

## New Energy Public Policy for Puerto Rico is Closer to Becoming Law



On January 22, 2019, Senate Bill No. 1121 for the creation of the "Public Energy Policy Act of Puerto Rico" was approved by the Puerto Rico House of Representatives with the following amendments to the Senate approved version:

- Modifies the selection and terms of the Board of Directors of the Puerto Rico Electric Power Authority ("PREPA") such that it consists of 7 members, 5 of which would be appointed by the governor and legislative leaders, 1 by the public interest and another by the governor without legislative consult.
- Modifies the responsibility of the members of the Board of Directors of PREPA and its officers by eliminating the criminal liability for continuous violations, and eliminates the monetary penalties for such violations.
- Sets a cap on the cost per kilowatt hour that cannot exceed 20 cents, which will take effect 5 years after the Bill becomes law.
- The prohibition of the burning of waste as a source to generate energy would be implemented after the Bill becomes law.

• "To eliminate the use of coal before January 1, 2018", the Bill incorporates language regarding the Energy Bureau's evaluation of the convenience of substituting the existing generation capacity based on coal with other sources that comply with the public policy on energy by extending contracts and /or renewing existing permits based on the new generation source.

Given that the Senate did not concur with the aforementioned amendments to the Bill, a Conference Committee will be assigned to evaluate the Bill before it reaches the governor's consideration.

Should your company be interested in learning more about the amendments to Senate Bill No. 1121, you may contact the attorneys at Vidal, Nieves & Bauzá, LLC, a corporate law firm with a special emphasis in energy and environmental matters, corporate, tax, transactional, real estate and insurance practices.

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