New York, February 1, 2018
Presentation for the Financial Oversight and Management Board for Puerto Rico

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Puerto Rico Energy Policy and New Technologies
Future of Puerto Rico's Energy Sector:

Government of Puerto Rico
among others.


b. Develop energy conservation plans for the country and oversee its development.

Vertically municipalities' compliance with conservation and energy efficiency goals.

Consolidate all public service & utility regulatory agencies into one.

Reduce unnecessary regulatory burdens (bureaucracy).

Regulatory Reform

Energy Reform

FISCAL PLAN 2018
<table>
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<th>Energy Reform</th>
<th>FISCAL PLAN 2018</th>
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<td>The transformation plan is intended to provide a Roadmap for a Transformed Energy Sector for Puerto Rico</td>
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<td>Provides Puerto Rico with a 21st-century energy sector that serves as an engine of economic growth while protecting the environment</td>
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<td>Builds energy infrastructure that recognizes the need for a transformed and resilient system, while taking into account the projected decrease in demand</td>
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<td>Achieves low-cost and reliable energy</td>
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<td>Provides sustainable structural and financial models for energy on the island</td>
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<td>Leverages available federal funding for disaster recovery</td>
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<td>Increases generation from renewable energy</td>
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<td>Provides, as applicable, professional and independent governance</td>
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<td>Provides a robust and transparent regulatory framework to regulate private and monopoly components of the new energy sector, promote private investment, and implement and manage efficient rate designs and effective incentives</td>
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Sectors (residential, commercial, and industrial)

Technologies (e.g., solar, wind, geothermal, CHP, etc.)

Energy cascade - Power production

Microgrids

Distributed regional electrical grid:

Reform of ownership of energy production

Decentralization of energy system

Public participation (e.g., cooperatives, Public-Private Partnerships, etc.)

No energy monopoly (open market with regulations)

Democratization of Energy

Energy Policy

POLÍTICA PÚBLICA ENERGÉTICA
DE LA ENTIDAD ESTADAL

GOVERNMENT OF PUERTO RICO

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

(Cont.)

DEMOCRATIZATION OF ENERGY AND CUSTOMER CHOICE

ENERGY POLICY

GOVERNMENT OF PUERTO RICO
"PUERTO RICO OPEN FOR BUSINESS"

"FISCAL CONTROLS"
WE HAVE A COMMITMENT WITH TRANSPARENCY AND

DEMOCRATIZATION OF ENERGY AND CUSTOMER CHOICE