

“Puerto Rico Electric Power System Transformation Act”

Act. No. 120 of June 21, 2018, as amended

(Contains amendments incorporated by:

[Act. No. 17 of April 11, 2019](#))

To create the “Puerto Rico Electric Power System Transformation Act”; authorize the legal framework required for the sale, disposition, and/or transfer of the assets, operations, functions, and services of the Electric Power Authority; establish the necessary safeguards to ensure a fair and transparent process; provide for the applicability of [Act No. 29-2009, as amended, known as the “Public-Private Partnership Act”](#); amend Section 6 and repeal Section 6C of [Act No. 83 of May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act”](#); repeal and substitute Sections 6.5 and 6.6 for new Sections 6.5 and 6.6; and for other related purposes.

STATEMENT OF MOTIVES

The System of Utilization of the Water Resources, the predecessor of the Puerto Rico Electric Power Authority, was created in 1927 with the idea that, the widespread use of electric power generated at a low cost, supplied at a reasonable price and in sufficient amounts, would be critical for industrial development and for promoting a better quality of life in Puerto Rico. Seeking to provide a more efficient and economical service and to expand the electric power service throughout Puerto Rico so as to promote the industrial development of the whole Island, the Government of Puerto Rico began the process of expanding the distribution of electric power in 1937 with the acquisition of the Ponce Electric Power Company and the subsequent creation of the Water Resources Authority, later known as the Electric Power Authority.

However, as the People of Puerto Rico have experienced firsthand, the Electric Power Authority is no longer synonymous with services that are efficient and cost-effective for the consumer. The Electric Power Authority has become a heavy burden for our People who, at present, are held hostage by its poor service and high rates. The Electric Power Authority, as it exists today, does not work and cannot continue operating in such a manner.

Although the Electric Power Authority operates as a Government monopoly, it lacks the conditions to offer an efficient service at a reasonable cost for residential, commercial, and industrial customers. Given the budgetary and financial uncertainties that have accumulated over the last decade, neither PREPA nor the Government have the necessary financial resources to carry out its operational restructuring, achieve financial recovery, and make the substantial infrastructures changes it requires.

As a result of the high rates and deficient electric power service, Puerto Rico has lost competitive value as a local and foreign investment destination, thus adversely affecting our economic development and reducing job creation and retention.

PREPA’s bankruptcy conditions were unveiled in 2014. By 2016, PREPA had already become an unsustainable burden for the people of Puerto Rico. Several factors —some of which have accumulated over decades and others over the past few years— have contributed to this situation as a result of being in the hands of the Government. Among said factors are the high cost of fuel in a very volatile and speculative market; an old and deteriorated electric power infrastructure dependent on the costliest, less efficient, and most polluting fuels; the ongoing million-dollar demands of the Environmental Protection Agency, (EPA); administrative and operational dysfunction caused by excessive government bureaucracy and politicization; countless labor-related conflicts mostly during an election year; failed and costly attempts to modernize its infrastructure; an almost \$9 billion debt; and until 2016, amid PREPA’s financial hardships, the disbursement of nearly \$50 million to Alix Partners to provide advice on operational restructuring and to negotiate with bondholders. These two costly exercises chargeable to PREPA’s compromised coffers did not produce any significant or positive results for the public corporation or the People of Puerto Rico. In addition, an investigation conducted by the Special Committee of the Senate of Puerto Rico on the purchase and use of crude oil in PREPA during the years 2014-2016, revealed irregularities, lack of control, and mismanagement in the purchase of fuel, which are inconsistent with a sound public administration.

Last September 20th, nature thrust upon us the fury of the most powerful and devastating hurricane that has ever hit our Island. Our People have faced situations that entailed great sacrifice before, and together, and with great effort, we are recovering from the devastation of hurricane Maria. We still have a long road to full recovery; however, in overcoming adversity, great opportunities to build a new Puerto Rico have also presented themselves. The development of Puerto Rico must start now. There is no time for delay.

Before the events classified by the Federal Emergency Management Agency (FEMA) as “the worst natural disaster in the history of the United States,” took place, PREPA’s infrastructure was already deteriorated as a result of years of neglect. In addition, this public corporation had been obligated to take shelter in a bankruptcy procedure under Title III of the 2016 federal law, known as the Puerto Rico Oversight, Management, and Economic Stability Act, (PROMESA).

Puerto Rico continues making massive efforts to recover from the onslaught of both hurricanes, especially from the catastrophic damages inflicted on our electric power system. The United States Government federalized the electric power system’s recovery process and delegated it to the U.S. Army Corps of Engineers, to the extent that it had the final say in all decisions regarding the purchase and distribution of equipment, materials, and supplies; as well as in the assignment of tasks and zones to reconstruction brigades. It has been a slow process that has not only caused our people great suffering and entailed great sacrifices, but has also deteriorated our economy and the state’s revenues.

On January 22nd, 2018, the Governor of Puerto Rico, the Hon. Ricardo Rosselló-Neves announced one of the initiatives that shall be critical for building a new and modern Puerto Rico: the transformation of our electric power system.

As the Governor stated in his message, Puerto Rico is no longer the same place it was when the Authority was created. Over the past 10 years, the Island’s energy demand has decreased by 18% and the industrial sector’s energy demand has decreased by 48%. In addition, the main generation units are located in the south while the highest energy demand is in the north. Moreover, our electric power generation system is twenty-eight (28) years older than the electric power

industry average in the United States and our oil dependence renders this system increasingly more expensive, more polluting, and less efficient. To this reality we must add the historically deficient administration of the public corporation, which has maintained a virtual monopoly on electric power generation. Practically no infrastructure maintenance was performed during the past decade. PREPA’s current electric power infrastructure is oil dependent, and consumes 63% of said public corporation’s annual budget; and, as a result, the service has become more expensive, more polluting, and less efficient.

Thus, our electric power generation and distribution systems are deficient and obsolete which results in suboptimal service with frequent interruptions and high rates that punish the consumer. In lieu of serving as the foundation for the development of Puerto Rico’s economy, as contemplated during the creation of the Authority, our electric power generation and distribution system has become an obstacle that has hindered our opportunities for economic development.

Moreover, the truth is that, with this Authority, we are unable to face the risks entailed by living in an area that is highly vulnerable to catastrophic events such as the two recent hurricanes. PREPA’s employees have made a Herculean effort to serve Puerto Rico. They have played a key role in the reestablishment of the electric power system after hurricane Maria. Their knowledge is critical in ensuring the electric power systems’ success. They are not the problem. Great changes are needed to improve our quality of life.

With this Act, we begin the process to transform the Island’s electric power system into a modern, sustainable, reliable, efficient, cost-effective, and resilient to the ravages of nature. With the legal framework herein adopted, we move on to the next step: assessing the market and requesting proposals from companies interested in participating in the transformation of Puerto Rico’s electric power system.

This transformation shall be achieved through the creation of Public-Private Partnerships pursuant to the procedures established in this Act. The purpose of the foregoing is to take advantage of the existing legal framework and processes for the establishment of Public-Private Partnerships because they provide the transparency and flexibility necessary to conduct negotiations that shall result in an electric power system that is financially viable and prioritizes the consumer. We use the framework of [Act No. 29, 2009, as amended, known as the “Public-Private Partnership Act,”](#) for the purpose of taking advantage of its strict transparency and flexibility processes as a basis for conducting negotiations that lead to a financially feasible electric power system focused on the welfare of consumers. The successful use of this Act has been proven in recent projects such as the lease of the international airport and the concession of highways PR-22 and PR-5.

The Act we promulgate today establishes the legal framework for those contracts drafted to transfer the Electric Power Authority’s assets. Nevertheless, as stated above, the provisions of [Act No. 29-2009](#), and the framework established therein shall apply; provided, that they are consistent with this Act.

In this Act, the Authority is explicitly empowered to sell its assets related to electric power generation and transfer or delegate any of its operations, functions, or services. In addition, the Electric Power Authority and the Public-Private Partnership Authority are hereby empowered to carry out the processes through which such transactions shall be executed. Moreover, this Act establishes the process that shall apply to any transaction that establishes a Public-Private Partnership for any PREPA function, services, or facility. Partnership contracts originating from

this Act shall be entered into pursuant to the legal and administrative framework that regulates Public-Private Partnerships at present.

Furthermore, it is worth noting that, in the past years, laws that established the regulatory framework for the transformation of our electric power system were enacted. Said regulatory framework, however, must be conformed to the new realities of our Island and the energy industry to allow for the use of distributed generation, microgrids, and more renewable energy, among others. In addition, it must be a system resilient to weather events and the effects of climate change on the Island. We recognize the importance of regulating the energy industry and the need to have an independent regulatory entity that carries out its duties firmly and resolutely. Consequently, all contractors under PREPA Transactions shall be subject to the regulation of fees and charges by the Energy Commission. This Act makes changes to the energy regulatory entity created under the Reorganization Plan of the Public Service Regulatory Board. In addition, this Act recognizes the checks and balances system set forth in our Constitution and provides for the Legislative Assembly’s active participation in both the concession and the sale of PREPA assets related to generation. In the case of the sale of a PREPA Asset related to electric power generation, both the Legislative Assembly and the Governor shall ratify the end result of the agreement to be approved.

In this Act are created the legal framework and the mechanism for the sale or transfer of PREPA assets related to electric power generation as well as for the establishment of Public-Private Partnerships with respect to any PREPA function, service, or facility. In addition, it empowers the Public-Private Partnerships Authority to begin informal negotiation processes, market analyses, requests for information, expressions of interest, and any method to collect information from market participants. However, the provisions of Act No. 57-2014, known as the “Energy Transformation and RELIEF Act,” that are consistent with the transformation of our electric power system are maintained. Likewise, we establish the need for approving a new regulatory framework and a cutting-edge public policy on energy that promotes and encourages the use of modern technology and alternative energy methods that include distributed generation, the use of microgrids, and renewable energy, among others. Finishing the transition process requires the approval of this regulatory framework, which provides a competitive model for the various energy sector participants. Thusly, provider and power generation source monopolies shall be avoided and diversification shall be promoted. Hence, we avoid past mistakes that now hold us hostage to crude oil.

It is worth noting that the United States Congress and the US Department of Energy are following and overseeing the transformation of our energy system. The US Department of Energy allocated funds to the Southern States Energy Board (SSEB) to provide us with assistance and advice on the evaluation of the energy public policy and the regulatory framework needed for the transformation of the energy system. For such reason, it is necessary for us to have technical assistance in complex matters such as the formulation of the regulatory framework and the energy public policy. Hence, the Governor, and the Presiding Officers of both Legislative Bodies shall create a task force that gathers SSEB’s recommendations and advice, so that Puerto Rico develops, through a reliable and transparent participatory process, the public policy on energy and the legal basis in order to have a clear overview of Puerto Rico’s vision on energy and achieve our goals.

This transformation shall enable us to overcome the electricity generation challenges faced globally. This is the first step towards the development and subsequent implementation of a model that prioritizes the consumer, one in which citizens have options. Through this Act, we shall begin

the process to adopt an innovative model that is sustainable, uses advanced technology, and is resilient to the ravages of nature. This shall be our leap towards modernization. These changes shall benefit all citizens and shall be reasonable for all parties interested in the Authority: consumers, entrepreneurs, or small business owners, and citizens, who need a better service at a lower cost. The purpose of this change is to benefit the most vulnerable sectors, such as women who are heads of household, our pensioners, and the elderly.

Furthermore, the existing framework for the establishment of public-private partnerships requires that Contractors give priority to PREPA employees in their employee selection process. This Act provides that regular PREPA employees who are not selected to work for the Contractor shall retain their positions or be transferred to other positions within PREPA and other government entities. In addition, it provides that said employees shall keep all their vested rights in accordance with the laws, rules, collective bargaining agreements, and regulations applicable to them, thereby guaranteeing that no regular PREPA employee shall lose his job or his benefits as result of PREPA Transactions.

This transformation shall be our new engine for economic development, benefitting small- and medium-sized business owners with an electric power system that is efficient, reliable, and modern at a cost that enables growth and the creation of jobs. Likewise, this energy model shall make our Island more attractive to new industries and businesses that create jobs, increasing the economic activity and value of our society. The need to transform our electric power system has been recognized by organizations such as the United Retailers Association, the Builder’s Association, the Retailers Association, Puerto Rico Hotel & Tourism Association, the Foundation for Puerto Rico, the Corporation for the Promotion of Puerto Rico as a Destination (DMO), the College of Physicians and Surgeons, the Hospital Association, Enterprise Puerto Rico, the Puerto Rico Chamber of Commerce, the Associated General Contractors, the College of Certified Public Accountants, the Puerto Rico Restaurant Association, the Manufacturers Association, the Food Marketing, Industry and Distribution Chamber (MIDA, Spanish acronym), the Association of Realtors, and the Ana G. Méndez University System. We are confident that, with this transformation, we shall bear witness to a greater and improved economic development on the Island.

In conclusion, if we seek to facilitate the creation of new jobs and promote investment in our Island, we must change our obsolete energy system from the past for one that serves as the engine of the economy due to both the reliability of its energy production, as well as the Government’s commitment in regulating and stimulating a modern energy industry. This change and transformation of the electric power system must be transparent, efficient, and focused on the integration of advanced technology into the system and the rendering of better services to consumers. Not only do we have the opportunity to build a new energy system, but also to become a model to follow worldwide.

A new and better Puerto Rico is built with the will of those who are not discouraged in the face of adversity. As we rise up, we have the opportunity to innovate and make the changes necessary to benefit our People. This transformation shall exchange inefficiency for operational excellence. With this step, Puerto Rico shall make progress and move towards the future.

Be It Enacted by the Legislative Assembly of Puerto Rico:

Section 1. — Title. (22 L.P.R.A. § 1111)

This Act shall be known and may be cited as the “Puerto Rico Electric Power System Transformation Act.”

Section 2. — Definitions. (22 L.P.R.A. § 1112)

For purposes of this Act, the words or terms used herein shall have the meaning provided in [Act No. 29-2009](#), except when a word or term is expressly defined in this Act or when the context clearly indicates otherwise. Likewise, when the words or terms defined in this Section are used in [Act No. 29-2009](#) with regards to PREPA Transactions, they shall be interpreted with the meaning provided in this Act. The words used in the singular shall include the plural and vice versa. However, the following words or terms shall have the meaning stated below, except as otherwise provided or when the context clearly indicates otherwise:

(a) PREPA Asset(s): Any and all PREPA real property (including any right thereon), personal property (tangible or intangible), facilities, resources, proprietary interests, or rights of any nature of PREPA, and any other asset held by PREPA, whether directly or indirectly, in accordance with any law, and any present or future interest to receive Property, whether vested or non-vested.

(b) PREPA: The Puerto Rico Electric Power Authority created by law and any of its subsidiaries and its activities, whether commercial or otherwise.

(c) Authority: The Puerto Rico Public-Private Partnership Authority, created by virtue of [Act No. 29-2009](#).

(d) Energy Compliance Certificate: The Certificate issued by the Commission in any PREPA Transaction certifying that the Preliminary Contract complies with the regulatory framework, the “Puerto Rico Energy Public Policy Act,” and the Code of laws in effect.

(e) Commission: Means the Puerto Rico Energy Bureau established by virtue of the Reorganization Plan of the Puerto Rico Public Service Regulatory Board and Act No. 211-2018, which is a specialized and independent entity in charge of regulating, overseeing, and enforcing the energy public policy of the Government of Puerto Rico. Any reference in this Act to the “Commission or the Energy Commission” shall be understood to refer to the Puerto Rico Energy Bureau.

(f) Partnership Contract: Shall have the meaning provided in [Act No. 29-2009](#). Provided that, in the event of a PREPA Transaction, the Energy Compliance Certificate shall be required.

(g) Sales Contract: Any contract, power purchase agreement, document, deed, agreement, and instrument related to a PREPA Transaction that includes an agreement to sell, transfer, or otherwise dispose of PREPA Assets related to electric power generation to one or more private sector proponents.

(h) Preliminary Contract: Refers to all the clauses and specific conditions of a Partnership or Sales Contract that are agreed upon by the Partnership Committee and the Selected Proponent. The Preliminary Contract shall include an Energy Compliance Certificate upon the submittal thereof

for consideration of the Board of the Authority and PREPA. It shall have the same format and content as the Partnership or Sales Contract to be signed by the parties. Once the transaction has been ratified by the Legislative Assembly, the clauses and conditions therein may not be amended without the approval of the Legislative Assembly.

(i) Regular Employee or Employee in a Regular Position: Includes, but is not limited to, any regular employee, special regular employee, and career-conditional employee, as such terms are defined and used in PREPA’s applicable employee regulations.

(j) Facility(ies): Shall have the meaning provided in [Act No. 29-2009](#). Provided that, with regards to a PREPA Transaction, the definition shall also include electric power generation and metering systems, in addition to those established in the Act.

(k) Act No. 29-2009: Means [Act No. 29-2009, as amended, known as the “Public-Private Partnership Act.”](#)

(l) Act No. 83: Shall mean [Act No. 83 of May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act.”](#)

(m) PREPA Transactions: Any and all transactions carried out in accordance with the provisions of [Act No. 29-2009](#) and this Act, whereby PREPA or the Government of Puerto Rico establishes one or more Partnerships in connection with any of PREPA’s functions, services, or facilities, or executes a Sales Contract for PREPA Assets related to electric power generation.

Section 3. — Legislative Intent and Declaration of Public Policy. (22 L.P.R.A. § 1113)

The Electric Power Authority is a legal entity created by the Legislative Assembly by virtue of [Act No. 83 of May 2, 1941, as amended](#), that has a legal existence and personality separate and different from the Government of Puerto Rico. Its creation, existence, powers, duties, and activities as a public enterprise have been delegated through legislation. PREPA assets and franchises are the property of the People of Puerto Rico and its Government, and they are administered by the public corporation as delegated precisely by the Legislative Assembly.

No law or regulation may be used or interpreted in contravention of the provisions of this Act, except for the amendments thereto.

Moreover, it is hereby provided that the Partnership and Sales Contracts arising from this Act shall be fully covered and protected by our Constitution in what pertains to the enjoyment of property, the due process of law, and the enactment of laws impairing contract obligations.

Based on the legal and proprietary powers that the People of Puerto Rico and its Government have over PREPA, it is the intent and the policy of this Legislative Assembly to expedite a fair and transparent process for the establishment of Public-Private Partnerships in connection with any functions, services, or facilities of the public corporation, and to sell the power generation assets thereof, thus placing such assets in the private hands of those who show a fair balance between the commercial interests and the sense of social responsibility; and who have the operational, technological, and financial capacity to transform the electric power system into one that is modern, offers reasonable rates, provides universal access, and has efficient and environmentally-friendly energy sources, as well as an infrastructure that is as resistant or resilient as possible to weather and natural events; with financial and legal conditions that are reasonable for the People of Puerto Rico; and promotes broad access and swiftness in the rendering of direct services to its customers.

As a minimum, all of the foregoing shall be taken into consideration by the Partnership Committee as the Fundamental Interests of the People of Puerto Rico when evaluating proponents and their offers.

The Partnership Committee shall also carefully consider the possibility that these negotiations may result in the selection of various proponents, for the purpose of providing consumers with more than one option, thus promoting a competitive environment that, in turn, results in a broader, faster, and more beneficial transformation for the People of Puerto Rico. The Partnership Committee shall evaluate as many qualified proponents as possible and consider all relevant factors to maximize the benefits to be reaped by the People of Puerto Rico.

The procedures shall provide for the streamlined processing of negotiations, final transactions, and Partnership and Sales Contracts without compromising, in any manner whatsoever, the principles of fair and transparent competition.

The Public-Private Partnerships Authority is empowered to begin the processes related to informal negotiations, market analysis, requests for information, expressions of interest, and any other method to collect information on market participants. The Partnership Committee is also empowered to require promptly, subject to the consequences established in this Act, any information, documents, data, public facility inspections, and any personnel and resources detailed from other public entities as are necessary for the swift and unrestricted conduct of negotiations.

With this Act, we take advantage of the successful bidding process of the Public-Private Partnership model which has proved to be a useful tool for improving the quality of public services. Furthermore, it is the public policy of the Government of Puerto Rico to secure and invest federal funds to the maximum extent possible for the reconstruction and repairing of our energy infrastructure.

If, due to the market, it is not possible to create a competitive environment for all of the activities related to electric power services, then the evaluation of proposals delegated to the Partnership Committee shall be more stringent to ensure that they benefit the People of Puerto Rico in accordance with the Fundamental Interests and the public policy established herein.

It is made clear that the results of these negotiations shall align the corporate and business interests of the proponents with the Fundamental Interests of the People of Puerto Rico in order to achieve the transformation of the electric power service, as we have described, and to strengthen the socioeconomic, community, entrepreneurial, and industrial development, and improve the quality of life.

Section 4. — Applicability. (22 L.P.R.A. § 1114)

The provisions of this Act shall only apply to PREPA Transactions. All of the provisions of [Act No. 29-2009](#) (including, but not limited to, Section 11 of Act No. 29-2009) shall apply to PREPA Transactions, except as otherwise provided in this Act. If any provision of this Act is inconsistent with any provision of Act No. 29-2009, Act No. 83, Act No. 57-2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act,” or Act No. 4-2016, as amended, known as the “Electric Power Authority Revitalization Act,” or any other applicable law or regulation, the provisions of this Act shall prevail. The foregoing shall not be construed as to waive or impair any statute applicable to a PREPA Transaction related to the granting of subsidies or credits, or the collection of taxes, or assessments.

Section 5. — Authorization for PREPA Transactions. (22 L.P.R.A. § 1115)

(a) PREPA is hereby authorized to conduct any PREPA Transaction and to enter into Partnerships or Sales Contracts in relation thereto. Notwithstanding any other provision of law, PREPA or, to the extent necessary, the Government of Puerto Rico is hereby authorized to sell or otherwise dispose of any PREPA Asset related to electric power generation and to transfer or delegate any operation, Function, or Service to one or multiple proponents pursuant to [Act No. 29-2009](#). Any PREPA Transaction shall be conducted in accordance with the Public Private Partnership’s establishment process set forth in [Act No. 29-2009](#), except as otherwise provided in this Act. PREPA Transactions are hereby designated as Priority Projects under Section 3 of [Act No. 29-2009](#).

(b) The Authority is hereby designated as the sole Government Entity authorized to and responsible for (1) implementing the public policy on PREPA Transactions conducted in accordance with this Act; (2) determining the Functions, Services, or Facilities for which such Partnerships shall be established, subject to the priorities, objectives, and principles established in the energy policy and the regulatory framework to be developed pursuant to Section 9 of this Act; and (3) determining which PREPA Assets related to electric power generation shall be sold or transferred through Sales Contracts. If the Authority determines that a Partnership shall not be established for a Function, Service, Facility, or other PREPA Asset, said Function, Service, Facility, or PREPA Asset may be developed by PREPA as provided by Act No. 83 or any other applicable law and it shall not be considered a PREPA Transaction. The approval of this Act shall not be construed as a limitation or restriction to the rights and powers conferred on PREPA by Act No. 83 or any other applicable law, as of the approval of this Act.

PREPA may only sell and dispose of PREPA Assets related to electric power generation through the process established in this Act and may only conduct transactions that are related to electric power generation, distribution, and transmission, metering, and any other PREPA function, service, or facility through Partnership Contracts.

(c) The Authority shall designate a Partnership Committee, pursuant to the provisions of [Act No. 29-2009](#), to evaluate and select qualified persons and the PREPA Transaction Proponents, and to establish and negotiate the terms and conditions it deems appropriate for the pertinent Partnership or Sales Contracts in accordance with the provisions of this Act and [Act No. 29-2009](#).

(d) Since PREPA Transactions may have particularities that distinguish them from other transactions conducted by the Authority, the Authority is hereby empowered to create and approve one or more specific regulations for any PREPA Transaction, pursuant to Section 6(b)(ii) of [Act No. 29-2009](#).

(e) For the sale of any PREPA Asset related to electric power generation, a separate Request for Proposal for each of these assets shall be required. When evaluating the Proposals received, the Partnership Committee shall take into consideration, at least, and among others, the following factors which are not listed in any particular order of importance or priority:

- (1) The reputation, and the commercial, financial, operational, and technological capacity of the Proponent.
- (2) The fair balance between the commercial interests of the proponent and the sense of social responsibility in the proposals thereof.

- (3) The scope of the proposals to transform the electric power system into one that is modern, offers reasonable rates, provides universal access, has efficient and environmentally-friendly energy sources, as well as an infrastructure that is as resistant or resilient as possible to weather and natural events.
 - (4) That the public works to be performed to transform and improve the infrastructure of the electric power system shall be performed in a planned and efficient manner to avoid service interruptions while taking into consideration the need to strengthen the generation, distribution, and transmission systems for each geographical area, according to their respective energy demands.
 - (5) The evolution of the electric power generation system to sources that include fuels that are less environmentally harming, to the maximum extent possible, and at a reasonable cost to achieve cross-the-board rate savings.
 - (6) A billing system and a rate structure that meets the requirements and has the format of the transparent bill adopted and approved by the Commission while ensuring that said bill’s content and economic impact is easy to understand for consumers.
 - (7) The requirement for broad accessibility, ease, and swiftness with respect to the services rendered directly to consumers.
 - (8) The prices offered for the PREPA Assets and that the financial and legal conditions are reasonable for the People of Puerto Rico.
 - (9) The proponent’s financing mechanism and ability to pay.
 - (10) The responsiveness and promptness shown by the proponent in meeting the Partnership Committee’s information requirements and negotiations timeline; including the proponent’s likelihood to obtain approval for the necessary permits, if any, and of consummating said processes and the transaction within a reasonably short period of time.
 - (11) The terms the proponent is willing to accept under the Partnership or Sales Contract.
 - (12) The proponent’s availability to participate in a competitive market should the market realities make it feasible.
- (f) Any contract related to a PREPA Transaction shall include a clause enforcing full compliance with the energy policy and the regulatory framework, except for those excluded by this Act or those expressly authorized by the Legislative Assembly.
- (g) Any contract related to a PREPA Transaction shall require an Energy Compliance Certificate, as defined in this Act. The Partnership Committee shall submit to the Bureau the Report drafted pursuant to Section 9(g) of [Act No. 29-2009](#) before submitting it to the Boards of Directors of the Authority and PREPA. The Bureau shall evaluate the Report, the information furnished, and the Preliminary Contract and issue an Energy Compliance Certificate if they comply with the energy public policy and the regulatory framework. The Energy Compliance Certificate or the resolution denying the issuance thereof shall state the basis for such determination. The Bureau shall have thirty (30) days from the date on which the Preliminary Contract was submitted to issue a Certificate of Compliance or a resolution to deny the issuance thereof. When more than one Preliminary Contract are under consideration by the Energy Bureau, the thirty (30) day term shall run consecutively, taking into account the order in which they were submitted. If a Certificate of Compliance or the resolution to deny the issuance thereof is not issued within the aforementioned term, the PREPA Transaction shall be deemed to be approved by the Bureau and it shall be understood that an Energy Compliance Certificate has been issued for such PREPA Transaction.

Once the Energy Compliance Certificate has been issued, any amendments made to the Preliminary Contract shall require the issuance of a new Energy Compliance Certificate. The mere issuance of an Energy Compliance Certificate shall not constitute grounds for claiming any compensation, reimbursement, or payment on account of any expectations arising in any of the stages, or for the expenses incurred during the qualification process or the submission of proposals. Reviews in connection with the Energy Compliance Certificate issued by the Bureau shall be filed with the Court of Appeals within a term of fifteen (15) days from the notice thereof.

Section 6. — Inapplicability of Certain Provisions of Law. (22 L.P.R.A. § 1116)

(a) Notwithstanding any other provision to the contrary, the following statutory provisions shall not apply to any PREPA Transaction:

1. Section 7 of [Act No. 29-2009](#).
2. Section 6(c) and Section 10(e) of [Act No. 29-2009](#), regarding any sale of any PREPA Asset related to electric power generation.

(b) Notwithstanding Section 9(i) of [Act No. 29-2009](#), the Authority and PREPA shall not be precluded from sharing with the Financial Oversight and Management Board for Puerto Rico, established by the Puerto Rico Oversight Management and Economic Stability Act, Public Law 114-87 of June 30, 2016, known as PROMESA, or making public any information or document that should be disclosed in connection with any process authorized under PROMESA.

(c) Notwithstanding Section 10(c) of [Act No. 29-2009](#), in the rendering of regulated services, any Contractor shall be subject to the regulation of fees and charges by the Commission, subject to the provisions of Section 8 of this Act.

(d) Contracts executed in connection with any PREPA Transaction may provide exemptions or alternative procedures to the following statutory provisions (and any regulatory provision or related action), deemed reasonable by the Partnership Committee under the circumstances, to ensure the feasibility of the PREPA Transaction:

- (i) Act No. 109 of June 28, 1962, as amended, known as the “Puerto Rico Public Service Act”;
- (ii) Any requirement of (A) the Integrated Resource Plan as such term is defined in Act No. 57-2014, as amended; and (B) any statutory provision applicable to PREPA including, among others, those imposed by virtue of Act No. 83; insofar as the Partnership Committee has been authorized by the Energy Bureau through a Certificate of Compliance.

Section 7. — Use of Payments Received from PREPA Transactions. (22 L.P.R.A. § 1117)

In addition to the provisions of Section 9(g)(ix) and 17 of [Act No. 29-2009](#), all efforts shall be made to set aside from any payment received in connection with a PREPA Transaction an amount to contribute with the early retirement of qualified employees and with PREPA’s Retirement System so as to improve the capitalization ratio thereof by means of a contribution consistent with the provisions of subsection (e) of Section 17 of [Act No. 29-2009](#). Said system shall not be suspended by this Act or any other transaction authorized thereunder. PREPA’s Retirement System may be defined in subsequent legislation.

Section 8. — Jurisdiction of the Energy Commission Regarding the Approval of PREPA Transactions and the Supervision of PREPA’s Partnership Contracts. (22 L.P.R.A. § 1118)

(a) PREPA or the Government of Puerto Rico are hereby authorized to conduct any PREPA Transaction in accordance with the provisions of this Act and of [Act No. 29-2009](#), provided that the Commission issues the corresponding Energy Compliance Certificate, which shall be sufficient to execute or enter into a contract or take an action with respect to any PREPA Transaction.

(b) PREPA Transactions shall be subject to the provisions of the energy public policy and the regulatory framework, except for those excluded by this Act or those expressly authorized by the Legislative Assembly. No Partnership or Sales Contract related to PREPA Transactions shall include language that impairs the powers and duties of the Committee.

(c) Once the Authority establishes the Functions, Services, Facilities, or PREPA Assets for which PREPA Transactions shall be conducted in accordance with the provisions of this Act and [Act No. 29-2009](#), the Commission shall provide the technical, expert, financial, and human resources assistance as the Authority requests in order to ensure that each PREPA Transaction is successful.

(d) Upon the consummation of any PREPA Transaction, the Commission shall assist the Authority in supervising the performance and compliance of the Contractor with the Partnership or Sales Contract, in accordance with Section 10(d) of [Act No. 29-2009](#). The Commission shall have no authority to alter or amend the Partnership or Sales Contract, and shall not interfere in operational or contractual matters, except as provided in subsection (f) of this Section. The Authority, PREPA, and the Commission shall devise jointly a work plan to oversee each Partnership Contract for the purpose of complying with the provisions of Section 10(d) of [Act No. 29-2009](#) and guaranteeing the optimum use of the resources of each entity.

(e) Every Contractor under a Partnership or Sales Contract executed in connection with a PREPA Transaction shall be deemed to be a Certified Electric Power Company (as defined in Act No. 57-2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act”). Any Contractor under a Partnership or Sales Contract executed in connection with a PREPA Transaction shall fill out and file with the Commission an application for an Electric Power Company certification within ninety (90) days after the appropriate Partnership or Sales Contract is executed. Once the application is filled and filed with the Commission, such application shall be automatically approved without the need for the Commission to act on it. If a Contractor renders services or acts according to the Partnership or Sales Contract before the term for filing the application for certification expires, as provided in this Section, it shall not be deemed to be a violation of any law or regulations.

(f) A Contractor under a Partnership or Sales Contract executed in connection with a PREPA Transaction shall be empowered to collect any duties, rents, and rates and any other types of fees for any Service or Function provided, or for the construction, repair, improvement, and use of the Facilities or other PREPA Assets, in accordance with the provisions of the Partnership or Sales Contract. The Commission shall continue to have jurisdiction, under the provisions of Act No. 83 or any pertinent special laws, to revise and approve any modification to such duties, rents, and rates and any other types of fees. The Contractor and PREPA shall be required to meet the requirements imposed on PREPA or any other Electric Service Company (as defined in Act No. 57-2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act”) under

the provisions of Act No. 83 or any pertinent special law, to increase or reduce such duties, rents, and rates. The Contractor and PREPA shall also be required to comply with the provisions on the procedures to change the duties, rents, and rates and any other types of fees that shall be included in the Partnership or Sales Contract, provided, that the foregoing is not an authorization to impair, through the execution of a Partnership or Sales Contract, the powers and duties applicable to the Commission under the pertinent special laws in order to increase or reduce such duties, rents, and rates, or fees. The Commission shall ensure that any modification renders the duties, rents, and rates, and any other types of fees charged by a Contractor under a Partnership or Sales Contract executed in connection with a PREPA Transaction, just and reasonable, and consistent with good fiscal and operating practices that provide for reliable services at the lowest cost possible.

(g) A Contractor under a Partnership or Sales Contract executed in connection with the concession or operation of the Electric Grid (as defined in Act No. 57-2014, as amended, known as the “Puerto Rico Energy Transformation and RELIEF Act) may not be a Contractor under a Partnership or Sales Contract executed in connection with PREPA Facilities devoted to electric power generation.

(h) All of the PREPA Assets devoted to electric power generation may not be sold, or otherwise disposed of or assigned to a single Contractor under a Partnership or Sales Contract, or otherwise, as part of a PREPA Transaction. It is further provided that no Contractor shall sell to another Contractor any asset acquired from PREPA that is devoted to electric power generation without the consent of the Legislative Assembly. Under no circumstances, may the transactions conducted under this Act be used to constitute or authorize an electric power generation monopoly.

Section 9. — Blue-Ribbon Task Force on the Formulation of Energy Public Policy and the Regulatory Framework. (22 L.P.R.A. § 1119)

Any Partnership Contract or Sales Contract shall be subject to the energy public policy and the regulatory framework. For such purposes, a Task Force shall be created to be in charge of working and making recommendations on the energy public policy and the regulatory framework for the corresponding approval thereof.

The members of the Task Force shall not receive any compensation for their work nor shall they have any direct or indirect proprietary interest in the juridical persons that are parties to a PREPA Transaction or in entities within or without Puerto Rico affiliated to or with interest in said juridical persons.

The Task Force shall be designated by consensus between the Governor and the Presiding Officers of the Legislative Assembly not later than fifteen (15) days after the approval of this Act. The Task Force shall procure the advice and recommendations of the Southern States Energy Board and the US Department of Energy, and any other person, entity, or organization as the Task Force deems beneficial without it being understood as an impairment to or the relinquishment of the constitutional prerogatives of the Government of Puerto Rico or the Legislative Assembly.

Both the Governor and the Presiding Officers of the Legislative Assembly shall suggest to the Southern States Energy Board four organizations each, in order for the Board to select the members who shall constitute the Blue-Ribbon Task Force.

The energy public policy and the regulatory framework shall be approved by the Legislative Assembly within a term not to exceed one hundred eighty (180) days as of the approval of this Act. Within such term, no Partnership or Sales Contract may be executed with respect to a

PREPA Transaction. If such term elapses and the new energy public policy and regulatory framework have not been approved, the Energy Compliance Certificate shall be issued in accordance with the code of laws in effect. The provisions herein shall not be understood as a limitation on the power of the Legislative Assembly to formulate energy public policy and the regulatory framework once the one hundred eighty (180)-day term elapses.

Section 10. — Approval and Ratification of PREPA Transactions. (22 L.P.R.A. § 1120)

(a) The selection of Proponents and the adjudication of Partnerships for any PREPA Transaction shall be carried out in accordance with the process for the establishment of Public-Private Partnerships prescribed in [Act No. 29-2009](#).

(b) Notwithstanding the provisions of Section 5(c) of [Act No. 29-2009](#), the Board of Directors of the Authority, in accordance with Section 9(g)(iii) of Act No. 29-2009, shall be approved by the affirmative vote of both representatives of the public interest in the event that a PREPA Transaction does not involve the sale of PREPA Assets. If the affirmative vote of one (1) or both of the representatives of the public interest cannot be obtained, a PREPA Transaction not involving the sale of PREPA Assets shall be deemed to be denied. The decision of one (1) or both of the representatives of the public interest to abstain shall be construed as a vote against the processes established in subsection (a) of this Section.

(c) If a PREPA Transaction involves a Sales Contract for a PREPA Asset related to electric power generation, the procedure below shall be followed:

i. In addition to the approvals required for the establishment of a Partnership under Section 9(g) of [Act No. 29-2009](#), any PREPA Transaction involving the sale of PREPA Assets shall comply with the provisions of this Act and be approved by the Legislative Assembly as established in this Section.

ii. After the Governor, or the executive officer to whom he delegates, approves a PREPA Transaction involving the sale of PREPA Assets in accordance with the provisions of Section 9(g) of [Act No. 29-2009](#), the Governor shall submit to the Legislative Assembly within a term not to exceed thirty (30) days, the appropriate Preliminary Contract, the report drafted by the Partnership Committee, and a report on the use of the funds.

iii. The Legislative Assembly shall be empowered to approve or deny each PREPA Transaction involving the sale of PREPA Assets under the same terms and conditions approved by the Governor or the executive officer to whom he delegated, without any modification whatsoever. Every PREPA Transaction involving the sale of PREPA Assets shall be introduced to each Legislative Body in a legislative session for the approval or denial thereof.

iv. The Legislative Assembly shall have a term not to exceed forty-five (45) days to pass a Concurrent Resolution stating whether the PREPA Transaction was approved or denied. If a Concurrent Resolution approving or denying the appropriate PREPA Transaction is not passed within the aforementioned term, such PREPA Transaction shall be deemed to be approved.

v. Every PREPA Transaction involving the sale of PREPA Assets shall be submitted to the Legislative Assembly at least forty-five (45) days before the deadline for the approval of bills in order to be brought to the floor during the session in which it was submitted. If

such PREPA Transaction was submitted less than forty-five (45) days before the deadline for the approval of bills or during a recess of the Legislative Assembly, the forty-five (45)-day term shall begin to elapse from the first day of the next session.

vi. Notwithstanding the provisions of Section 9(g) of Act No. 29-2009, no Sales Contract pertaining to a PREPA Transaction involving the sale of PREPA Assets shall be executed without the approval of the Legislative Assembly, as established in this Section.

vii. The Governor may resubmit, for the approval of the Legislative Assembly, a PREPA Transaction involving the sale of PREPA Assets that has been denied. The Governor may submit for approval the same transaction or make any changes thereto as he deems pertinent, and resubmit it to the consideration of the Legislative Assembly, in accordance with the procedure established in this Section.

Section 11. — Section 6 of Act No. 83 of May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act,” is hereby amended to read as follows:

“Section 6.- Powers

...

(a) ...

...

(dd) To conduct competitive request for proposals processes or execute Public-Private Partnership agreements, in accordance with the ‘Puerto Rico Electric Power System Transformation Act,’ and Act No. 29-2009, as amended, known as the “Public-Private Partnership Act”, or the parameters established in this Act, to develop, finance, build, operate, and provide maintenance, in whole or in part, to the electric power grid and the power plants and other facilities and infrastructure thereof, as well as to promote new generation, transmission, distribution, customer service optimization projects, and any other necessary project consistent with the integrated resource plan.

(ee) ...

...

(gg) ...”

Section 12. — Section 6C of [Act No. 83 of May 2, 1941, as amended, known as the “Puerto Rico Electric Power Authority Act.”](#) is hereby repealed.

Section 13. — Section 6.5 of Act No. 57-2014, as amended, is hereby repealed and substituted for a new Section 6.5 to read as follows:

“Section 6.5.- Organization of the Energy Commission.

(a) The Commission shall be composed of four (4) associate commissioners and one (1) Chair, all of whom shall be appointed by the Governor with the advice and consent of the Senate of Puerto Rico. Commissioners may only be removed for just cause. Commissioners

shall receive the same compensation established for a judge of the Court of Appeals of Puerto Rico.

(b) Three (3) of the five (5) commissioners or a majority of the confirmed or official commissioners shall constitute a quorum at a meeting of the Commission assembled as a whole. The meetings of the Commission shall be scheduled by its Chair.

(c) The decisions of the Commission shall be made by the consent of the majority of the commissioners. In accordance with the provisions of Act No. 38-2017, as amended, known as the ‘Government of Puerto Rico Uniform Administrative Procedure Act,’ the decisions or final resolutions of the Commission in adjudicative procedures shall be subject to review by the Court of Appeals of Puerto Rico, unless a law of the United States Government has granted jurisdiction to a federal agency or entity or the U.S. District Court for the District of Puerto Rico.

(d) The Commission shall have an official seal with the words ‘Puerto Rico Energy Commission’ and the design prescribed by said Commission.”

Section 14. — Section 6.6 of Act No. 57-2014, as amended, is hereby repealed and substituted for a new Section 6.6 to read as follows:

“Section 6.6.- Commissioners

(a) The commissioners shall have expertise in energy-related matters and be professional engineers licensed in Puerto Rico holding preferably a master’s or doctoral degree in engineering, or lawyers authorized to practice the profession, or professionals preferably holding a master’s or doctoral degree in economics, planning, or finances, or professionals preferably holding a master’s or doctoral degree in energy-related fields. Not more than three (3) commissioners may practice the same profession. In addition to the education and professional requirements, the commissioners of the Energy Commission shall have at least five (5) years of experience and be knowledgeable in energy-related matters, and have at least ten (10) years of experience practicing their professions.

(b) Commissioners shall not have any direct or indirect proprietary interest in the juridical persons subject to the jurisdiction of the Energy Commission or the Commonwealth Energy Public Policy Office, or in entities within or without Puerto Rico affiliated to or with interest in said juridical persons.

(c) No commissioner may participate in any matter or dispute in which a party to such matter or dispute is a natural or juridical person with whom he has had a contractual, professional, work, or fiduciary relation within two (2) years before his appointment. Furthermore, no commissioner shall represent, after ceasing his functions, any person or entity before the Commission within two (2) years following his separation from office. Any actions taken by a commissioner in discharging his duties shall be subject to the restrictions provided in Act No. 1-2012, known as the ‘Puerto Rico Government Ethics Act of 2011,’ as amended.

(d) The first commissioners appointed by virtue of the ‘Puerto Rico Energy Transformation and RELIEF Act,’ as amended, shall hold their office for the following terms: the Chair shall hold office for six (6) years, one commissioner for four (4) years; and one

commissioner for two (2) years. The successors of all commissioners shall be appointed for six (6) years. Any person designated to fill a vacancy shall be appointed only for the remainder of the unexpired term of the commissioner being replaced. Commissioners appointed after the approval of the ‘Puerto Rico Electric Power System Transformation Act’ shall be appointed as follows: the Chair shall hold office for six (6) years, two (2) commissioners for four (4) years; and two (2) commissioners for two (2) years. The successors of all commissioners shall be appointed for six (6) years. Any person designated to fill a vacancy shall be appointed only for the remainder of the unexpired term of the commissioner being replaced. Commissioners holding office as of the approval of the ‘Puerto Rico Electric Power System Transformation Act’ shall continue to hold office until their terms of appointment expire. Upon the expiration of the term of office of any commissioner, he may continue carrying out his duties until his successor is appointed. Commissioners appointed after January 1st, 2019, shall be selected from a list of candidates to be prepared and submitted to the Governor by a recognized executive search firm. The identification of candidates by such firm shall be based on objective criteria such as educational and professional background. The Governor, shall evaluate the list of recommended candidates and select, at his full discretion, one candidate from the list. If the Governor rejects all the recommended persons, said executive search firm shall be required 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.

(e) The Commission shall hold at least three (3) public meetings every month, notify in advance the date of the holding thereof, and broadcast them live on the Commission’s website. The minutes of the public meetings shall be posted on the Commission’s website to be freely accessed by the people.

(f) Each commissioner may request the hiring or appointment of one (1) administrative assistant and one (1) trusted advisor.”

Section 15. — Provisions on the Employees of the Electric Power Authority. (22 L.P.R.A. § 1121)

PREPA’s personnel have been critical in restoring the electric power service in the wake of hurricane Maria. Their knowledge of the system is essential to ensure the success of its transformation.

The provisions of this Act and of any Partnership or privatization Contract entered into in connection with PREPA pursuant to this Act, shall not be used by the Government of Puerto Rico as grounds for the dismissal of any regular employee. Any PREPA personnel who opt to remain in the Government of Puerto Rico shall be assigned according to the statutes, regulations, and administrative rules applicable thereto. Likewise, PREPA and the Government of Puerto Rico may devise and offer transition or incentivized voluntary resignation plans.

All regulations adopted shall strictly comply with the provisions of Section 5.2 of [Act No. 8-2017, as amended, known as the “Government of Puerto Rico Human Resources Administration and Transformation Act.”](#) Moreover, the concept of mobility and the mechanism established by the Government of Puerto Rico Human Resources Administration and Transformation Office (HRATO) to implement the movement of public employees, as established in [Act No. 8-2017,](#)

shall apply to PREPA in accordance with said Act. Regular PREPA employees who are not selected to work for the Contractors shall retain their positions, or be transferred to another position within PREPA or other Government Entities. To such effect, and in conjunction with HRATO, PREPA shall conduct a study to identify the positions that are compatible with the training of PREPA’s employees or, in lieu thereof, shall establish retraining plans in order to assign employees who are not selected to work for the Contractors pursuant to the provisions of [Act No. 8-2017](#).

Employees who, as a result of this Act, are transferred under the concept of mobility to another government entity or who become employees of a PREPA Transaction Contractor shall keep all of their vested rights in accordance with the laws, rules, collective bargaining agreements, and regulations applicable to them, as well as the privileges, obligations, and status with respect to any existing pension or retirement plan, or savings and loan fund established by law in which such employees were enrolled before the approval of this Act and that are compatible with the provisions of Act No. 26-2017, known as the “Fiscal Plan Compliance Act.” No regular PREPA employee shall be left unemployed nor lose benefits as a result of any PREPA Transactions.

Section 16. — Disclosure and Transparency of Processes. (22 L.P.R.A. § 1122)

Any meeting of the Board of Directors of PREPA to discuss proposals and make decisions on the sale of assets or the establishment of public-private partnerships shall be broadcasted on the Internet or any television station for the benefit of the public in general, thus guaranteeing the full transparency of the process, in accordance with Act No. 159-2013, as amended.

Section 17. — Fair and Transparent Process. (22 L.P.R.A. § 1123)

(a) The Preliminary Partnership or Sales Contract shall include:

1) A Sworn Statement of the Selected Proponent stating that no commissions or bonuses have been paid, in cash or in kind, and that there is no commitment for the future payment of any public official, employee, or former public official who participated in the negotiations and transactions provided in this Act, while rendering services in the Government of Puerto Rico. The Governor and the Legislative Assembly shall not ratify any Sales Contract if this requirement is not met.

2) A Sworn Statement of the Financial, Legal, and Expert Consulting companies or firms, or any other Advisors contracted by the Partnership Committee or any Government Entity to participate in the analysis, evaluation, and negotiation process, stating the names of all natural or juridical persons that have received or shall receive service fees or payments on any other account for the rendering of services in connection with a PREPA Transaction. The Governor and the Legislative Assembly shall not ratify any Sales Contract if this requirement is not met.

(b) Any contract executed by and between the Partnership Committee and Financial, Legal, and Expert Consulting companies or firms, or any other Advisors for services shall include a clause expressly stating that no consultant, advisor, or expert shall hold any position nor have a financial interest in the natural or juridical person selected as Contractor, with respect to the Contractor’s business in Puerto Rico, during the year following the one in which the contract expired.

Noncompliance with this clause shall entail immediate repayment of the total amount of fees paid under such contract.

Section 18. — Duty to Collaborate. (22 L.P.R.A. § 1124)

(a) The Partnership Committee shall be empowered to direct any agency, commission, board, body, or corporation of the Government of Puerto Rico to promptly furnish any data, plans, and any type of documents or information, whether or not certified, as required, including the presence or temporary detail of personnel and resources in order to achieve the purposes of this Act as quickly and efficiently as possible. The power herein granted to the Partnership Committee shall also include the power to coordinate and conduct any visits and inspections of any public facility and property.

(b) All officials of the agencies, bodies, and corporations of the Government of Puerto Rico, including the members of the commissions or boards shall be legally bound to meet the requirements of the Partnership Committee, as provided in subsection (a) of this Section, and within the specific terms and conditions established by such Committee.

Noncompliance with this collaboration shall entail the automatic and immediate separation from service of the official who failed to meet the requirements of the Partnership Committee and any extensions that in its discretion were granted. Immediately after the Partnership Committee has certified the noncompliance in writing, the official shall be immediately and automatically separated from service, provided that the requirements were reasonable and the agency, commission, board, body, or corporation of the Government of Puerto Rico is able to meet them without it constituting an impairment to the duties and functions thereof.

Section 19. — Severability.

This Act shall be construed inasmuch as it may be held valid to the extent it is so allowed in accordance with the Constitution of Puerto Rico and of the United States. 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 one person or 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, nullifies, invalidates, impairs, or holds to be unconstitutional any part thereof, or even if it renders ineffective, invalidates, 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 20. — Supremacy. (22 L.P.R.A. § 1125)

The provisions of this Act and the regulations or rules adopted thereunder shall prevail over any other general or specific provision of a law or regulation of the Government of Puerto Rico that is inconsistent with this Act.

Section 21. — Effectiveness. This Act shall take effect immediately after its approval.

Note. This compilation was prepared by the [Puerto Rico Office of Management and Budget](#) staff who have striven to ensure it is complete and accurate. However, this is not an official compilation and may not be completely free of error. It contains all amendments incorporated for reading purposes only. For accuracy and exactitude please refer to the act original text and the collection of Laws of Puerto Rico Annotated LPR.A. The state links acts are property of [Legislative Services Office](#) of Puerto Rico. The federal links acts are property of [US Government Publishing Office GPO](#). Compiled by the Office of Management and Budget Library.

See also the [Original version Act](#), as approved by the Legislature of Puerto Rico.