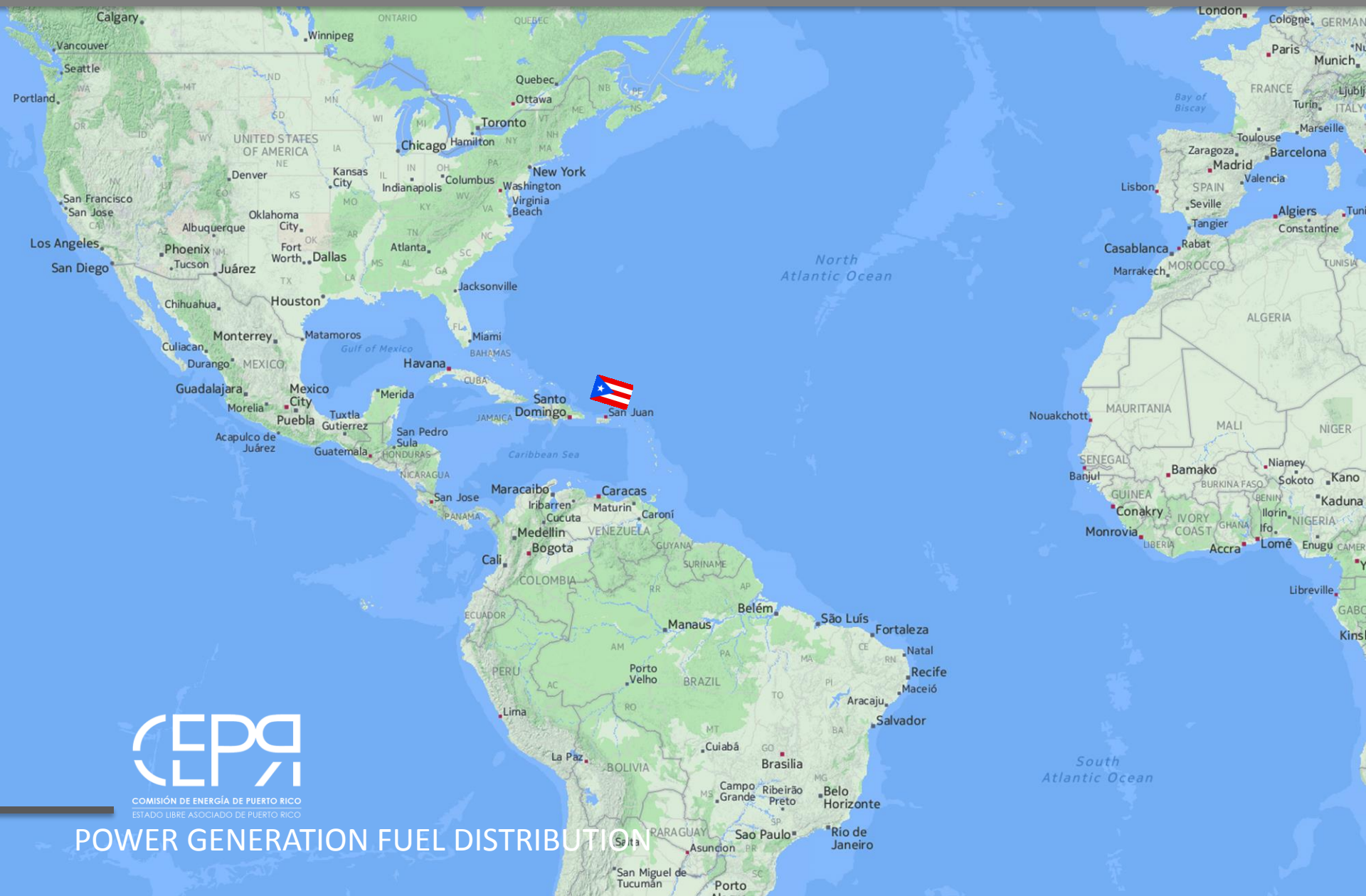




COMISION DE ENERGIA DE PUERTO RICO
ESTADO LIBRE ASOCIADO DE PUERTO RICO

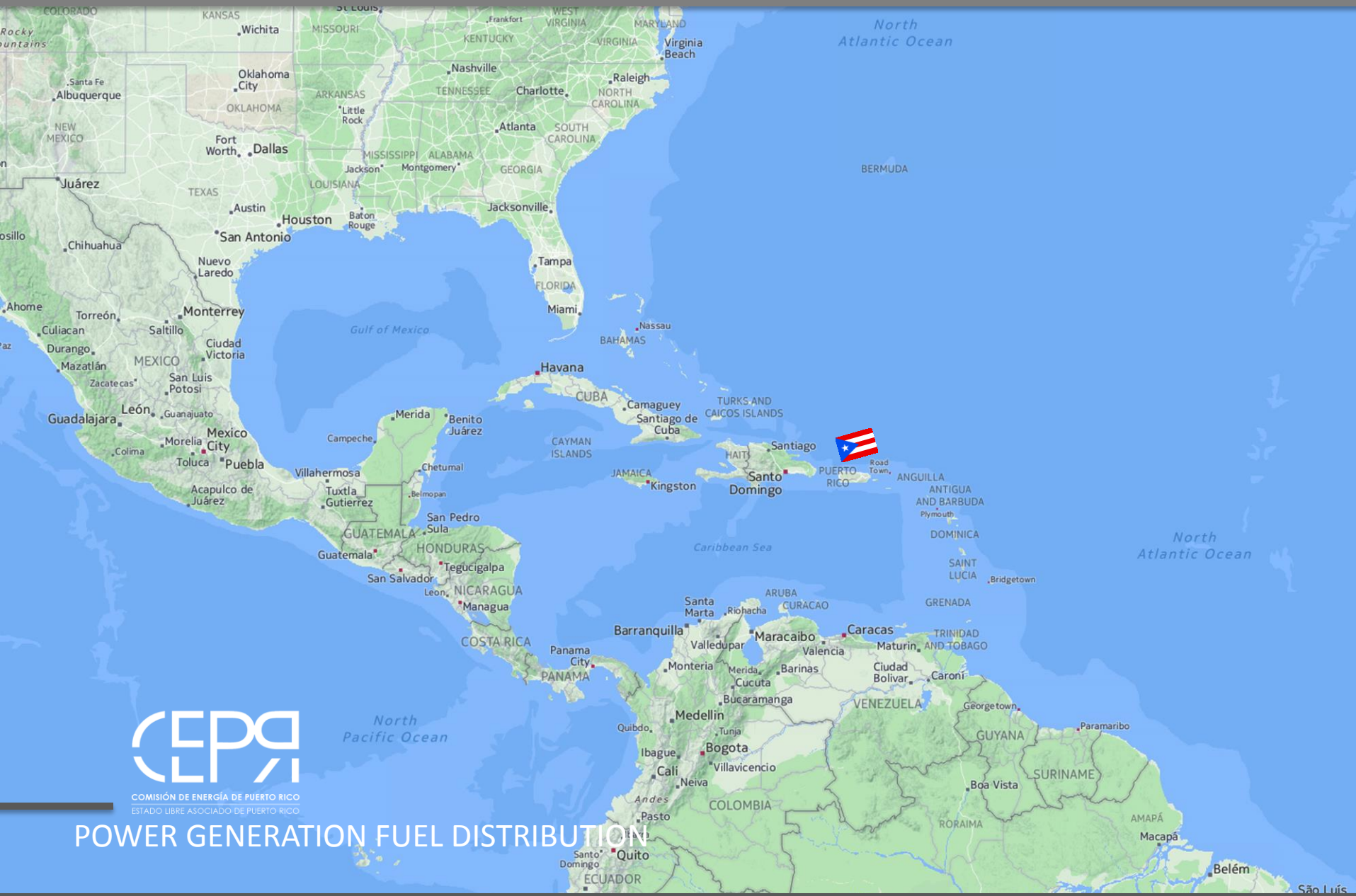
The security of electricity supply in an isolated system such as Puerto Rico

Agustín F. Carbó-Lugo, Chairman
Puerto Rico Energy Commission



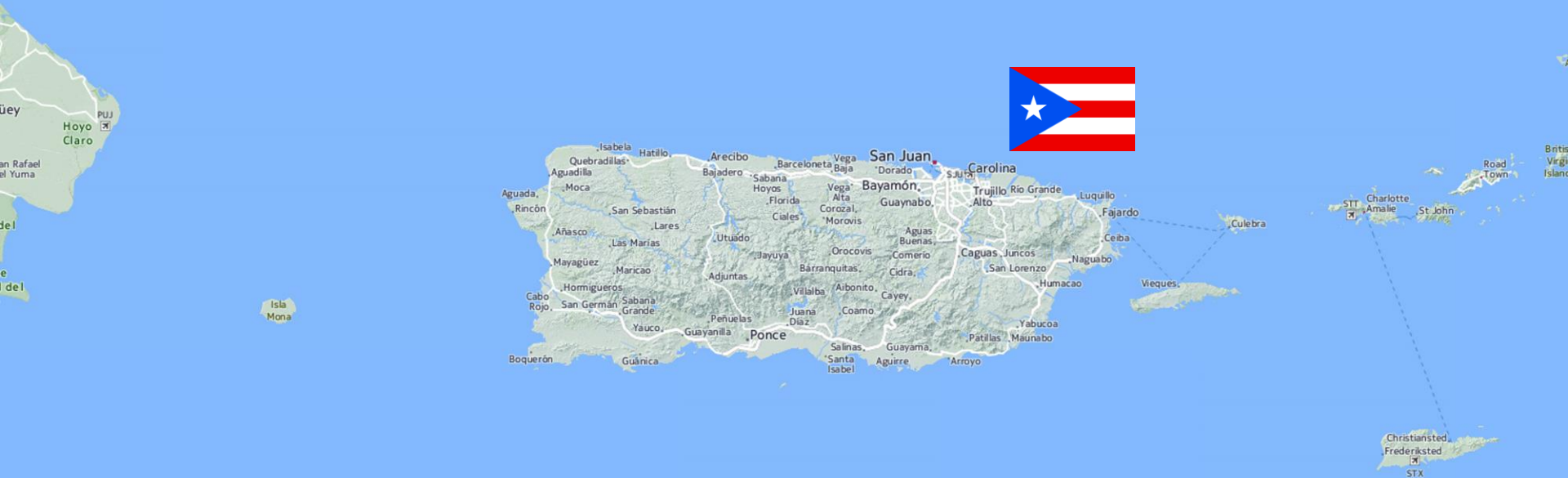
COMISIÓN DE ENERGÍA DE PUERTO RICO
ESTADO LIBRE ASOCIADO DE PUERTO RICO

POWER GENERATION FUEL DISTRIBUTION



COMISIÓN DE ENERGÍA DE PUERTO RICO
ESTADO LIBRE ASOCIADO DE PUERTO RICO

POWER GENERATION FUEL DISTRIBUTION



COMISIÓN DE ENERGÍA DE PUERTO RICO
ESTADO LIBRE ASOCIADO DE PUERTO RICO

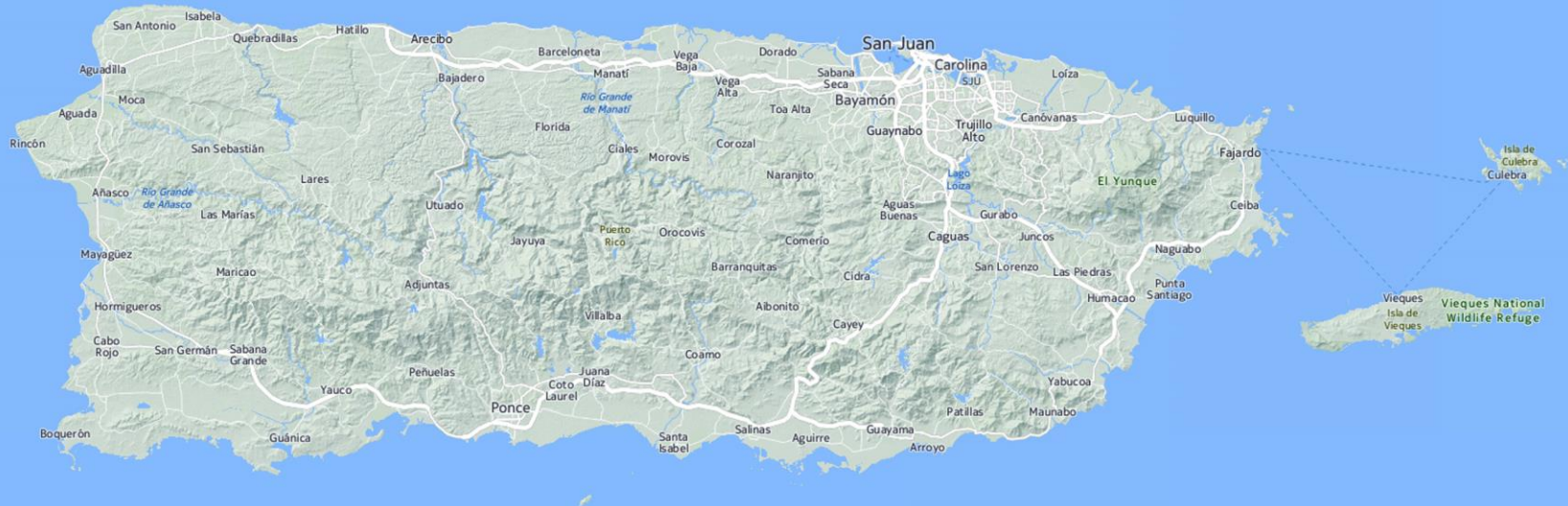
POWER GENERATION FUEL DISTRIBUTION

BACKGROUND

- Puerto Rico has a natural monopoly established in 1941. Their mandate was to provide electric power to the island.
- The electrification was not efficient as it followed population centers.
- Puerto Rico doesn't have local fuel resources. PR depends on receiving fuel shipments and maintaining a 30 day storage.
- This has become one of the major challenges in converting the oil burning plants to natural gas plants: figuring out the logistics of delivering natural gas to all converted plants.
- Federal **Environmental** Regulations

PUBLIC POLICY

- Cost of the electric power generated, transmitted, and distributed in PR shall be **affordable**, just, and nondiscriminatory for all consumers;
- Safety and reliability of the electricity infrastructure shall be guaranteed by **integrating** clean and efficient energy;
- Become a jurisdiction with **diversified energy sources** and high efficiency electric power generation;
- **Transparency** and citizen participation in every process related to electric power service in Puerto Rico shall be promoted;



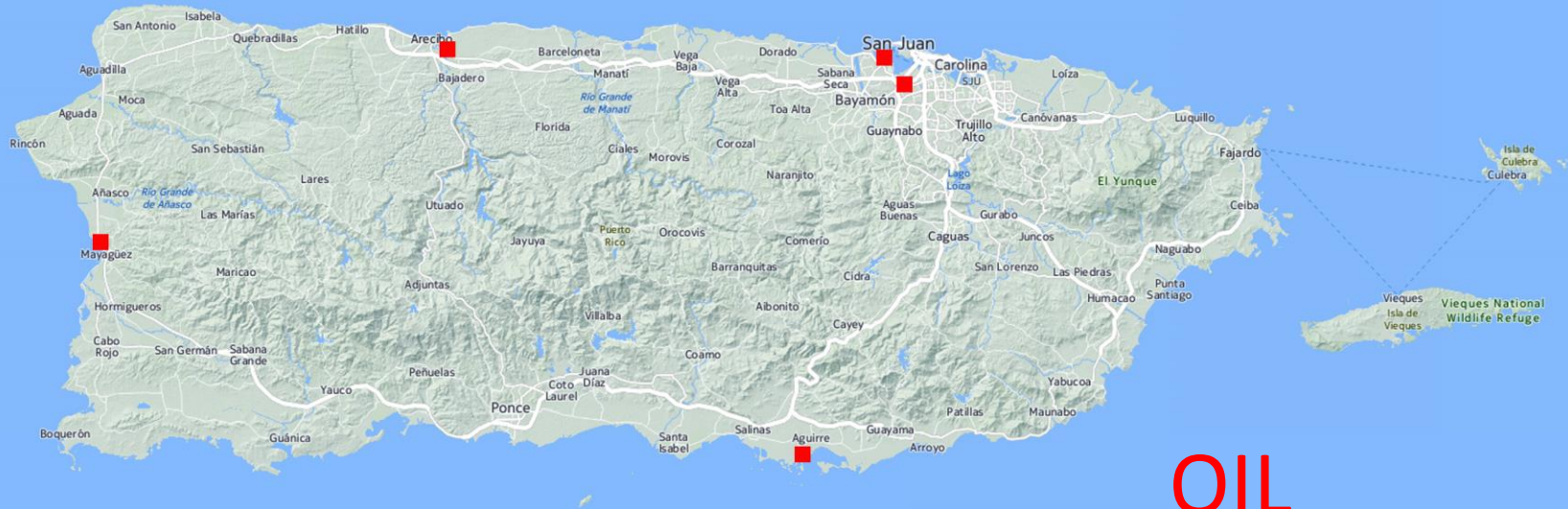
LEGEND

- OIL
- HYDRO
- NATURAL GAS
- COAL



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OIL

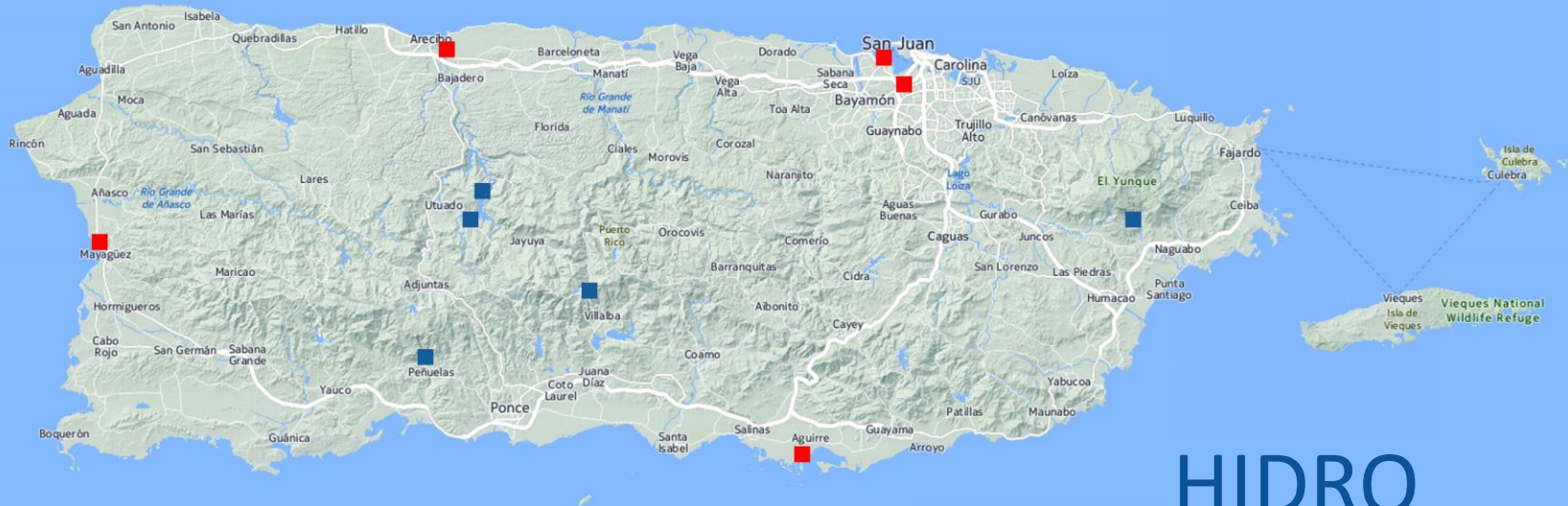
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POWER GENERATION FUEL DISTRIBUTION



HIDRO

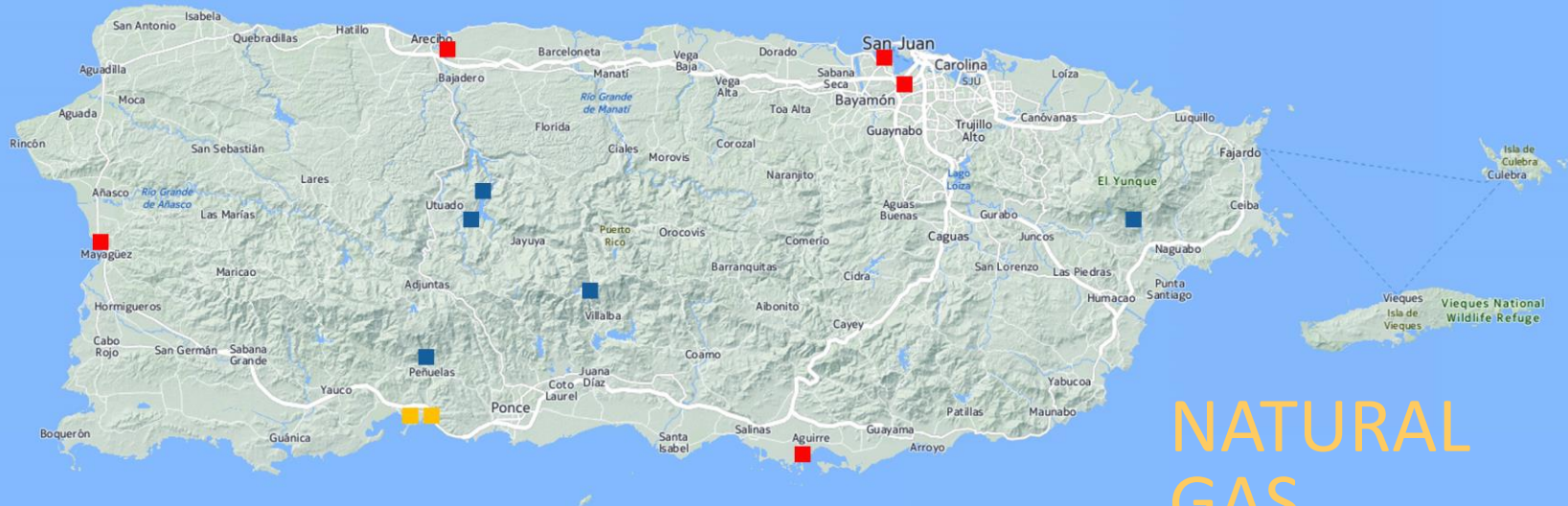
LEGEND

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NATURAL GAS

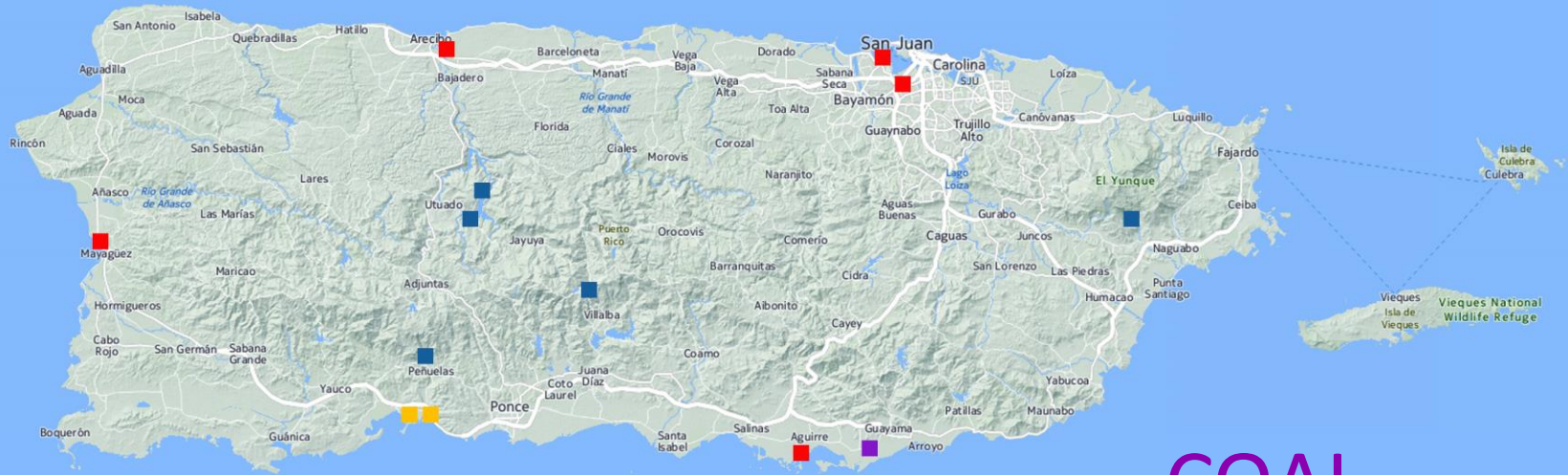
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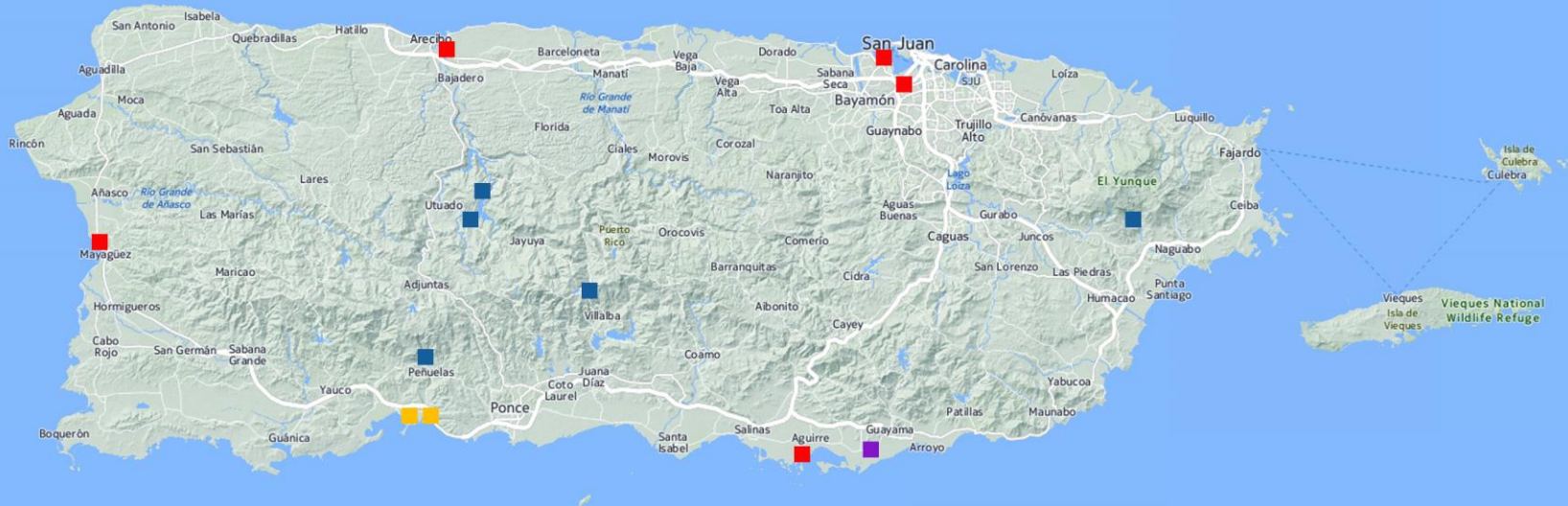


COAL

LEGEND

- OIL
- HYDRO
- NATURAL GAS
- COAL

POWER GENERATION FUEL DISTRIBUTION



LEGEND

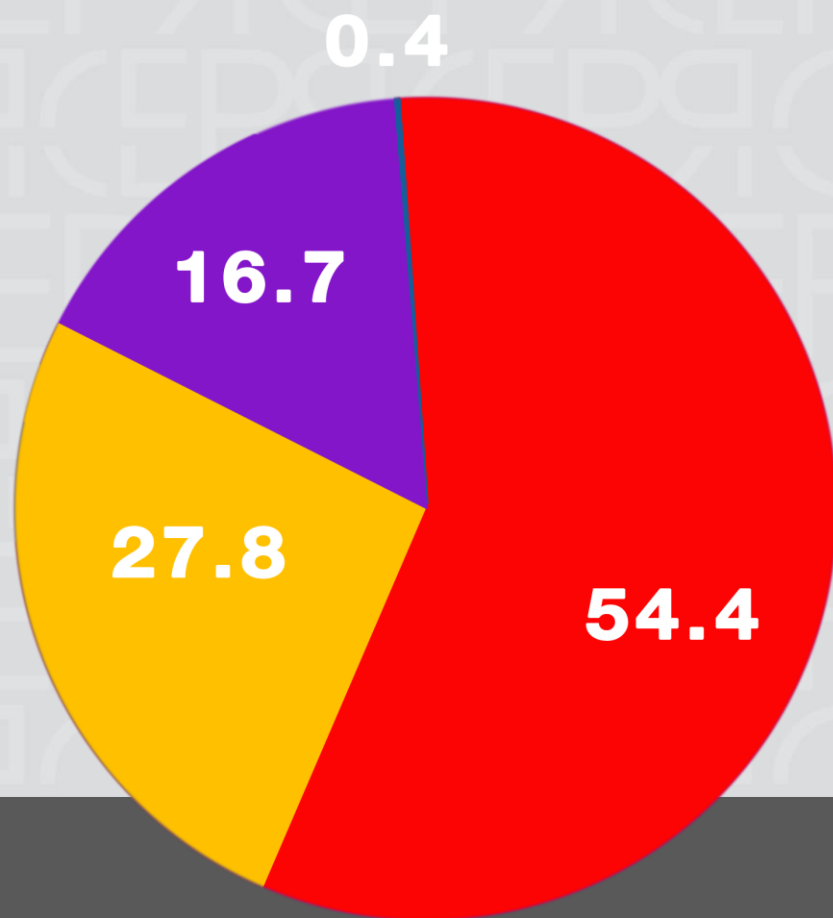
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



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POWER GENERATION FUEL DISTRIBUTION

FUEL PERCENTAGE



LEGEND

-  OIL
-  HYDRO
-  NATURAL GAS
-  COAL

ACT 57-2014

- Puerto Rico Energy Transformation and RELIEF Act
 - Transformation of PREPA
 - Creation of the Commonwealth Energy Public Policy Office (CEPPO)
 - Public policy for the conservation and efficient use of energy in public facilities and buildings
 - Adoption of expedited procedures for the interconnection of renewable energy generation systems
 - Creation of **Energy Commission**
 - Creation of the Independent Consumer Protection Office (ICPO)

ENERGY CHALLENGES

- Fossil fuel dependency
- Government bureaucracy
- New regulatory scheme: resistance to change
- Environmental Compliance
- **Fiscal restructuring:** bondholders
 - Low credit rating
 - Increased debt; government fiscal problems
- Limited capital
- Public Policy ??

FUTURE

- Restructuring outcome
- Open market: energy generation
- Vice President Biden's Caribbean Energy Summit (Jan. 2015)
 - To promote a cleaner and more sustainable energy future in the Caribbean through improved energy governance, greater access to finance, and donor coordination.
 - It was discussed the interconnection of the Caribbean islands using Puerto Rico as a principal energy hub.
- Role of PR Energy Commission



PUERTO RICO ENERGY COMMISSION
COMMONWEALTH OF PUERTO RICO