equipment; (d) disconnect the GD when the Authority believes that an emergency exists; has to perform work; or detects that it causes voltage or frequency fluctuations, flickering or potency quality problems; (e) any work related to the meter not being in an accessible place and (f) disconnecting the GD under the causes of non-compliance set forth in paragraph 12 of this Agreement. Once the Authority disconnects the GD, the owner of the GD will not be able to operate the GD until the condition that caused the disconnection is corrected and the Authority approves it. Access to the staff of the Authority will be coordinated in advance with the owner of the GD, except when there is an emergency situation.
- 5.2 The Customer must provide a means of disconnection on the AC voltage side of the inverter, as established in the National Electrical Code (NEC). In the case of a GD with a capacity greater than 300 kW, it is also required to install an external manual switch that is visible and accessible to the staff of the Authority twenty-four hours a day, without the need for the presence of the Customer or operator of the equipment. If this is not accessible to the staff of the Authority, the Customer will be obliged to allow and facilitate access to the switch, with prior coordination with the staff of the Authority, as required by it. In those facilities that do not have a manual switch or that the Customer does not provide access to the personnel of the Authority to operate it, the disconnection will be made from the point of delivery of the electric power service, in which both the GD and the electrical service that the Authority provides to the Customer will be disconnected.
- 5.3 If the owner of the GD modifies it without the consent of the Authority, the latter shall have the right to preventively disconnect it until it verifies that the modifications do not jeopardize the security and reliability of the Authority System. Once the Authority evaluates and approves the proposed changes or modifications, it may proceed to reconnect the GD.
- 5.4 The owner of the GD is also required to obtain and maintain all permits and inspections indicating that the GD complies with all applicable building and safety codes.

## **6. GENERAL PUBLIC LIABILITY INSURANCE**

- 6.1 The owner of the GD is obligated to obtain and maintain in effect for the duration of this Agreement a General Public Liability Insurance policy with limits of \$1,000,000 per occurrence and \$1,000,000 aggregate.
- 6.2 Exception – The owner of the GD who receives authorization from the Authority to interconnect an inverter-based GD, with a capacity of less than three hundred kilowatts (300 kW), with the electrical distribution system of the Authority System, is exempt from

a General Public Liability Insurance policy. In these cases, the owner of the GD must sign an Agreement for the Exemption of Insurance Requirement.

6.3 The General Public Liability policy will be endorsed as follows:

A. As an additional insured:

Electric Power Authority

Risk Management Office

Apartado 364267

San Juan, PR 00936-4267

And

LUMA Energy ServCo, LLC and LUMA Energy, LLC

1250 Avenida de la Constitución, Piso 8

San Juan, PR 00907

B. An endorsement that includes this Agreement under the contractual liability coverage identifying the Parties to the Agreement.

C. Waiver of subrogation in favor of the Electric Power Authority, LUMA Energy ServCo, LLC and LUMA Energy, LLC.

D. Notice of cancellation or non-renewal thirty (30) days in advance and acknowledgment of receipt to the above address.

E. Violation of any warranty or condition of this policy will not undermine the rights of the Electric Power Authority, LUMA Energy, LLC or LUMA under such policy.

6.4 The insurance policy must be presented in a manner acceptable to the Authority. The owner of the GD must provide a certificate of insurance in digital format, originated by an insurance company or agency authorized to conduct business in Puerto Rico, describing the coverage it maintains. This certification must be issued on the *Acord* form, usually used by insurers. In addition, it must include the endorsements in digital format.

6.5 This policy must be renewed annually and sent to the Authority. In the event that this policy renewal requirement is not met, the Authority will immediately terminate the Interconnection Agreement, this Agreement and all agreements for participation in the Program of the other customers connected to the GD.

## **7. ASSIGNMENT OF THE AGREEMENT**

In the event that the electric service account holder changes at the property participating in this Program, the new customer must sign a new Agreement with the Authority. Thusly, the Customer will assign the rights and obligations contracted under the current Agreement to the new account holder, without having to process a new application for participation in the Program. The Authority shall disconnect the GD until the new holder signs the Agreement. If the new Agreement is signed at the time of cancellation of the previous one, it will not be necessary to disconnect the GD.

## **8. APPLICABLE LAW AND COMPETENT COURTS**

This Agreement shall be subject to and construed by the laws of the Commonwealth of Puerto Rico. In addition, the Contracting Parties expressly agree that disputes arising between them in connection with this Agreement shall be governed as set forth in Section XII: Appellate Procedure of the Regulations.

## **9. RESPONSIBILITY**

The Parties agree that their respective liability for damages in this Agreement shall be as established by the Puerto Rico Civil Code and the jurisprudence of the Supreme Court of Puerto Rico, as limited by law, regulation or governmental order or this Agreement.

## **10. WAIVER AND LIMITATIONS OF LIABILITY**

- A. Customer agrees to release, hold harmless and indemnify the Authority, LUMA and LUMA Energy, LLC for all expenses and costs of any nature, including attorneys' fees, incurred or arising out of third party claims for personal injury, including death, or property damage, but whose damages were caused by the actions or omissions of the Customer in the performance or breach of its obligations under this Agreement. This provision and the following in this Article 10 shall survive termination or expiration of this Agreement.
- B. The Authority, LUMA and LUMA Energy, LLC shall not be liable, directly or indirectly, for allowing solar electric equipment, windmills or other renewable energy sources to be connected or continued to be connected to the Authority System, or for the acts or omissions of the feedback Customer that cause damage or loss, including death to any third party.
- C. The liability of the Authority, LUMA and/or LUMA Energy, LLC shall also be subject to the limitations of liability set forth in paragraphs 12.2 and 12.3 of this Agreement, the provisions of the Regulation of General Terms and Conditions for the Supply of Electric Power, as modified by the Terms of Service approved by the Resolution and Order of the NEPR of May 31, 2021 in the case NEPR-MI-2021-0007 (*In Re Review of LUMA's Terms of Service (Liability Waiver)*), Law 114-2007 and other applicable laws, regulations, orders and resolutions.

## **11. FORCE MAJEURE**

The Contracting Parties shall be relieved from the performance of their contractual obligations and shall not be liable for damages or any other notion, insofar as their breach is due to an event of force majeure. For purposes of this Agreement, force majeure means any cause not attributable to the fault or negligence, and beyond the control, of the Party claiming the occurrence of a force majeure event. Force Majeure may include, but is not limited to, the following: industrial disturbances, acts of a public enemy, war, blockades, boycotts, riots, insurrections, epidemics, earthquakes, storms, floods, civil unrest, lockouts, fires, explosions, interruption of services due to actions or omissions of any public authority; provided that these events, or any other claimed to be force majeure, and/or their effects, are beyond the control and are not the result of

the fault or negligence of the Party claiming the occurrence of a force majeure event, and that such Party, within ten (10) days, counted from the occurrence of the alleged force majeure, provides notice in writing to the other Party describing the details of the event and its estimated duration. The burden of proof, as to whether a force majeure event occurred, shall be on the Party claiming that it occurred.

**12. CAUSES OF NON-COMPLIANCE; REMEDIES**

- 12.1 Violation of any of the terms and conditions of this Agreement, the Regulations or the Regulation of General Terms and Conditions for the Supply of Electric Power, will give the Authority the right to disconnect the GD. In those facilities that do not have a manual switch or that the Customer does not provide access to the personnel of the Authority to operate it, the disconnection will be made from the point of delivery of the electric power service.
- 12.2 Notwithstanding the provisions of this Agreement, each Party's liability shall be limited to direct damages only and at no time shall the Parties be liable for incidental, punitive, consequential or indirect damages.
- 12.3 The Authority shall not be liable for damage caused by fluctuations or interruptions in the Authority's System. This provision shall survive the expiration or termination of this Agreement.

**13. SEVERABILITY**

If any court with jurisdiction and competence or the Energy Bureau, if it has jurisdiction, declares any of the clauses of this Agreement null or invalid, this will not affect the validity and effectiveness of the remaining clauses of the Agreement, and the Contracting Parties agree to comply with their obligations under such clauses not affected by the judicial or administrative determination of nullity or invalidity.

**14. AMENDMENTS AND MODIFICATIONS**

This Agreement may only be amended or modified in writing and by mutual agreement between the Parties.

**15. NOTIFICATIONS**

Any notification to be given by the Contracting Parties in accordance with this Agreement shall be in writing and shall be deemed to have been duly effective at the time of their personal delivery or by post to the following addresses:

To the Authority: Puerto Rico Electric Power Authority/or LUMA  
Energy ServCo, LLC  
1250 Avenida de la Constitución, Piso 8  
San Juan, PR 00907

Attention: LUMA Energy

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**Business Transformation  
Department**

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To the Customer:

fullName

(Customer Name)

postalAddress

(Postal address)

Attention:

fullName

**16. ELECTRONIC SIGNATURE**

By electronically signing this Agreement, you (the Customer): (i) certify that you have read and understood the Agreement; (ii) certify that you voluntarily accept all of the terms and conditions of the Agreement; (iii) certifies that the information contained in the Agreement is correct; (iv) you agree that your electronic signature constitutes your consent to this Agreement; (v) confirms that you understand that your electronic signature has the same legal effect as that conferred on documents signed in your own handwriting; and (vi) you agree that your consent to use this electronic medium to sign the Agreement also applies to other documents that may be generated by both parties in connection with this Agreement. If you wish to update your electronic contact information, receive a paper copy of this Agreement or any related document, or withdraw your consent to receive electronic notices, you must notify [nem@lumapr.com](mailto:nem@lumapr.com) in writing.

Therefore, the participants in this act agree on all the above, and finding it according to their wishes, accept it in all its parts without any qualms and proceed to sign it today  
**commercialDate**

Acknowledged and accepted by:

fullName

(Customer Name)

last4SSN

(Last four digits Social Security)

CustomerDate

(Date)

Approved by LUMA Energy, Business Transformation Department  
(Date)



