



Tax



Energy



Incentive

Energy Incentive Program

December 3, 2021

On October 4th, 2021, Governor Pedro Pierluisi announced the Energy Incentive Program with the purpose to assist small and medium business in the development of energy conservation initiatives and green energy investments ("Program"). This alert will summarize criteria for eligibility and the application process.

In general

The Puerto Rico Department of Economic Development and Commerce (DEDC) will receive applications of eligible small and medium sized businesses ("**PYMES**" for their Spanish acronym). The incentive will amount up to \$25,000 and aims to help stabilize business operations and reduce the cost and energy consumption in the long term.

The Program will be divided in two phases for registration, **Phase 1** (eligible suppliers); and **Phase 2** (eligible beneficiaries).

Who qualifies?

A business that generates an average sales volume of \$5 million or less during the three taxable years preceding the current Tax Year. Applications for beneficiaries will be evaluated considering factors such as location, economic sector, and the savings of the project.

Phase I: Eligible Suppliers must meet the following criteria:

- must provide evidence of being a PYMES (financial statements or tax returns)
- provide evidence of experience and capabilities (professional credentials and key personal resumes)
- merchant Registration
- evidence of Payroll (minimum of 3 employees)
- no debt Certification from the PR Treasury Department

Phase II: Eligible Beneficiaries must meet the following criteria:

- must provide evidence of being a PYME company (financial statements or tax returns)
- merchant Registration
- evidence of Payroll (minimum of 3 employees)
- no debt Certification from the Treasury Department
- electric bills for the last three months

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Collaborated in the preparation of this article.

The pre-qualification process for suppliers opened on November 8, 2021. Beneficiaries will be able to apply on December 6, 2021.

Eligible Equipment for the Incentive:

- renewable energy systems
- storage Integration (for batteries)
- infrastructure for electric vehicle charges
- energy efficiency measures (installation of control systems, replacement of water heaters with solar heaters, air conditioning units, lighting and refrigerators or freezers).

Where to register?

Supplier and beneficiaries' registration will be through <http://www.refuerzoeconomico.com>

We are committed to keeping you up to date with all tax-related developments. Please contact our Tax Department should additional information be required regarding this or any other tax issue. We will be glad to assist you.



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