



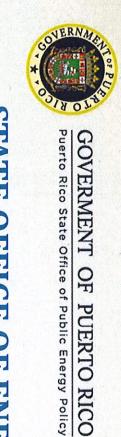
FUTURE OF PUERTO RICO'S ENERGY SECTOR:

PUERTO RICO ENERGY POLICY AND NEW TECHNOLOGIES

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STATE OFFICE OF ENERGY POLICY

- Act No. 57 of May 27, 2014, designates the State Office of Energy Policy as the government responsibilities include: energy policy and advices the Governor's Office on Puerto Rico energy issues. agency responsible for the development and promotion of the Government of Puerto Rico's
- a. Advice the Governor of the Government of Puerto Rico and every public entity of the on energy issues;
- b. Develop energy conservation plans for the country and oversee its development and implementation;
- among others. Verify municipality's compliance with conservation and energy efficiency goals;



Puerto Rico State Office of Public Energy Policy



FISCAL PLAN 2018

Energy Reform

services to clients; and allow for greater competition in energy generation. and environmentally compliant energy infrastructure; reform PREPA operations and Leverage and facilitate expedited private sector investments in a modern, cost-efficient,

Regulatory Reform

- Reduce unnecessary regulatory burdens (bureaucracy).
- Consolidate all public service & utility regulatory agencies into one.

Energy Reform

The Transformation Plan is Intended to Provide a Roadmap for a Transformed Energy Sector for Puerto Rico



environment Provides Puerto Rico with a 21^{lpha} century energy sector that serves as an engine of economic growth while protecting the



projected decrease in demand. Builds energy infrastructure that recognizes the need for a transformed and resilient system, while taking into account the



Achieves low-cost and reliable energy.



Provides sustainable structural and financial models for energy on the Island.



increases generation from renewable energy.

Leverages available federal funding for disaster recovery



through operational excellence. Provides platform for the implementation of innovative technology to drive efficiencies and improve customer service



Provides, as applicable, professional and independent governance



sector, promote private investment, and implement and manage efficient rate designs and effective incentives. Relies on a robust and transparent regulatory framework to regulate private and monopoly components of the new energy



FISCAL PLAN 2018



Puerto Rico State Office of Public Energy Policy

DEMOCRATIZATION OF ENERGY AND CUSTOMER CHOICE **ENERGY POLICY**

Democratization of Energy

- No energy monopoly (Open market with regulations)
- Public participation (e.g. Cooperatives, Public-Private Partnerships, etc.)
- Decentralization of energy system
- Reform of ownership of energy production
- Distributed regional electrical grid:
- Microgrids
- Energy catalog Power production:
- Technologies (e.g. solar, wind, geothermal, CHP, etc.)
- Sectors (residential, commercial and industrial)





Puerto Rico State Office of Public Energy Policy

DEMOCRATIZATION OF ENERGY AND CUSTOMER CHOICE **ENERGY POLICY**

(Cont.)

Customer choice

- Right to choose other alternatives
- Road to an open energy market
- Options to new technologies (e.g. hydrogen, tidal, geothermal and biomass energy)
- Open power opportunities for the commercial and industrial sector



Puerto Rico State Office of Public Energy Policy



DEMOCRATIZATION OF ENERGY AND CUSTOMER CHOICE

"WE HAVE A COMMITMENT WITH TRANSPARENCY AND FISCAL CONTROLS."

"PUERTO RICO OPEN FOR BUSINESS"

-Dr. Ricardo Rosselló Nevares Governor of Puerto Rico