

Government of Puerto Rico Announces the Privatization of the Puerto Rico Electric Power Authority

The Government wants a new, modern and efficient electric system

On January 22, 2018, Governor Ricardo Rosselló Nevares informed the citizens of Puerto Rico via a televised message that his administration will take its first step towards the privatization of the Puerto Rico Electric Power Authority ("PREPA") in order to transform the Island's electrical system into a new, modern and efficient system.

The Governor briefly explained the process through which PREPA assets will be sold to companies expecting to transform the generation system in the next 18 months, which will consist of the following three phases:

1. Defining the legal framework through legislation, monitoring the market and calling for companies interested in participating in the transformation of PREPA.
2. Receiving, reviewing and evaluating acquisition offers of interested companies.
3. Negotiating terms with the selected companies that meet the requirements for the transformation and modernization of the energy system.

Notwithstanding the three-phased plan, the transaction for selling the public utility would need to be approved by the Financial Oversight and Management Board of Puerto Rico and the federal judge presiding PREPA's bankruptcy under Title III of PROMESA.



Should your company be interested in participating in the transformation of PREPA and/or have any questions with respect to the privatization of PREPA, you may contact the attorneys at Vidal, Nieves & Bauzá, LLC.

Vidal, Nieves & Bauzá is a corporate law firm with a special emphasis in energy and environmental matters, corporate, transactional, real estate and insurance practices.

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