

(H. B. 475)

(No. 37-2017)

(Approved June 26, 2017)

AN ACT

To repeal current subsection (a) and substitute it for a new subsection (a), repeal current subsection (b) and substitute it for a new subsection (b), and amend subsections (c) and (f) of Section 4 of Act No. 83 of May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act,” in order to reorganize the Governing Board of the Puerto Rico Electric Power Authority; and for other related purposes.

STATEMENT OF MOTIVES

The Puerto Rico Electric Power Authority (hereinafter PREPA) was created by Act No. 83 of May 2, 1941, as amended. The purpose of the same is to provide reliable electric power so that it is accessible to the residents of Puerto Rico in the most affordable manner possible, thereby promoting the general welfare and increasing commerce and prosperity, maximizing benefits and minimizing the social, environmental, and economic impact.

Within a period of ten (10) years, Puerto Rico has suffered a 14.7% economic contraction and the loss of hundreds of thousands of inhabitants. The main problem affecting our economy is the loss of population and industries. Many studies, such as the ones conducted by the World Economic Forum, the Krueger Report, and the report of the Financial Oversight Board revealed at the time of its publication the following problems: restrictive labor regulations; an onerous and archaic permit system; a complicated tax system that does not incentivize production; and high energy costs that do not allow us to compete in local and foreign energy generation.

The Legislative Assembly has worked to address these problems. Act No. 4-2017 is a comprehensive labor reform that transforms Puerto Rico into a jurisdiction open to business. As we promised our People in the Plan for Puerto Rico, Act No. 19-2017, known as the “Puerto Rico Permit Process Reform Act,” was enacted and energy and tax reforms shall be introduced soon.

PREPA has serious problems that it has been unable to correct, such as: high electricity costs, electric power generation that is heavily dependent on crude oil and has a severe environmental impact, an unmanageable debt, and no market access, which is necessary to carry out the necessary electric power generation and transmission reforms.

Electric power generation was diversified for the first time under the Administration of the Hon. Pedro Rosselló-González during the 1990s with AES Puerto Rico, L.P. (AES) (coal) and EcoEléctrica (natural gas). Such reforms allowed us to generate cleaner electricity at a lower cost. During the Administration of Luis Fortuño-Burset, PREPA made feasible diversification projects such as the Santa Isabel (Pattern) and Naguabo (Gestamp) wind farms; the AES Ilumina solar farm; and the natural gas conversion of Costa Sur units 5 and 6. Likewise, the natural gas conversion of Central Aguirre has begun.

PREPA’s reforms and advances stalled during the previous Administration’s four (4) years, which was aggravated by the lack of access to the financial markets and a fiscal crisis that resulted in \$7 billion in debt. This situation must come to an end, and PREPA’s future must be consistent with the current fiscal and economic reality, and attuned to the public policy endorsed by the People, and under a new federal juridical system.

The Governor of Puerto Rico, the Hon. Ricardo Rosselló, has issued executive orders to accelerate the granting of permits by declaring a state of emergency regarding infrastructure projects such as those related to energy infrastructure. Thus, the permit process is expedited, and a government task force is created for such purposes. Likewise, Public Law 114-187 of June 30, 2016, cited as the “Puerto Rico Oversight, Management, and Economic Stability Act,” and known by its English acronym PROMESA, allows for an expedited permitting process at the federal level.

The People endorsed new policies, such as the Public-Private Partnerships, to bring about changes in times of fiscal crisis and to obtain the investments that PREPA needs. In this manner, projects like the Aguirre Gas Port; the diversification of our electric power generation and more efficient generation through the use of natural gas in Costa Sur; the generation of hydroelectricity from drinking water systems; and an increase in the amount of electricity generated from hydroelectric systems, among others, are made feasible.

The disastrous administrative and economic policies implemented by the previous Administration led the United States Congress to promulgate “PROMESA,” delegating on a Financial Oversight Board (the FOB) the power to work with the Government of Puerto Rico to help Puerto Rico overcome the crisis it is currently facing. The commitment of this Administration is to work hand in hand with the Board to move Puerto Rico forward.

Taking into consideration the foregoing and the fiscal abyss in which we find ourselves, it is unpostponable to make decisions that shall allow the Island to move towards a future of stability and development. Puerto Rico requires a clear and consistent public policy geared toward becoming an attractive jurisdiction that promotes economic investment at all levels, which shall result in prosperity and good services for the citizens who inhabit Puerto Rico.

On February 28, 2017, the Governor submitted a Fiscal Plan that is complete, thorough, real, and also sensible to the needs of our People and those who are most vulnerable. On March 13, 2017, the Oversight Board accepted and certified our Fiscal Plan together with a series of contingencies to guarantee that government employees shall not be dismissed, the workweek shall not be affected, the People's access to healthcare services shall be maintained, and the pensions of those who are most vulnerable shall be protected. This Fiscal Plan is the only option available to avoid dismissing government employees, eliminating the right to health care, and to maintain the solvency of our retirement systems while the government continues to operate as usual and complies with the parameters in order to avoid the imposition of more stringent measures which are part of the contingencies of the Plan as approved by the Financial Oversight Board. Some of these contingencies are: the full elimination of the Christmas bonus for all government employees, and the imposition of furloughs which shall render the Government inoperative.

The Fiscal Plan's approved measures are geared toward achieving the fiscal goals, promoting the economic development and our capacity to reestablish our credibility, allowing the change to translate into a long-term benefit and, most of all, ensuring that those who are most vulnerable and those who work hard every day have a better quality of life.

The validation of the Fiscal Plan represents the recognition of the credibility of the new Government. We have shown that the times of incoherence and improvisation are over to give way to working as a team and obtaining results that inure to the benefit of Puerto Rico. We went from the "me vale" and the lack of credibility to having a Fiscal Plan that also addresses our socioeconomic development and meets the objective of cutting back on spending, but most importantly allows us to build a better society.

The Legislative Assembly of Puerto Rico affirms its commitment to the People of Puerto Rico to reexamine the government structures, including its public corporations, for the purpose of ensuring that they operate in an efficient and transparent manner, that the services they render to citizens are of the best quality possible and that they become a driving force of economic development. Section 16 of Article III of the Constitution of the Commonwealth of Puerto Rico grants the Legislative Assembly one of the most important powers to operate the State: “the power to create, consolidate or reorganize executive departments and to define their functions.” This is the power to configure the structure of every government agency entrusted with administering public resources, and providing services to all citizens. The manner in which each agency, administration, instrumentality, or public corporation is configured, in regards to the way it works and operates, determines the success or failure of the public policies that warranted its creation in the first place.

Public corporations are undoubtedly fundamental pieces of the government structure and, for such reason, these corporations have attributes such as their own juridical personalities. The governing boards or bodies of public corporations have duties and powers that, if exercised bearing in mind the socioeconomic impact thereof and aware of their duty to serve the People of Puerto Rico, are critical to make public projects feasible and to maximize the general wellbeing. PREPA cannot be an exception to the foregoing. This public corporation directly affects the development of four (4) of the pillars of the Puerto Rico Socioeconomic Transformation Model, as established in the Government Program of this Administration.

PREPA is a public corporation created for the purpose of developing, using and taking advantage of Puerto Rico's energy sources, so that the inhabitants of the Island can enjoy the benefits thereof in the most affordable manner possible and to promote the general wellbeing. Naturally, for this public corporation to fully meet its objectives, it is necessary for its governing body, to wit, the Governing Board, to be composed of persons who agree with and are willing to implement the public policy of the current government Administration.

Furthermore, Section 29 of Act No. 3-2017, better known as the "Act to Address the Economic, Fiscal, and Budget Crisis to Guarantee the Operations of the Government of Puerto Rico," establishes that "every member of a governing board or body of a public corporation shall have the trust of the Governor of Puerto Rico in order to implement and carry out the established public policy since said members are involved in the formulation of the public policy and the fiscal plan to be submitted to the Federal Oversight Board." Once the aforementioned Act took effect, the Governor was empowered to remove the members of the board of directors of a public corporation who are involved in the formulation of established public policies and the fiscal plan that must be submitted to the Financial Oversight Board pursuant to PROMESA. Likewise, it is clearly provided in the abovementioned Act that this provision shall apply to the Aqueduct and Sewer Authority, PREPA, and all other public corporations.

Pursuant to Section 101 of PROMESA, the FOB, in its sole discretion at such time as it determines to be appropriate, may designate any territorial instrumentality as a covered territorial instrumentality that is subject to the requirements of this Act. In accordance with the foregoing, the FOB has designated all public corporations as covered instrumentalities. On April, 28, 2017, the FOB approved the Fiscal Plan submitted by PREPA. The agreement reached by the creditors and PREPA is still pending before the Financial Oversight and

Management Board for Puerto Rico. This Act evinces the agreements reached between both parties with regard to the matter of restructuring the composition of PREPA's Board of Directors. In addition, it incorporates the requirements of the FOB, under PROMESA, through Resolution number five (5) adopted on April 28, 2017.

In accordance with Section 205 of PROMESA, the FOB may at any time submit recommendations to the Governor or the Legislature on actions the territorial government may take to ensure compliance with the fiscal plan, or to otherwise promote the financial stability, economic growth, management responsibility, and service delivery efficiency. Once the recommendations have been made, the Governor shall submit a statement that provides notice as to whether the Government shall adopt the recommendation. If the Government does not adopt the recommendation, the Governor shall submit a statement of explanations to the President of the United States and Congress.

Regarding the aforementioned provisions, it must be clarified that in order to work with the required fiscal plan and the provisions of PROMESA, this Government has to ensure that all public entities, including PREPA, share the same vision regarding the fiscal plan and the public policy established to comply therewith. For the FOB, the President of the United States, and Congress, the Governor is the person responsible for implementing the Fiscal Plan and the one who has to answer for the public policy approved by the Legislative Assembly.

The Legislative Assembly deems that the fiscal crisis Puerto Rico is undergoing can be overcome under this legal framework, but only if the Governor has a team that is committed to implementing and enforcing the fiscal plan. This decision was not taken lightly; it was made because we believe that under the new rule of law, established by the enactment of PROMESA and the appointment of the FOB, preventing the Governor from having an executive branch with control over

the public corporations such as PREPA would affect the formulation of public policy and would lead to the failure of the implementation of the fiscal plan and the restructuring of the debt.

In light of the foregoing, and in order to achieve the public policy objectives of this Administration effectively and responsibly for the wellbeing of the people, it is necessary for this Legislative Assembly to exercise its constitutional prerogative and reorganize the governing body of the Electric Power Authority so that it is tempered to the requirements of the FOB and the agreements made with the creditors and to achieve its fiscal and operational restructuring goals.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:

Section 1.- The current subsection (a) is hereby repealed and substituted for a new subsection (a), the current subsection (b) is hereby repealed and substituted for a new subsection (b), and subsections (c) and (f) are hereby amended in Section 4 of Act No. 83 of May 2, 1941, as amended, to read as follows:

“Section 4.- Governing Board.

The powers of the Authority shall be exercised and its general policy and strategic management shall be determined by a Governing Board, hereinafter the Board, which shall be its governing body.

(a) Appointment and Composition of the Board.- The Governing Board shall be composed of seven (7) members. The Governor of the Commonwealth of Puerto Rico shall appoint, with the advice and consent of the Senate, three (3) of the seven (7) members who shall compose the Board. The members appointed by the Governor with the advice and consent of the Senate shall be selected from a list of at least ten (10) candidates to be prepared and submitted to the Governor by a recognized executive search firm for board of director recruitment for institutions of similar size, complexity, and risks as the Authority. The identification of candidates by such firm shall be based on objective criteria such as educational and

professional background. The educational and professional background criteria shall include, at least, the following fields: electrical engineering, business administration, economics and finance, or law, and not less than ten (10) years of experience in their field. Also, they shall have expertise in energy affairs and shall not be public employees, except for being professors at the University of Puerto Rico. The list shall include, to the extent practicable, at least five (5) residents of Puerto Rico. The Governor, at his full discretion, shall evaluate the list of recommended candidates and select three (3) persons from the list. If the Governor rejects any or all the recommended persons, said executive search firm shall be bound to submit another list within the next thirty (30) calendar days. The Governor may use the latest list submitted for his consideration whenever it is necessary to fill a vacancy arising as a result of the resignation, death, disability, dismissal, or substitution outside of the original term of the member being substituted. The mechanism for candidate identification by a recognized executive search firm shall be in effect for fifteen (15) years, after which the Legislative Assembly shall evaluate whether such mechanism shall continue in effect or is rendered ineffective. If the Legislative Assembly renders such mechanism ineffective, it shall determine the new appointment method to be used. The mechanism provided in this Act shall continue in effect until the Legislative Assembly provides otherwise.

Three (3) of the seven (7) members shall be selected by the Governor at his sole discretion, one (1) of which shall be independent. The independent member shall have expertise in energy affairs and shall not be an employee of the Government of Puerto Rico. The term of his appointment shall be the same as the one established herein for the other members of the Board.

The remaining member shall represent the interests of customers and shall be selected in an election supervised by the Department of Consumer Affairs (DACO, Spanish acronym) to be held in accordance with the procedure established in subsection (c) of this Section. The Authority shall provide the facilities and financial resources needed for such purpose. The customer interests representative shall have an educational and professional background of not less than ten (10) years of experience in his field, among other requirements. The educational and professional background criteria shall include at least the following fields: electrical engineering, business administration, economics, and finances. The candidate shall also have expertise in energy affairs and may not be a public employee, except as professor of the University of Puerto Rico system.

The members appointed by the Governor with the advice and consent of the Senate shall serve for a five (5)-year term. Likewise, such five (5)-year term shall apply to both the independent member appointed by the Governor, at his sole discretion, and to the customer interests representative. However, the other two (2) members appointed by the Governor, at his sole discretion, shall be of free removal and shall hold office for the terms established by the Governor, and may be substituted by him at any moment.

None of the members of the Governing Board shall be appointed or elected to such office for more than three (3) consecutive terms. The provisions of Section 5.1 of Act No. 1-2012, as amended, shall not apply to Board members.

Any vacancy in the office of the members appointed by the Governor shall be filled by their appointment for the remaining term of the original appointment, in the same manner in which they were originally selected. The designation of a substitute shall be made within six (6) months after the vacancy occurs. However, any vacancy in the office of the members elected to represent

customers shall be filled in accordance with the election process regulated by DACO, within one hundred twenty (120) days as of the date on which the vacancy occurred, and a new five (5)-year term shall begin to run.

The independent members and the elected member shall be subject to the independence requirements under the New York Stock Exchange (NYSE) Corporate Governance Standards. No person may become a member of the Board (including the members representing customer interests) if he: (i) is an employee, retiree, or has any direct or indirect substantial economic interest in any private company with which the Authority has entered into contracts, or with whom it engages in transactions of any kind, including borrowing money or providing raw material; (ii) within three (3) years before holding office, has had a business relationship with or any commercial interest in any private company with which the Authority has entered into any contracts or with whom it engages in transactions of any kind; (iii) is an employee, member, advisor, or contractor of the Authority's labor unions; or (iv) has failed to provide a certification of having filed income tax returns during the five (5) preceding taxable years, a certification of having no outstanding debt issued by the Department of the Treasury, a certification of having no debts outstanding with the Authority, a Certificate of Criminal Record issued by the Puerto Rico Police Department, as well as negative certifications of the Child Support Administration (ASUME, Spanish acronym) and the Municipal Revenues Collections Center (CRIM, Spanish acronym) or has failed to meet all other requirements applicable to any person interested in becoming a public official; and (v) no member appointed by the Governor may be an official of PREPA or an official or director of the "Puerto Rico Electric Power Authority Revitalization Corporation." Provided, that being a customer of the Authority shall not prevent a person from becoming a member of the Board.

Board members shall receive for their services the compensation determined unanimously by the Board. If unanimity cannot be reached, then the Governor shall determine the compensation of the members. Such compensation shall be comparable to that earned by Board members in energy utility companies of similar size, complexity, and risks as the Authority, taking into account the nature of the Authority as a public corporation of the Government of Puerto Rico and, in any case, that is sufficient to attract qualified candidates.

Notwithstanding the foregoing, the members of the Board who are employees of the Government of Puerto Rico shall not receive any compensation whatsoever for their services, only a reimbursement for their expenses. To receive reimbursements for their expenses, each member of the Board shall submit a document evincing the meeting, task, or expense for which the reimbursement is requested, and the purpose of such meeting, task, or expense. These documents shall be published on PREPA's website.

The Board's compliance with the industry's governance standards shall be evaluated at least every three (3) years by a recognized consultant with expertise in the matter and broad experience providing advice to boards of directors of entities whose income, complexity, and risks are similar to those of the Authority. Said report shall be submitted to the Governor. The executive summary with the findings and recommendations of said report shall be published by the Authority on its website.

(b) Organization of the Board; quorum; Designation of the Executive Director

Within thirty (30) days after its appointment, the Board shall meet, organize, and select its Chair and Vice-Chair. At that same meeting, it shall appoint and fix the compensation of an Executive Director, and shall also appoint a

Secretary, neither of whom shall be a member of the Board. The works of the Board may be carried out in one (1) or more working committees, whose composition and duties shall be determined by the Chair of the Board.

The Board may delegate to the Executive Director or other officials, agents, or employees of the Authority such powers and duties as it may deem appropriate. The Executive Director shall be the executive officer of the Authority and shall be responsible for the implementation of its policy and the general supervision of the administrative and operational phases of the Authority.

The Board shall be empowered to contract, through the Executive Director, any independent advisors it needs from time to time to carry out its duties under this Act in the best manner possible. The Authority shall have a general auditor who shall be an employee of the Authority, but who shall report his findings directly to the Board, have independent judgment, provide the Board with the necessary information, and periodically meet with the Audit Committee created by virtue of this Act.

Four (4) members of the Board shall constitute a quorum to conduct business and for any other purpose. All Board agreements shall be reached by not less than a majority of the members present at the meeting where quorum has been constituted even if one of the board members present disqualifies himself. Quorum shall be constituted at the beginning of the meeting and such meeting may continue even if one of the members leaves after it has begun. However, no decision shall be made if there is no quorum when the vote is taken.

Until the election to choose the representative of customer interests is being held, pursuant to this new Board structure, the position of the member to be elected shall remain vacant. However, after this Act takes effect, the members of the Board appointed by the Governor shall constitute quorum for a period of one hundred and eighty (180) days, until the members who require the consent of the

Senate are appointed and confirmed and the elected member is chosen. During this period, the decisions shall be made by the majority of the members holding office.

The regular and special meetings of the Board shall be simultaneously broadcasted on the Internet and subsequently posted on PREPA's website, except for those meetings or portion thereof when the following subjects are discussed: (i) confidential information in accordance with the Rules of Evidence of Puerto Rico; (ii) information related to collective bargaining agreements, labor-related disputes, or issues related to personnel such as appointments, evaluation, disciplinary actions, and dismissal; (iii) ideas with regard to the negotiation of potential PREPA contracts or a determination to rescind or terminate contracts in effect; (iv) information of strategies regarding lawsuits of PREPA; (v) information of internal investigations of the Authority while these are being conducted; (vi) aspects regarding the intellectual property of third parties; (vii) trade secrets of third parties; (viii) issues that PREPA should keep confidential in accordance with any confidentiality agreement; or (ix) matters of public security involving threats against the Authority, its assets, or employees. Likewise, Board members and individuals participating at meetings not broadcasted due to the aforementioned reasons shall keep the matters discussed in said meetings confidential until there is no longer a need for confidentiality or they are required by law to disclose such information. To the extent possible, such meetings shall be broadcasted live at the commercial offices of the Authority, and the recording thereof shall be available on the Authority's website on the business day following the meeting. Any recording shall be readily available on the Authority's website for at least six (6) months after the date on which it was initially posted. Once such term elapses, recordings shall be filed in a place where the citizenry may access them for further review.

The Authority shall notify on its website and its commercial offices, the schedule of the regular meetings of the Board as well as the agenda of both the last and the next Board meetings. Furthermore, the minutes of the work carried out during regular and special meetings of the Board shall be posted on the Authority's website, once these are approved by the Board in a subsequent meeting. Prior to posting such minutes, the Board shall also approve the version of each minute to be published, deleting: (i) confidential information in accordance with the Rules of Evidence of Puerto Rico; (ii) information related to collective bargaining agreements, labor-related disputes, or personnel-related issues such as appointments, evaluation, disciplinary actions, and dismissal; (iii) ideas relating to the negotiation of potential Authority contracts or a determination to rescind or terminate contracts in effect; (iv) information of strategies regarding lawsuits of the Authority; (v) information of internal investigations of the Authority while these are still being conducted; (vi) aspects regarding the intellectual property of third parties; (vii) trade secrets of third parties; (viii) issues that the Authority should keep confidential in accordance with any confidentiality agreement; or (ix) matters of public security of the Authority, its assets, or employees, or involving threats against the abovementioned. The Secretary shall propose, for the Board's approval, the text of the minutes and the text to be deleted from the version to be published. It shall be understood as 'minute' a written account of the matters transacted, addressed, or agreed on by the Board.

In the case of a conflict between the provisions of this Section and the provisions of Act No. 159-2013, as amended, directing all the public corporations and instrumentalities of Puerto Rico to broadcast their Board's meetings on their websites, the provisions of this Act shall prevail.

The Authority shall post on its website all contracts, including the exhibits and attachments thereof, executed by the Authority, stating in detail the parties, purpose, and object of said contracts. Contracts shall be published within ten (10) calendar days upon the execution thereof. The Authority shall publish all contracts even if these are exempt from being filed with the Office of the Comptroller of the Government of Puerto Rico. However, the Authority shall not disclose confidential information, such as the Social Security number of the contractor, information constituting trade secrets, or issues similar to those listed above which would not be disclosed if they were discussed at a Board meeting.

At least once a year, the Board shall hold a public meeting to answer questions and address the concerns of customers and the citizenry in general. People attending such meeting may ask questions to the members of the Board about issues related to the Authority. Such meeting shall be notified at least five (5) business days in advance in a newspaper of general circulation and on the Authority's website. The Board member who represents customers may call additional public meetings with the people he represents in accordance with his duties as Board member. Such meetings shall be coordinated with the Chair of the Board.

(c) Procedure to Elect the Representative of Customers' Interests.

(1) ...

(2) On or before one hundred twenty (120) days prior to the expiration of the term of the representative of customers' interests in the Governing Board of the Authority, the Secretary of DACO shall issue a notice of elections, whereby the requirements to be nominated as a candidate for the representative of residential customers' interests shall be specified. The notice of election shall be published by means of media advertisement, on the Authority's and DACO's websites, and mailed to customers along with the Authority's bill.

(3) The Secretary of DACO shall design and distribute the Request for Nominations form, in which every person aspiring to become a candidate shall state under oath, his name, personal circumstances, street and mailing address, telephone number, place of work, occupation, relevant work experience, education, and PREPA account number. The request for nomination as representative of customers' interests shall include the signature of at least thirty (30) residential customers, as well as their names, addresses, and PREPA account numbers, and of ten (10) commercial customers, and ten (10) industrial customers including their PREPA account numbers and the name, title, and signature of one (1) authorized official from said customer who endorses the nomination of the aspirant. Furthermore, aspirants shall submit a letter bearing the letterhead and signature of one (1) official of each commercial or industrial customer certifying the endorsement of such aspirant. Such request forms shall be available on the Authority's and DACO's websites to be filled out in digital format by the aspirants.

The Secretary of DACO shall include in the regulations a mechanism to validate endorsements pursuant to the purposes of this Act. The regulations shall provide that the results of the endorsement validation process shall be certified by a notary. Likewise, such regulations shall include the requirements to be met by aspirants in accordance with this Act and other applicable laws. Every aspirant must be a bona fide Authority customer.

(4) On or before ninety (90) days prior to the expiration of the term of the representative of customers' interests, the Secretary of DACO shall certify as candidates the seven (7) aspirants who have submitted the highest number of endorsements and have met all other requirements established in this subsection. Provided, that each one of the selected candidates may designate a person to represent him in the process and during canvassing.

(5) On or before sixty (60) days prior to the expiration of the term of the representative of customers' interests, the Secretary of DACO, in consultation with the Secretary of the Authority's Governing Board, shall proceed with the design and printing of ballots, and the canvassing. The design of the ballot for the representative of customers' interests shall include a space for the signature of the customer casting the vote and a space for the customer to write his account number and the mailing address where the Authority's electricity bill is received. The ballots for commercial or industrial customers shall include a space where the customer shall write his account number, and where the name, title, and signature of an officer authorized to cast the vote in representation of said customer shall be included. The ballot shall advise that the vote shall not be counted if the customer fails to sign or write his account number on the same.

(6) ...

(7) Each one of the candidates selected as representatives of customer interests shall designate one person to represent him during the process, and such persons, together with a representative of the Secretary of DACO and a representative of the Secretary of the Board shall compose the Election Committee, which shall be chaired and directed by the representative of the Secretary of DACO.

(8) ...

(9) ...

(10) The Election Committee, within ten (10) days after the deadline to receive ballots, shall begin the canvassing and notify the results thereof to the Secretary of DACO, who shall certify the candidate-elect and notify such certification to the Governor of Puerto Rico and the Chair of the Board.

(d) ...

(e) ...

(f) Performance and Conduct.

Without limiting the general provisions regarding conduct, and the ethical and fiduciary duties provided for in this Act, including the confidentiality duty provided in subsection (b) of this Section, no member of the Board shall:

- (i) ...
- (ii) ...
- (iii) ...
- (iv) ...
- (v) ...

Without it being construed as a limitation to the powers bestowed upon the Governor of Puerto Rico under Act No. 3-2017, the Governor may dismiss any Board member for the following reasons:

- (i) ...
- (ii) ...
- (iii) ...
- (iv) ...
- (v) ...
- (vi) ...
- (vii) ...
- (viii) ...
- (ix) ...

(x) violations of the Puerto Rico Government Ethics Act, Act No. 1-2012, as amended;

- (xi)
- (xii) ...

Board members may also be removed from office due to physical or mental disability which prevents them from performing their duties, in this case it shall not be considered a dismissal.

(g) ...

(h) ...”

Section 2.- Severability.

If any clause, paragraph, subparagraph, sentence, word, letter, article, provision, section, subsection, title, chapter, subchapter, heading, or part of this Act were held to be null or unconstitutional, the ruling, holding, or judgment to such effect shall not affect, impair, or invalidate the remainder of this Act. The effect of said holding shall be limited to the clause, paragraph, subparagraph, sentence, word, letter, article, provision, section, subsection, title, chapter, subchapter, heading, or part of this Act thus held to be null or unconstitutional. If the application to a person or a circumstance of any clause, paragraph, subparagraph, sentence, word, letter, article, provision, section, subsection, title, chapter, subchapter, heading, or part of this Act were held to be null or unconstitutional, the ruling, holding, or judgment to such effect shall not affect or invalidate the application of the remainder of this Act to such persons or circumstances where it may be validly applied. It is the express and unequivocal will of this Legislative Assembly that the courts enforce the provisions and application thereof to the greatest extent possible, even if it renders ineffective, invalidates, or holds to be unconstitutional any part thereof, or even if it renders ineffective, nullifies, invalidates, impairs, or holds to be unconstitutional the application thereof to any person or circumstance. This Legislative Assembly would have approved this Act regardless of any determination of severability that the Court may make.

Section 3.- This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following **Act No. 37-2017 (H. B. 475)** of the **1st Regular Session** of the **18th Legislative Assembly of Puerto Rico**:

AN ACT to repeal current subsection (a) and substitute it for a new subsection (a), repeal current subsection (b) and substitute it for a new subsection (b), and amend subsections (c) and (f) of Section 4 of Act No. 83 of May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act,” in order to reorganize the Governing Board of the Puerto Rico Electric Power Authority; 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 this 6th day of April, 2018.

Orlando Pagán-Ramírez
Director