

# Transform the Energy System

March 6, 2019



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# IMPACT TO ENERGY INFRASTRUCTURE



# Energy Infrastructure

DAMAGE OVERVIEW	REPAIRS	NEEDS
<p><b>The storms decimated both transmission and distribution lines</b></p> <p>Poles and transmission towers destroyed</p> <p><b>900 conductor and insulator failures system-wide</b></p> <p>74% of substations, both primary and secondary suffered damages Longest sustained power outage in US history</p>	<p><b>Reconstruction of power backbone</b></p> <p>Restored power 100% of the customers</p>	<p><b>Customer-centric energy system</b></p> <p>Affordable, reliable, and scalable.</p> <p><b>Renewables, microgrids, and distributed energy resources.</b></p>

# Energy Sector Recovery Core Objectives Review

- **Why are we doing this?**
  - Improved quality of life, safety and security for PR citizens
  - Reliable energy services for businesses on the island
  - Attract new business development, investment and drive job growth
- **What is it we are delivering?**
  - More affordable, resilient, reliable, and flexible energy services
  - More sustainable and distributed energy resources including natural gas, solar, wind and hydro
- **How are we doing it?**
  - Engaged industry leading advisors to lead energy system modernization planning, funding formulation and program management
  - Plan to engage leading engineering, design and construction firms to build, invest in and operate the new modern system in Puerto Rico
- **ESO Operating principles**
  - Engage and collaborate – One team approach
  - Full transparency
  - Execute with a sense of urgency

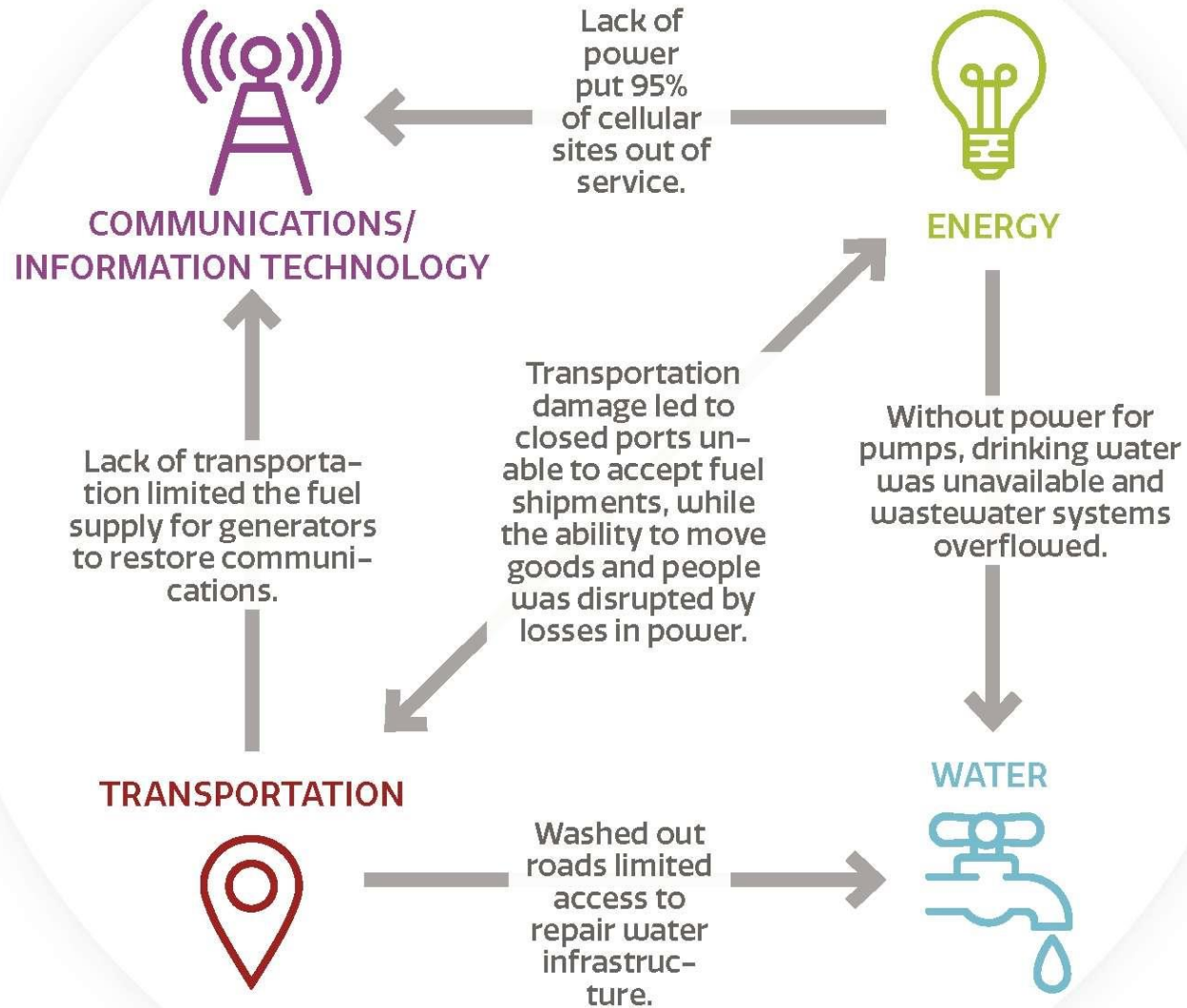


WHY THE

TRANSFORMATION

IS NEEDED?

## Lifeline systems



## And without those lifeline systems:



Many health care facilities were not open, and people were unable to travel to those that were. Public health and the environment were at risk due to inadequate sanitation and poor hygiene.



Emergency services were immobilized.



Many businesses were not open, stores could not get supplies, and people often could not get to those that were operational.

# Transformation Act

- On January 22, 2018 the Governor of Puerto Rico, Ricardo Rosselló, announced his intent to transform and modernize the electric system through private ownership or operation of PREPA's assets.
- On June 20, 2018, the Governor signed the Puerto Rico Electric System Transformation Act, Act No. 120-2018 (Act 120), which establishes the legal framework for the sale, disposition and/or transfer of operations, functions and services of PREPA.
- Act 120 designates the Puerto Rico Public-Private Partnerships Authority (P3A) as the only government entity authorized to, and responsible for, among others, implementing the public policy regarding the sale, disposition and/or transfer of operations, functions and services of PREPA (PREPA Transactions).
- The P3A is further tasked with determining the functions, services and/or facilities for which public private partnerships shall be established, and which PREPA generation assets shall be sold.

# PREPA TRANSACTION



Pursuant to Act 120, a **PREPA Transaction** is defined as “any and all transactions pursuant to which PREPA or the Government of Puerto Rico enters into one or more Partnerships with respect to any **function, service or facility** of PREPA or a Sale Agreement of the assets of PREPA related to energy generation that is carried out pursuant to the provisions of Act 29-2009.”





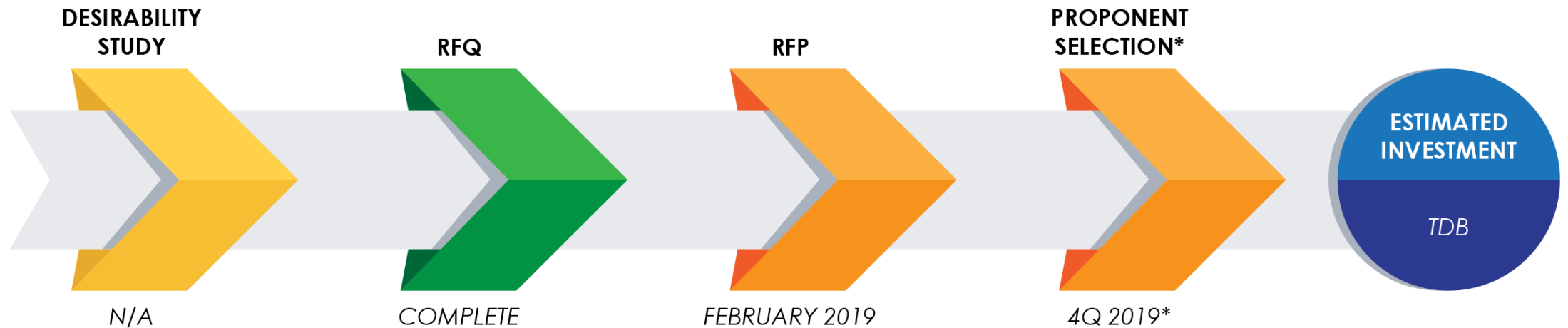
**Electric Power**

**Transmission and**

**Distribution System**

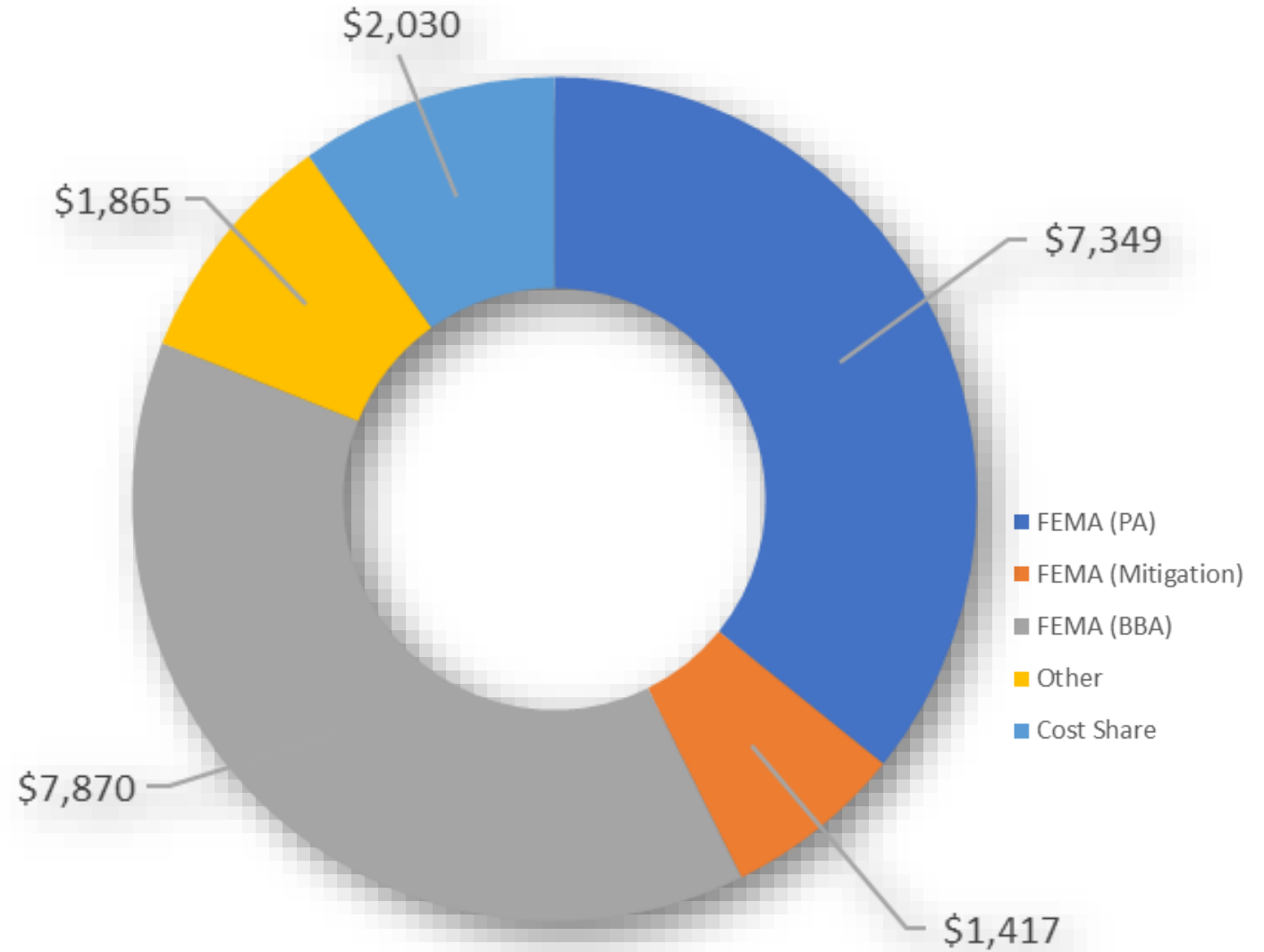
- Management and operation of Puerto Rico's electric power **transmission and distribution** system (**T&D**) pursuant to a long term contract.
- Increase **T&D resiliency** and **reliability**, deployment of new technologies, and deliver low-cost electricity to ratepayers in Puerto Rico.
- Includes the administration of certain federal disaster recovery funding applicable to the **energy sector**.

# Electric Power Transmission and Distribution System



# Puerto Rico Energy System Master Plan

- Programs and initiatives for the fulfillment of key objectives in the Governor's plan.
- ~\$21 billion in total capital expenditures.
- Capital expenditures are for transmission, distribution and substation repair, hardening and reinforcement.
- Majority of FEMA funding (Public Assistance) is allocated towards T&D.



**CONSTRUIMOS**





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# Thank you



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