

## NET METERING II

Congratulations to PREPA for following through on its promise to look into Net Metering and provide a recommendation for its implementation. As has been discussed often in the STAR over the past two years, however, this process should have been instituted years ago and should be much more farsighted than the current proposal outlines.

According to the STAR article on July, 13th by Jon Rust (*PREPA Moves Closer....*), PREPA is finally going to allow “net metering”. So, it sounds as though the bureaucrats have surrendered to the will of the people. Well, maybe not! It looks like they’ve managed to impede the process sufficiently to render it inoperable. But why?

Large organizations hate change – any change, except increased salaries. They are risk averse. To do anything new is to risk one's career; and it's better to do the same old thing that doesn't work than it is to try to fix anything or make it better just in case it makes things worse. Consequently, short term solutions that make minimal changes are overwhelmingly preferable to long term corrections that could transform the organization or its operation no matter how improved the end result. So, what has happened to net metering?

EXPLANATION: Net metering is a system of accounting that allows both consumers and businesses to take electricity from PREPA when they need it and give to PREPA extra that they personally generate when they have a surplus. The customer, then, only pays for the *net difference* at the end of the month. This means that electricity can flow either direction (from the grid to the house or from the house to the grid) and the amounts are recorded. When electricity flows (normally) into a house from the grid, the meter advances. If a house is equipped with a solar or wind generation system, the excess power not being used by the house can be returned through the meter to the grid, and the meter runs “backwards” giving a credit.

Out of fear of change, PREPA seems to have discovered that it can dissuade implementation by making the process both too expensive and bureaucratically complicated or time consuming. PREPA can defend any demands made by invoking the ‘defense of public safety’ plea. An example is their requirement that installers be certified by the North American Board of Certified Energy Practitioners, which apparently no other state requires (and it is unclear that there is a single such certified individual in Puerto Rico).

So, what we have here is a government organization that plays a huge role in our lives, has a gigantic effect on our economy, and operates in its own best interests – as it perceives them. We have a bureaucracy that is adversarial to the public interest. The people are here to serve PREPA's needs, not the other way around. This organization has too much power (no pun intended) and too much influence. They should be our advocates, but they are not. They should be the energy experts, but they don't appear to be at all.

PREPA should be taking the lead. They should be providing meters, workshops, and inspectors (with proper compensation in their rate structures) to rapidly expand the alternative energy options. They should be encouraging distributed production of energy on a large scale. They should see the new areas of service expansion for themselves

as they bring in “wheeling” and net metering. They should be broadening their horizons instead of dragging us to the bottom.

Change is inevitable. PREPA must decide whether it will be the instrument of those changes or the victim: lead, follow, or get out of the way! The current proposed law (Ley 114) under consideration and open for public comment can be viewed at [www.prepa.com/avisos.asp](http://www.prepa.com/avisos.asp) . Its effect, as written, will be marginal. It does provide the needed net metering, but its hoops, hassles, and dollars will prevent much from changing.

Our collective future is dependent on what would have been called a bold energy policy ten years ago, but now we could call it a crisis catch-up initiative. This too little too late mentality is the “fiddling” while Puerto Rico “burns”. If it takes legislative or executive action, so be it! We’ve got to change this course because the path that we are on is economic suicide.