

(S. B. 1519)

**(No. 82)**

(Approved July 19, 2010)

**AN ACT**

To create the “Public Policy on Energy Diversification by Means of Sustainable and Alternative Renewable Energy in Puerto Rico Act”; to establish the standards to promote the generation of renewable energy pursuant to short, medium, and long-term mandatory goals known as Renewable Portfolio Standards; to create the Puerto Rico Renewable Energy Commission as the entity charged with overseeing compliance with the Renewable Portfolio Standards established hereunder and set forth its duties; to set forth the duties of the Energy Affairs Administration with respect to the Commission and the Renewable Portfolio Standards; and for other related purposes.

**STATEMENT OF MOTIVES**

Puerto Rico, as many other jurisdictions, is undergoing an energy crisis that affects us all. For such reason, it is necessary to establish specific measures to address this problem by furthering energy production diversification in Puerto Rico and establishing long-term energy conservation and stability. To achieve such diversification, it is necessary to devise a new energy strategy for Puerto Rico, together with the norms to promote the generation of sustainable renewable energy, pursuant to short, medium, and long-term mandatory goals, through a Renewable Portfolio Standard.

At present, nearly seventy percent (70%) of the electric power generated in Puerto Rico derives from oil. Oil price increases every year, and it is expected to continue increasing. On the other hand, the unmeasured use of oil-derived energy sources contribute to the energy cost volatility in our jurisdiction and the climate change phenomenon that concerns the people of Puerto Rico. Although the climate change is a global phenomenon, there is no doubt that our current energy

policy is contributing to it. Therefore, the Government of Puerto Rico is compelled to create the necessary conditions in order for future generations to be able to progress and develop within a healthy environment, creating, in turn, the necessary tools to stabilize the price of energy and new economic development sources.

The obligation of Government of promoting Puerto Rico's sustainable development is not new, since it arises from the Constitution of Puerto Rico approved in 1952. Article VI, Section 19 of the Constitution sets forth that: "it shall be the public policy of the Commonwealth to conserve, develop, and use its natural resources in the most effective manner possible for the general welfare of the community..." In spite of the fact that such constitutional principle has been the basis for different Government measures and programs, the lack of specific goals that lead us to attain this objective has caused Puerto Rico to lag behind in terms of its energy policy. The truth is that we are neither taking advantage of nor developing our natural resources to their maximum in benefit of the general community. The causes therefor are not unknown.

Puerto Rico's energy policy has been a one-dimensional one for the past sixty (60) years, which is one of the reasons for the electric power cost in the Island to rank among the highest and most volatile in comparison with other jurisdictions. Puerto does not have control over the price of these fossil fuels, and therefore, our economy is subject to constant price fluctuations in the global markets and the flight of local capital due to the purchase of such fuels. In fact, it is estimated that, at present, the electric power cost is twice as high in Puerto Rico than the average cost thereof in the rest of the United States, and the average Puerto Rican pays about twenty cents per kilowatt-hour (kWh). Likewise, it has been determined that the increase in the cost of energy experienced in Puerto Rico is mainly due to the increase in the cost of fossil fuels derived from oil.

Energy's high cost and its cost instability not only adversely affect our quality of life and environment, but also our economic competitiveness, since it increases the cost of doing business in Puerto Rico. It is estimated that, for every dollar increase in the cost of a barrel of fossil fuel, our economy experiences a seventy million (\$70,000,000) flight of capital annually. Furthermore, other states are concerned that the high oil dependence render the economy of the Nation to which we belong dangerously vulnerable in light of the energy instability, flight of capital, climate change, and at greater risk of being attacked by the enemies of the United States. For such reason, the President of the United States, Barack Obama, is committed to invest \$150 billion dollars in sustainable renewable energy technology during the next decade; it is expected to generate five (5) million direct and indirect jobs for the United States economy in the next years. In the case of Puerto Rico, it is estimated that, if the production of sustainable renewable energy and alternative renewable energy is increased by promoting cutting-edge legislation such as the present one, we shall be able to create a new, strong renewable energy industry and thousands of new direct and indirect jobs.

### **Renewable Portfolio Standard**

Presently, twenty-nine (29) states together with Washington D.C., have adopted the renewable portfolio standard concept and other five (5) states have established "renewable energy goals" that they have committed to comply. These goals with enforcement provisions to reduce the use of conventional energy and increase the use of renewable energies are known as the "Renewable Portfolio Standard" or "RPS." In fact, the United States Congress has been evaluating legislation that, if passed, would establish a renewable portfolio standard applicable nationwide. Consistent with the foregoing, and in order to take the necessary preventive measures to guarantee our compliance therewith, this Act establishes a system of goals similar to those presently proposed in the Renewable

Portfolio Standard that would be imposed at federal level. In order to achieve an energy policy based on sustainable development principles, many countries have already adopted a public policy that promotes the use of sustainable renewable energy sources and alternative renewable energy sources and established the specific percentages of renewable energy that the companies engaged in the sale of electric power shall produce or consume.

Following such trend, this Act creates, for the first time, a Renewable Portfolio Standard in Puerto Rico and establishes the requirements and specific percentages through which the Puerto Rico Electric Power Authority (PREPA) and other retail electricity suppliers shall supply electric power from renewable energy sources and alternative renewable energy throughout the next twenty five (25) years. With this, we seek to achieve a twenty percent (20%)-sustainable renewable energy production in Puerto Rico and dramatically reduce our dependence on fossil fuels for energy consumption. Furthermore, this shall pave the way for the “Puerto Rico: Green Island” initiative, which seeks to establish and implement the Puerto Rico’s new energy policy based on energy source diversification and conservation. In this manner, it is ensured that the generation of electricity in this jurisdiction be affordable, feasible, reliable, stable, and sustainable, while “green jobs” are created and the environment is preserved.

To these effects, the members of the Energy Policy Committee (“EPC”) created by the Governor of Puerto Rico, the Hon. Luis G. Fortuño, through Executive Order of July 21, 2009, (Administrative Bulletin No. OE-2009-23) reached a unanimous agreement as to a renewable portfolio standard proposal and defined the minimum percentage of renewable energy to be produced in Puerto Rico in the next decades. This was done in fulfilling the task entrusted to the EPC of drafting and making recommendations to the Governor on a renewable portfolio standard proposal with specific diversification goals and timetables for the

different energy sources. Thus, the EPC agreed that the percentages of sustainable renewable energy to be produced in Puerto Rico would be twelve percent (12%) of renewable energy production by 2015, and fifteen percent (15%) of renewable energy production by 2020. This is undoubtedly an unprecedented achievement for Puerto Rico.

The implementation of this proposal and the other components of this Act shall be carried out by the Puerto Rico Renewable Energy Commission, whose operating arm shall be the Energy Affairs Administration, and shall implement the decisions, determinations, orders, resolutions, and regulations of the Commission. The Commission shall be composed of seven members, to wit: the Executive Director of the Energy Affairs Administration, the Secretary of the Department of Economic Development and Commerce, the President of the Government Development Bank for Puerto Rico, the Secretary of the Treasury, and the Chairperson of the Planning Board, one (1) representative of the academia, and one (1) representative of the private sector. The representatives of the academia and the private sector shall be appointed by the Governor of Puerto Rico with the advice and consent of the Senate of Puerto Rico and their appointment shall be for four (4) years. The Commission shall be presided by the Executive Director of the Energy Affairs Administration. Each one of the abovementioned officials shall fulfill his/her functions *ad honorem*.

As in many other states of the Nation, the adoption of a Renewable Portfolio Standard in Puerto Rico would bring about different advantages. Through such portfolio, there is established an energy policy that is less susceptible to fuel cost fluctuations, which cannot be achieved through the production of energy from fossil fuels and oil byproducts. Therefore, the more renewable sources are used to produce electric power and to promote greater conservation, the higher stability in energy prices is achieved. In addition to this, a reduction in the amount of oil

imported for energy consumption and in the unfortunate flight of capital from our economy is also achieved. Furthermore, this would also generate more jobs in Puerto Rico. Among the main costs associated with the production of electric power from renewable sources is the high cost of the equipment and the maintenance and operation thereof. These costs are more predictable and stable and, the use of renewable sources and alternative renewable to produce electric power shall guarantee long-term price stability.

Reducing our dependence on oil-derived fuels derived to produce energy shall yield more than economic benefits. The production of electric power from sustainable renewable energy and alternative renewable energy sources has highly valuable attributes, which shall yield benefits for the entire citizenry, since the use of this kind of energy reduces air pollution and mitigates the adverse effects on the health of our people associated with pollution. In addition to the above stated, the production of renewable energy generates clean energy, green jobs, and promotes social and environmental wellbeing for Puerto Rico.

### **Renewable Energy Certificates**

Likewise, the use of Renewable Energy Certificates (RECs) is one of the mechanisms to be employed in the implementation of Puerto Rico's new energy policy. As defined in this Act, a REC is equal to one (1) megawatt-hour (MWh) of electricity generated from a sustainable renewable or alternative renewable energy source (issued and registered pursuant to this Act) and also represents all environmental and social attributes of said energy. RECs shall be one of the tools used to oversee compliance by retail electricity suppliers with the provisions of the Act.

Another objective of this new Act is to give Puerto Rico the opportunity of becoming part of the RECs market and the renewable energy sources market currently existing in the United States. RECs are commodities that are tradable and

negotiable within and outside of Puerto Rico, so that their issue constitutes an economic value for those who acquire, trade or negotiate with the same. Furthermore, the need to comply with certain percentages of sustainable renewable energy for the production of electric power also constitutes a mechanism employed to promote the establishment of companies engaged in the production of electric power from renewable sources, which shall generate jobs and bolster a new economic development market in Puerto Rico.

This Act is also adopted to prepare and anticipate ourselves to the bills under consideration of the United States Congress, through which a National Renewable Portfolio Standard and a carbon dioxide (CO<sub>2</sub>) and other Green House Gases reduction and control system shall be established. In light thereof, and as opposed to the national Renewable Portfolio Standard, presently under the consideration of the United States Congress, the Renewable Portfolio Standard, created under this Act, allows for the use of sustainable renewable energy sources and alternative renewable energy sources to attain the objectives thereof. The sources classified hereunder as “sustainable renewable energy sources,” are energy sources that shall be used to show compliance with the national Renewable Portfolio Standard should the same be passed by the United States Congress. The sources classified hereunder as “alternative renewable energy sources” are additional energy sources that may be employed to show compliance with Puerto Rico’s Renewable Portfolio Standard; but this cannot be achieved with the renewable portfolio standard that the United States Congress may pass in the future. The distinction between what is considered a sustainable renewable energy source and an alternative renewable energy source has been made with the sole purpose of facilitating the distinction between the energy produced from sources that may be used to show compliance with both renewable portfolio standards and the energy produced from sources that may only be used to show compliance with Puerto Rico’s Renewable Portfolio

Standard. In summary, the production of energy from any of these sources is in harmony with Puerto Rico's energy policy and the contrast between them only seeks to classify those energy sources that may be quantified in Puerto Rico to show compliance with a national renewable portfolio standard, should it be passed in the future.

***BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:***

CHAPTER I

PRELIMINARY PROVISIONS

Section 1.1.-**Abbreviated Title.**-

This Act shall be known as the "Public Policy on Energy Diversification by Means of Sustainable and Alternative Renewable Energy in Puerto Rico Act."

Section 1.2.-**Statement of Public Policy.**-

It is hereby declared as the public policy of the Government of Puerto Rico to achieve the diversification of energy sources and energy technology infrastructure by reducing our dependency on energy sources derived from fossil fuels such as crude oil; reducing and stabilizing our energy costs; controlling electricity price volatility in Puerto Rico; reducing the flight of capital caused by the import of fossil fuels; preserving and improving our environment, natural resources and quality of life; promoting the conservation of energy and social well-being through various mechanisms such as setting and achieving goals within a mandatory timetable schedule, and economic and tax incentives to stimulate the generation of electric power through sustainable renewable and alternative renewable energy sources. To these purposes, the Government of Puerto Rico hereby adopts a Renewable Portfolio Standard with a compliance timetable that shall apply to every retail electricity supplier in Puerto Rico.

**Section 1.3.-Construction.-**

The provisions of this Act shall be construed liberally, in order to achieve the implementation of the public policy set forth in Section 1.2 and guarantee compliance with the Renewable Portfolio Standard created hereunder.

**Section 1.4.-Definitions.-**

For the purposes of this Act, the following terms or phrases shall have the meaning stated below, except where the context clearly indicates otherwise, and the terms importing the singular number shall be deemed to include the plural and vice versa.

- 1) “Renewable Energy Purchase Agreements” means the agreements to purchase electric power produced from sustainable renewable energy source or alternative renewable energy source. These agreements may include, although not necessarily, the purchase of RECs, as defined, which are the product of the energy generated by a sustainable renewable energy or alternative renewable energy producer, whether at an agreed price or a pre-fixed or indexed rate for a pre-established long-term period.
- 2) “Administration” means the Energy Affairs Administration.
- 3) “Environmental and Social Attributes” for the purposes of this Act, means all RECs qualities and characteristics that are inseparable and represent benefits to nature, the environment, and society that are produced from the energy generated by sustainable renewable energy or alternative renewable energy, but excluding energy attributes, as defined; for the purposes of this Act, environmental and social attributes include without limitation, reducing environmental pollutants such as carbon dioxide and other gas emissions which cause the greenhouse effect.

- 4) “Energy Attributes” for the purposes of this Act, means electric power benefit production (measured in megawatts-hour (MWh) unit or fractions) from a sustainable renewable energy source or alternative renewable energy source, and includes the use or consumption of electricity and the network’s stability, its production capacity, and its contributions to Puerto Rico’s electric power system.
- 5) “Authority” means the Puerto Rico Electric Power Authority.
- 6) “Renewable Biomass” means any organic or biological material derived from organisms that have the potential to generate electricity, such as wood, waste, and alcohol-derived fuels; and includes natural biomass, which is produced naturally without human intervention; residual biomass, which is a byproduct or residue generated in agricultural, forest, and cattle activities, as well as solid residue from the food and agriculture industry and the wood-processing industry; for the purposes of this Act it also includes any biomass similar in nature to those described, as designated by the Administration.
- 7) “Renewable Portfolio Standard” means the mandatory percentage of sustainable renewable energy or alternative renewable energy required from each retail electricity supplier as established in Chapter 2 of this Act.
- 8) “Renewable Energy Certificate” or “REC” means a personal property that constitutes a tradable and negotiable asset or commodity that may be purchased, sold, assigned, and transferred between persons for any lawful purpose, which is equal to one (1) megawatt-hour of electricity generated from a sustainable renewable energy source or alternative renewable energy source (issued and registered pursuant to this Act) and represents all environmental and social attributes, as defined in this Act.

- 9) “Commission” means the Puerto Rico Renewable Energy Commission created under this Act.
- 10) “Smart Meter” means a reading or telemetering device that records the energy produced and/or consumed more accurately and thoroughly than a traditional power meter, and communicates detailed information whether through a wired (or wireless) networking to the Authority and/or the renewables registry for follow-up or billing purposes or communicating energy data.
- 11) “Municipal Solid Waste” means nonhazardous solid waste generated in single or multi-family dwelling, camping or recreational areas, offices, industries, businesses, and similar establishments as a result of the use thereof during the basic activities of human beings and animals, specifically including trash, garbage, and human waste, and any other waste similar in nature, as designated by the Puerto Rico Solid Waste Authority.
- 12) “Executive Director” means the Executive Director of the Energy Affairs Administration.
- 13) “Qualified Hydropower” means the energy generated from: (i) an increased efficiency or increased generating capacity achieved at a hydroelectric facility built before the effective date of this Act; or (ii) a hydroelectric facility built after the effective date of this Act.
- 14) “Alternative Renewable Energy” means energy derived from the following sources:
  - a. Conversion of municipal solid waste;
  - b. Landfill gas combustion;
  - c. Anaerobic digestion;

- d. Fuel cells;
  - e. Any other energy that the Administration may define in the future as alternative renewable energy.
- 15) “Distributed Renewable Energy” means sustainable renewable energy or alternative renewable energy supplying electric power to a retail electricity supplier through a net metering program with a capacity of up to one (1) megawatt.
- 16) “Sustainable Renewable Energy: means the energy derived from the following sources:
- a. Solar energy;
  - b. Wind energy;
  - c. Geothermal energy;
  - d. Renewable Biomass Combustion;
  - e. Renewable Biomass Gas Combustion;
  - f. Combustion of biofuel derived solely from renewable biomass;
  - g. Qualified hydropower;
  - h. Marine and hydrokinetic renewable energy, as defined in Section 632 of the “Energy Independence and Security Act of 2007” (Public Law 110-140, 42, U.S.C. § 17211);
  - i. Ocean thermal energy;
  - j. Any other clean and/or renewable energy that the Administration may define in the future through regulation or order as sustainable renewable energy.
- 17) “Green Energy” the term “green energy” includes both terms “sustainable renewable energy” and “alternative renewable energy”.

- 18) “Sustainable Renewable Energy Source” means any electricity source that produces electric power through the use of sustainable renewable energy, as such term is defined in this Act.
- 19) “Alternative Renewable Energy Source” means any electricity source that produces electric power through the use of alternative renewable energy, as such term is defined in this Act.
- 20) “Force Majeure” means any unforeseeable or unavoidable event, including exceptional events caused by nature such as earthquakes, floods, hurricanes (e.g. “acts of God”), and those events resulting from human actions such as riots, strikes, and wars, among others.
- 21) “Operator” means any person who controls or manages a sustainable renewable energy source, alternative renewable energy source or retail electricity supplier.
- 22) “Reconciliation Period” means a sixty (60)-day period following the last day of the recently concluded calendar year, during which a retail electricity supplier may acquire RECs to comply with the standards imposed by the Renewable Portfolio Standard applicable to the recently concluded calendar year.
- 23) “Person” means any individual, partnership, enterprise, association, corporation, public corporation or entity under the jurisdiction of the Commission or the Administration. The term “person” specifically includes, but is not limited to, any sustainable renewable energy producer, alternative renewable energy producer, retail electricity supplier, distributed renewable energy producer, and the Authority.
- 24) “Fuel Cells” means any electrochemical system that converts energy originating from a chemical reaction into electricity.

- 25) “Distributed Renewable Energy Producer” means any distributed renewable energy source operator, as defined in this Act.
- 26) “Sustainable Renewable Energy Producer” means the operator of a sustainable renewable energy source that generates and sells electricity and whose capacity is higher than one (1) megawatt (Mw) of electricity or higher.
- 27) “Alternative Renewable Energy Producer” means the operator of an alternative renewable energy source that generates and sells electricity and whose capacity is higher than one (1) megawatt (Mw) of electricity or higher.
- 28) “Retail Electricity Supplier” means the Electric Power Authority and any other retail electricity supplier that sold more than fifty thousand (50,000) megawatt-hours (MWh) of electric power to electric power consumers in Puerto Rico during the preceding calendar year. In order to determine whether a person is a retail electricity supplier, the retail energy sales in Puerto Rico of any of its affiliates shall be taken into account. It shall be deemed to be an “Affiliate” any company that controls or administers, is controlled or administered by, or is under common control or administration with, a retail electricity supplier. The term retail electricity supplier does not include an energy producer whose energy is intended to be resold, a sustainable renewable energy or alternative renewable energy producer or a distributed renewable energy producer.
- 29) “Renewables Registry” means the North American Renewables Registry (NAR), which administers a Web-based platform to issue serialized Renewable Energy Certificates (RECs), for sustainable renewable energy and alternative renewable energy sources where registered sources may

create and manage their individual accounts, and quantifying and transferring RECs, or any other registry established or authorized by the Commission for accounting and transferring RECs in Puerto Rico.

## CHAPTER II

### RENEWABLE PORFOLIO STANDARD

#### Section 2.1.-**Applicability.**-

This Chapter, together with orders, resolutions, and regulations issued or promulgated by the Puerto Rico Renewable Energy Commission or the Energy Affairs Administration to enforce the goals established herein, shall apply to any person subject to the Renewable Portfolio Standard, whether imposed by means of federal or local legislation and/or regulations, to any retail electricity supplier, sustainable renewable, alternative renewable or distributed renewable energy producer, as defined in this Act, and any person who purchases, sells or otherwise transfers a Renewable Energy Certificate (“REC”), issued in accordance with the provisions of this Act.

#### Section 2.2.-**Creation of the Puerto Rico Renewable Energy Commission.**-

(a) The Puerto Rico Renewable Energy Commission (“Commission”) is hereby created as the entity charged with enforcing, administering, and overseeing the Renewable Portfolio Standard established under this Act. The Commission shall be composed of seven (7) members, five (5) members of which shall represent the government sector, one (1) member shall represent the academia, and one (1) member shall represent the private sector. The five (5) members representing the Government shall be the Executive Director of the Energy Affairs Administration (“Executive Director”), the Secretary of the Department of Economic Development and Commerce, the President of the

Government Development Bank for Puerto Rico, the Secretary of the Treasury, and the Chairperson of the Planning Board. Each one of these officials may delegate the responsibility of participating in the meetings and decision-making process of the Commission onto an authorized representative. The Secretary of the Department of Economic Development and Commerce shall preside over the Commission. Each one of the officials mentioned in this subsection shall carry out his/her functions ad honorem.

The member of the academia shall be a person with recognized reputation in the renewable energy and academic fields, appointed by the Governor of Puerto Rico with the advice and consent of the Senate of Puerto Rico. Such appointment shall be for a term of four (4) years, during which term he/she shall carry out functions ad honorem.

The representative of the private sector shall be a person with vast knowledge in the renewable energy field, appointed by the Governor of Puerto Rico with the advice and consent of the Senate of Puerto Rico. Such appointment shall be for a term of four (4) years, during which term he/she shall carry out functions ad honorem.

- (b) Five (5) members of the Commission shall constitute a quorum for a plenary meeting. All actions taken by the Executive Director or one of the members shall be subject to review by the Commission in whole. The final determinations and/or resolutions of the Commission shall be approved by a majority of the quorum and shall be subject to review by the Court of Appeals of Puerto Rico.
- (c) Except as otherwise provided through regulations, the Executive Director shall preside over the meetings of the Commission, be in charge of all administrative operations thereof, and represent the same in any

matter relative to legislation and legislative reports. Unless otherwise provided by regulations, the Executive Director shall also represent the Commission when conferences or communications are required with other heads of agencies of the Government of Puerto Rico.

- (d) The members of the Commission shall not have any contractual relationship with persons subject to the jurisdiction of the Commission or entities inside or outside of Puerto Rico affiliated to said persons. No member of the Commission may, once his/her functions have ceased, represent any person or entity before the Commission regarding any issue in which he/she has participated while performing functions as member of the Commission and for two (2) years after his/her separation from office in the case of any other issue. The members of the Commission and their authorized representatives shall always act in accordance with the Ethics in Government Act, Act No. 12 of July 24, 1985, as amended, and the regulations approved thereunder.
- (e) The Commission shall be empowered to promulgate any necessary by-laws to govern its operations and other activities over which it shall have jurisdiction.
- (f) The orders, resolutions, regulations, decisions, and determinations of the Commission shall be implemented by the Administration, which shall act as the operational arm of the Commission.

**Section 2.3.-Renewable Portfolio Standard.-**

- (a) For each calendar year between 2015 and 2035, each retail electricity supplier shall submit to the Commission proof of compliance with the Renewable Portfolio Standard applicable under subsection (b) of this Section.

(b) For each calendar year between 2015 and 2035, the Renewable Portfolio Standard applicable to each retail electricity supplier shall be the following percentage at minimum:

Year	Mandatory Renewable Energy Percentage (%)
2015 to 2019.....	12.0%
2020 to 2027.....	15.0%

For the period comprised between 2028 and 2035, suppliers shall establish a progressive plan stating the annual percentages for such period and that reaches twenty (20) percent by 2035.

(c) For each calendar year between 2015 and 2035, the sustainable renewable energy or alternative renewable energy percentage applicable to each retail electricity supplier shall be, at minimum, the percentage corresponding to such calendar year, as provided in subsection (b) of this Section. The mandatory amount of sustainable renewable energy or alternative renewable energy applicable to a retail electricity supplier in a specific year shall be obtained by multiplying the percentage corresponding to said year, as provided in subsection (b) of this Section, by the total amount of electric power, expressed in megawatt-hours (MWh), sold by the retail electricity supplier during the same calendar year.

(d) As necessary to comply with the renewable portfolio standard imposed by means of federal legislation and/or regulation, the Commission may limit, through regulations, the percentage of alternative renewable energy that may be used by a retail electricity supplier to prove compliance with the Renewable Portfolio Standard applicable thereto during each calendar year.

- (e) For purposes of proving compliance with this Section, the amount of electric power sold during each natural year by an electric power supplier derived from a nonqualified hydroelectric facility shall not be accounted for as part of the total volume of electricity sold by the retail electricity supplier during said year.
- (f) All that pertains to the fixation of energy wheeling rates shall be made pursuant to the provisions of Act No. 73 of 2008.

**Section 2.4.-Powers and Duties of the Commission.-**

The Commission shall be charged with the implementation of this Act; to achieve this, it may resort to the resources and staff of the Administration. The Commission shall have any powers as necessary and convenient to fully attain the purposes of this Act, specifically including, without it being limited to the following:

- (a) To require the registration of sustainable renewable energy or alternative renewable energy sources in the renewables registry.
- (b) To require and obtain from any person under its jurisdiction any necessary and pertinent information to fully achieve and implement the objectives of this Act, including the reading of Electric Power Authority meters for renewables registry registration purposes.
- (c) To require, through regulations, that each retail electricity supplier, sustainable renewable energy producer, and alternative renewable energy producer be registered with the Commission.
- (d) To establish, through regulations, the RECs documentation, registration, and verification requirements.

- (e) To draft and implement strategies designed to achieve, whether directly or indirectly, the objectives of this Act, including achieving the goal of reducing and stabilizing energy costs and controlling electricity price volatility in Puerto Rico, so as to benefit the general citizenry.
- (f) To limit as necessary, through regulations, the percentage of alternative renewable energy that a retail electricity supplier may use to prove compliance with the Renewable Portfolio Standard in order to ensure compliance with any mandatory goal or Renewable Energy Portfolio imposed through federal legislation or regulation.
- (g) To file suits, claims or causes of action pro se before the Court of First Instance of the Commonwealth of Puerto Rico against any natural or juridical person that hinders or fails to comply with the requirements, purposes, and objectives of this Act or before any other administrative forum of the Commonwealth of Puerto Rico.
- (h) To issue to do or cease and desist orders to any person in order to comply with the requirements, purposes, and objectives of this Act, including without it being limited to compliance with the Renewable Portfolio Standard, directly resorting to the Court of First Instance of the Commonwealth of Puerto Rico to enforce compliance therewith.
- (i) To contract or subcontract for any lawful purpose that allows it to comply with the public policy set forth in this Act, and to carry out specialized tasks, without relinquishing its government function and responsibility, including contracting the professional services of consultants, economists, and renewables registry, attorneys, among other professional services, to assist it in its government function.

- (j) To render reports to the Legislature of Puerto Rico on the implementation of the public policy set forth in this Act.
- (k) To promulgate, amend or repeal regulations, pursuant to the provisions of this Act, and the procedures established in Act No. 170 of August 12, 1988, as amended, known as the “Uniform Administrative Procedure Act.”
- (l) All those quasi-judicial powers, whether formal or informal and/or adjudicative, which are necessary and convenient to perform its functions, including the power to fine, upon previous notice and hearing, and prescribe other administrative remedies, thus fully complying with all the requirements of Act No. 170 of August 12, 1988, as amended, known as the “Uniform Administrative Procedure Act.”
- (m) Take any necessary action to ratify the imposition and/or oversee compliance with any mandatory goal in accordance with a Renewable Portfolio Standard, imposed by means of federal legislation and/or regulation.

#### **Section 2.5.- Powers and Duties of the Administration**

In addition to the authorities vested onto the Administration by other laws, the Administration shall have the following powers to fully comply with the purposes of this Act:

- (a) To acquire and sell, and otherwise lawfully transfer the ownership of RECs.
- (b) To add, eliminate or reclassify through regulations energy sources such as sustainable renewable energy sources or alternative renewable energy sources so as to maintain consistency with any mandatory goal or renewable portfolio standard imposed by means of federal legislation and/or regulation.

- (c) To issue declaratory resolutions to determine whether a proposed energy source would qualify as a sustainable renewable energy source or alternative renewable energy source.
- (d) To require the filing of a declaratory resolution application by any person interested in building an energy source.
- (e) To develop and provide new financing alternatives and special incentives for the development of new sustainable renewable energy sources and alternative renewable energy sources.
- (f) To develop and provide new financing alternatives and special incentives that allow for the applicable Renewable Portfolio Standard to be exceeded in less time than that scheduled under this Act.
- (g) To prepare systematic analyses of the sustainable renewable energy programs and assess the analyses conducted by other government agencies, and recommend programs designed to fulfill the purposes of this Act.
- (h) To design and recommend specific electricity conservation proposals.
- (i) To assist in the implementation of energy efficiency and conservation programs by individuals, agencies, or public and/or private corporations under its jurisdiction.
- (j) To request any information related to the energy conservation measures designed, implemented, used or proposed by any retail electricity supplier so as to achieve energy conservation.
- (k) To certify sustainable renewable energy sources or alternative renewable energy sources projects, and issue recommendations in connection with the location, equipment, and production structure, transmission lines, and any other component of a green energy system to be developed.

- (l) To promulgate, amend or repeal regulations pursuant to the provisions of this Act, and the procedures established in Act No. 170 of August 12, 1988, as amended, known as the “Uniform Administrative Procedures Act.”
- (m) To implement any decision, determination, order, resolution, and regulation of the Commission.
- (n) To enter into agreements and covenants with any entity with alike interests that have experience, and human resources, technicians, and laboratories specialized in the energy field, in order to facilitate and advice the Administration in performing its functions.

#### **Section 2.6.- Declaratory Resolutions**

By petition of one or various persons interested in building an energy source, the Administration shall issue declaratory resolutions to determine and declare whether the energy source proposed by such person or group of persons shall be classified as a sustainable renewable energy or alternative renewable energy source once it is built. Furthermore, the Administration may require through order that the person interested in building an energy source shall file a declaratory resolution application. The Administration shall oversee compliance with the goal of reducing and stabilizing power costs and controlling the electricity price volatility in Puerto Rico, so as to benefit the general citizenry.

The municipalities may establish renewable energy source projects and, if interested, request the Administration to declare such project as a renewable energy source pursuant to the terms of this Act.

#### **Section 2.7.- RECs Issue and Certification**

The Commission shall require the issue of RECs to sustainable renewable energy and alternative renewable energy producers through the renewables registry, as this term is defined in this Act. To issue RECs, each sustainable

renewable energy and alternative renewable energy producer shall maintain an agreement with the corresponding retail electricity supplier or the entity administering the electric power production reading network through meters. The retail electricity supplier or electric network administrator shall send to the renewables registry the information on the generation of each sustainable renewable energy and alternative renewable energy producers, pursuant to the provisions of the regulation adopted by the Commission.

In the event that a retail electricity supplier, in turn, produces sustainable renewable energy and/or alternative renewable energy, such producer shall be bound to prove before the renewables registry the independence between both functions.

#### **Section 2.8.- RECs Characteristics and Market**

- (a) It is hereby set forth that RECs are personal property and tradable or negotiable commodities that may be purchased, sold, assigned, and/or transferred between persons for any lawful purpose.
- (b) RECs to be issued annually by a renewables registry under this Act shall indicate the total of megawatt-hour (MWh) of energy generated from a sustainable renewable energy and alternative renewable energy during the year in which the energy was generated, as well as the name of the source generating such energy. The ownership of each REC issued shall be held by the energy source that generated the electricity until the ownership of each REC is sold, assigned or otherwise lawfully transferred. Once the REC is presented to prove compliance with the Renewable Portfolio Standard, the Commission shall retire and cancel such REC.

- (c) A REC market is hereby established to facilitate compliance with the Renewable Portfolio Standard set forth herein. Any REC holder shall be entitled to negotiate, trade, publish, sell, and otherwise lawfully transfer or assign his/her REC ownership. The Office of the Commissioner of Financial Institutions of Puerto Rico shall not have jurisdiction to regulate this market in any way.

**Section 2.9.- RECs Processing by the Commission and the Administration**

The Commission and the Administration may establish for each REC processed, a reasonable processing fee to be paid by a REC holder. The processing fee may be included in the value of each REC processed. Any revenue obtained through the processing fees imposed shall be used to carry out all proper and necessary actions that guarantee the attainment of the ends and purposes of this Act.

The minimum value of each REC shall be the value established in the national market when conducting any legal business with the same.

**Section 2.10.- Sustainable Renewable Energy and Alternate Renewable Energy Production Quantification and Oversight**

- (a) The Commission shall quantify and oversee the energy production of all sustainable renewable energy sources and alternative renewable energy sources located in Puerto Rico in the most efficient manner technically and economically feasible, including through the Internet to which such sources shall be connected, in such cases where it is physically and technically possible, through smart meters installed in the systems interconnected to the Authority or other retail electricity supplier in Puerto Rico, and/or upon payment by the Authority or other retail electricity supplier in Puerto Rico to any sources with which the latter

may have renewable energy purchase agreements. The Commission shall quantify and oversee that the Authority and each retail electricity supplier complies with the Renewable Portfolio Standard set forth in this Act in the most efficient manner possible.

- (b) The Commission may require through regulations that any retail electricity supplier, sustainable renewable energy, and alternative renewable energy producers register with the Commission.
- (c) Annual Compliance Reports – Every retail electricity supplier shall render an Annual Compliance Report to the Commission for its review and approval. The Annual Compliance Report shall be filed on or before March 31 of the calendar year following the calendar year in which the retail electricity supplier is subject to comply with the Renewable Portfolio Standard. The Annual Compliance Report shall provide at least the following:
  - (i) The total amount of megawatt-hours (MWh) distributed by the retail electricity supplier during the preceding calendar year;
  - (ii) The amount of megawatt-hours (MWh) that the retail electricity supplier generated in or acquired from a sustainable renewable energy and alternative renewable energy source during the preceding calendar year;
  - (iii) RECs issued and registered in the renewables registry, filed to comply, in whole or in part, with the Renewable Portfolio Standard applicable to the current calendar year, if it applicable;
  - (iv) The distributed renewable energy that the retail electricity supplier has purchased to comply, in whole or in part, with the Renewable Portfolio Standard applicable to the current calendar year, pursuant to Section 2.11 of this Act, if applicable;

- (v) The amount of megawatt-hours (MWh) estimated to be distributed by the retail electricity supplier during the current calendar year;
- (vi) The amount of megawatt-hours (MWh) estimated by the retail electricity supplier that must be generated or acquired to comply with the Renewable Portfolio Standard applicable to the current calendar year;
- (vii) The total amount of megawatt-hours (MWh) of sustainable renewable energy or alternative renewable energy estimated by the retail electricity supplier to be supplied under an energy purchase agreement in effect at the time of the filing of the Compliance Report;
- (viii) The total number of RECs temporarily retained for future use that the retail electricity supplier shall file to comply, in whole or in part, with the Renewable Portfolio Standard applicable to the current calendar year, pursuant to Section 2.11 of this Act, if applicable;
- (ix) The cost estimated by the retail electricity supplier to comply with the Renewable Portfolio Standard applicable to the current calendar year, separately breaking down the cost related to the acquisition of sustainable renewable energy or alternative renewable energy, and the cost related to the purchase of environmental and social attributes relative to such energy;
- (x) The cost incurred by the retail electricity supplier to comply with the Renewable Portfolio Standard applicable to the calendar year recently concluded, separately breaking down the cost related to the acquisition of sustainable renewable energy or alternative renewable energy, and the cost related to the purchase of environmental and social attributes relative to such energy;

- (xi) Any other information or documents required by the Commission through order or regulation.
- (d) As a temporary provision, the information required under paragraphs (i), (ii), (v), (vi), (vii), and (ix) of this Section shall be furnished to the Commission by each retail electricity supplier through the Administration on or before March 31, 2015.
- (e) The Commission may establish fees to be collected upon the filing of Annual Compliance Reports.

**Section 2.11.- Renewable Portfolio Standard Compliance**

- (a) Any retail electricity supplier shall comply with the Renewable Portfolio Standard herein created, upon filing with the Commission any of the following or combination thereof:
  - (i) A REC issued and registered in the renewables registry in favor of the retail electricity supplier for each megawatt-hour (MWh) of electric power generated from sustainable renewable energy sources or alternative renewable energy sources in Puerto Rico, and/or;
  - (ii) In the case of a retail electricity supplier, that quantifies the electricity generated by or purchased from distributed renewable energy producers located in Puerto Rico through a net metering program, and whenever it is not feasible to obtain RECs that represent such electricity, a report evidencing that the retail electricity supplier has complied with the Renewable Portfolio Standard through the purchase of renewable energy together with all environmental and social attributes related to the production of such energy, pursuant to subsection (e) of this Section.

- (b) Each REC filed under paragraph (i) of subsection (a) of this Section shall certify that the electricity generated from the sustainable renewable energy source or alternative renewable energy source was, in fact, generated and sold in Puerto Rico. Each REC filed evidencing compliance with the Renewable Portfolio Standards shall be retired and cancelled by the Commission and, upon retirement and cancellation, it may not be filed on a subsequent calendar year.
- (c) Reconciliation Period – A retail electricity supplier may, during the reconciliation period, acquire RECs to comply with the Renewable Portfolio Standards applicable to the preceding calendar year, in which case the retail electricity supplier may not file the same REC to prove compliance with the Renewable Portfolio Standard applicable to the current calendar year.
- (d) RECs Temporary Retention – Subject to the provisions of this subsection, a retail electricity supplier shall temporarily retain for future use any RECs held. Any retail electricity supplier shall start retaining RECs temporarily on calendar year 2013. Once temporarily retained, such REC may not be sold or otherwise transferred. Any REC temporarily retained may be used to evidence compliance with the Renewable Portfolio Standards applicable to the two (2) following calendar years, counted as of the date when the REC was retained. Any REC temporarily retained and subsequently filed during the following first calendar year shall constitute one (1) megawatt-hour (MWh) of electric power produced by a sustainable renewable energy or alternative renewable energy source operator. Any REC filed during the second calendar year shall constitute one-half (0.5) megawatt-hour (MWh) of electric power produced by a sustainable renewable energy or alternative

renewable energy source operator. For example, a retail electricity supplier may file a REC issued on calendar year 2015 (denominated “2015-REC”) to evidence compliance with the Renewable Portfolio Standard applicable to that calendar year. If any supplier holds 2015-RECs in excess of the amount required to comply with the Renewable Portfolio Standard applicable to the 2015 calendar year, such supplier may temporarily retain such 2015-RECs in excess, and file them to evidence compliance with the Renewable Portfolio Standard applicable to 2016 calendar year, in which case, each 2015-REC retained shall constitute, for purposes of compliance with 2016 calendar year, one (1) megawatt-hour (MWh) of electricity generated by a sustainable renewable energy or alternative renewable energy source operator. If such supplier holds RECs in excess of the amount required to comply with the Renewable Portfolio Standard applicable to the 2016 calendar year, such supplier may temporarily retain such 2015-RECs in excess, and file them to evidence compliance with the Renewable Portfolio Standard applicable to 2017 calendar year, in which case, each 2015-REC retained by the supplier shall constitute, for purposes of compliance with 2017 calendar year, one-half (0.5) megawatt-hour (MWh) of electricity produced by a sustainable renewable energy or alternative renewable energy source operator.

- (e) Report on the Purchase of Renewable Energy from Distributed Renewable Energy Producers – As an alternative to the filing of RECs to evidence compliance with the renewable Portfolio Standard herein established, a retail electricity supplier shall render a report, subject to review and approval by the Commission, stating that such supplier has complied with the Renewable Portfolio Standard through actual purchase

of sustainable renewable energy or alternative renewable energy from distributed renewable energy producers, together with all environmental and social attributes related to such renewable energy, pursuant to the regulations to be approved by the Commission to such purposes, during the calendar year for which such report is filed. However, this compliance alternative shall only be available if the retail electricity supplier evidences that it is not feasible or possible to require that the renewable energy produced by distributed renewable energy producers be recorded and quantified in the renewables registry, as this term is defined herein, and therefore, it is not possible to file the RECs representing such energy with the Commission. The report to be filed with the Commission under this subsection shall include at least the following: (i) the name, the physical and mailing address of the distributed renewable energy producer that produced the energy claimed by the retail electricity supplier to ensure compliance with the Renewable Portfolio Standard herein established; (ii) the amount of energy acquired from such distributed renewable energy producer, including meter readings, or a link whereby the same may be accessed through the Internet; (iii) the energy purchase agreement for the acquisition of such energy or a link whereby such agreement may be accessed through the Internet; and (iv) the following certifications, whose language may be modified from time to time by the Commission, as it deems it necessary, and established through regulation: “I hereby certify that the retail electricity supplier represented by me acquired and distributed the amount of energy stated in the document attached to this certificate during the calendar year under review, and that, as a result of such purchase and distribution, the retail electricity supplier represented by me complied, in whole or in part, with

his/her legal liability under the Public Policy on Energy Diversification by Means of Sustainable and Alternative Renewable Energy in Puerto Rico Act. I hereby recognize that I may be subject to civil and criminal penalties should I knowingly provide false or misleading information.” Should the report rendered under this subsection be approved, the Commission shall certify that the retail electricity supplier has complied, in whole or in part, with the Renewable Portfolio Standard applicable to such supplier during the calendar year under review, if applicable.

**Section 2.12.- Renewable Portfolio Standard Compliance Determination Report and Procedure; Fines and Noncompliance Adjudication**

- (a) Pursuant to Section 2.10(c) of this Act, each retail electricity supplier shall file an Annual Compliance Report to the Commission in order to evidence compliance with the Renewable Portfolio Standard applicable to each calendar year. After evaluating such Annual Compliance Report, the Commission shall issue a resolution determining compliance or noncompliance with the Renewable Portfolio Standard applicable to the calendar year under review.
- (b) If the Commission determines that the retail electricity supplier has complied with the Renewable Portfolio Standard applicable to the calendar year under review, the Commission shall issue a resolution to such effect within thirty (30) days counted as of the date of receipt of the Annual Compliance Report and, if applicable, the Commission shall require the retail electricity supplier to transfer to the Commission the number of RECs as necessary to comply with the Renewable Portfolio Standard applicable, and the Commission shall retire and cancel each transferred REC. Likewise, the Commission shall determine if the retail electricity supplier is authorized to temporarily retain RECs to evidence

- compliance with the Renewable Portfolio Standard applicable to subsequent calendar years. Furthermore, the Commission shall determine the number of RECs and/or the amount of megawatt-hour (MWh) that the retail electricity supplier is authorized to retain temporarily to evidence compliance with the Renewable Portfolio Standard applicable to subsequent calendar years.
- (c) If the Commission believes that the retail electricity supplier has failed to comply with the applicable Renewable Portfolio Standard, the Commission shall issue an initial noncompliance notice stating the nature of the noncompliance and grant a thirty (30)-day term counted as of the notice for the retail electricity supplier to respond to such notice.
- (d) Initial Non-Compliance Notice Response – The retail electricity supplier shall file its response to the initial noncompliance notice within a thirty (30)-day term counted as of notice. The concerning retail electricity supplier may justify its noncompliance by showing in detail that he/she acted reasonably and in good faith to comply with the Renewable Portfolio Standard. To establish the reasonableness and good faith of the supplier's noncompliance defense, the retail electricity supplier must prove to the satisfaction of the Commission that its noncompliance was due to one or more of the following reasons: (i) a force majeure or unavoidable accident as defined in this Act; (ii) any unforeseen substantial loss of the renewable resource; (iii) work-related riots and strikes; (iv) breach of contractual clauses of a renewable energy purchase agreement by a contracting party thereto (other than the retail electricity supplier); (v) insufficiency of sustainable renewable energy or alternative

renewable energy producers; (iv) the excessive cost of acquisition of the electric power generated by a renewable energy producer; and (vii) any other justification accepted by the Commission through regulation to such effect that is consistent with the public policy set forth hereunder.

(e) Should the Commission issue an initial noncompliance notice, it shall determine whether the response to the initial noncompliance notice satisfies the criteria established in subsection (d) of this Section, and shall issue a final determination and resolution in writing with findings of fact and conclusions of law, which shall be notified to the concerning retail electricity provider.

- 1) Should the Commission determine that the retail electricity supplier proved compliance with the Renewable Portfolio Standard, the procedure established in subsection (b) of this Section shall be followed.
- 2) Pursuant to the provisions of subsection (d) of this Section, should the Commission determine that the retail electricity supplier provided a justification for its noncompliance with the Renewable Portfolio Standard, it shall issue a final resolution which shall include, among other information deemed pertinent by the Commission:
  - (i) a statement that the retail electricity supplier has shown to the satisfaction of the Commission that it acted reasonably and in good-faith to achieve compliance with the Renewable Portfolio Standard for the calendar year under review, and that the response to the initial noncompliance notice satisfies the criteria established in subsection (d) of this Section;
  - (ii) a reasonable corrective action plan to comply

with the Renewable Portfolio Standard applicable to the subsequent calendar years; and (iii) a moratorium on any fine imposed to the supplier.

- 3) Should the Commission determine that the retail electricity supplier failed to provide adequate justification for its noncompliance, the final resolution of the Commission shall include, in addition to any other information deemed pertinent by the Commission: (i) a statement that the retail electricity supplier has failed to show to the satisfaction of the Commission that it has acted reasonably and in good-faith to achieve compliance with the Renewable Portfolio Standard for the calendar year under review, and that the response to the initial noncompliance notice fails to satisfy the criteria under subsection (d) of this Section; (ii) it shall provide a reasonable corrective action plan to comply with the Renewable Portfolio Standard applicable to subsequent calendar years; (iii) provide for the imposition of fines to the retail electricity supplier. When the Commission determines that a retail electricity supplier has failed to comply with the Renewable Portfolio Standard, the Commission shall render a report to the Governor and the Legislature, together with a copy of the administrative record of the concerning retail electricity supplier, not later than thirty (30) days after the final resolution has been issued, without perjury of any subsequent lawful proceeding.
- (f) Fine to be Imposed –After the corresponding administrative procedures, if the Commission should determine that a retail electricity supplier has failed to comply with the Renewable Portfolio Standard applicable to the calendar year under review, the Commission shall issue a resolution specifying the amount of megawatt-hours (MWh) for which the retail

electricity supplier has failed to comply with the Renewable Portfolio Standard applicable, an administrative fine, and order for the supplier to pay the administrative fine imposed within a term not greater than thirty (30) days.

- (g) No fine or penalty imposed by the Commission shall have a lesser economic value than the potential cost for the retail electricity supplier to comply with the Renewable Portfolio Standard through the purchase of RECs, multiplied by a factor of two (2). The retail electricity supplier shall pay off the fine imposed by the Commission under this Section within a period not greater than thirty (30) days after notice to such effect. Any arrear in the payment of the fine imposed shall be subject to interest and penalties as determined by the Commission through regulation. The payment of the administrative fine shall be made as specified by the Commission in the notice of the fine.

#### Section 2.13.- **Repeals**

- (a) Act No. 246 of August 10, 2008, better known as “Act to Set Forth the Public Policy on Global Warming in Puerto Rico,” is hereby repealed.

### CHAPTER III

#### GENERAL PROVISIONS

#### Section 3.1.- **Penalties for False Information**

Any person who knowingly furnishes, supplies, or sends false or incorrect information in any document, report, application, statement, and/or certification required under this Act with the intent to deceive, shall incur a fourth degree felony, and upon conviction, he/she may be punished with imprisonment for a minimum term of six (6) months or a maximum term of five (5) years, in addition to the imposition of a \$10,000-fine for each infringement.

**Section 3.2.- Conflicts**

In the event of a conflict between the provisions of this Act and those of any other law or regulation, the provisions of this Act shall prevail with respect to all the issues addressed therein. Notwithstanding the foregoing, none of the provisions of this Act shall impair the powers conferred to the Authority under Section 6(1) of Act No. 83 of May 2, 1941, as amended, and the powers conferred to the Authority under such subsection shall apply to any cost associated with the purchase of sustainable renewable energy and alternative renewable energy, the purchase of RECs (including its environmental and social attributes) related to such energy, and including any other costs associated with the compliance of this Act.

**Section 3.3- Regulations under this Act**

Any regulations promulgated under this Act shall be subject to the provisions of Act No. 170 of August 12, 1988, as amended, known as the Puerto Rico “Uniform Administrative Procedures Act.” The absence of any regulation contemplated under this Act shall not impair the application thereof.

**Section 3.4.- Severability Clause**

If any part, paragraph or section of this Act were to be ruled invalid, null or unconstitutional by a Court with jurisdiction, the ruling to such effect shall only affect such part, paragraph or section ruled invalid, null or unconstitutional.

**Section 3.5.- Effectiveness**

This Act shall take effect immediately after its approval.

## CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 82 (S. B. 1519)** of the **3<sup>rd</sup> Session of the 16<sup>th</sup> Legislature** of Puerto Rico:

**AN ACT** to create the “Public Policy on Energy Diversification by Means of Sustainable and Alternative Renewable Energy in Puerto Rico Act”; to establish the standards to promote the generation of renewable energy pursuant to short, medium, and long-term mandatory goals known as Renewable Portfolio Standards; to create the Puerto Rico Renewable Energy Commission as the entity charged with overseeing compliance with the Renewable Portfolio Standards established hereunder and set forth its duties; to set forth the duties of the Energy Affairs Administration with respect to the Commission and the Renewable Portfolio Standards; and for other related purposes.

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, on the 17<sup>th</sup> day of December, 2010.

María del Mar Ortiz Rivera, Esq.  
Acting Director