



**AMENDMENT TO REGULATION NO. 8594, REGULATION ON INTEGRATED RESOURCE
PLAN FOR THE PUERTO RICO ELECTRIC POWER AUTHORITY**

Table of Contents

Article 1.- Title	3
Article 2.- Legal Basis	3
Article 3.- Purpose and Executive Summary	3
Article 4.- Amendments	4
Article 5.- Effective Date	4

**COMMONWEALTH OF PUERTO RICO
PUERTO RICO ENERGY COMMISSION**

**AMENDMENT TO REGULATION NO. 8594, REGULATION ON INTEGRATED RESOURCE
PLAN FOR THE PUERTO RICO ELECTRIC POWER AUTHORITY**

Article 1.- Title

This Regulation shall be known as Amendment to Regulation No. 8594, Regulation on Integrated Resource Plan for the Puerto Rico Electric Power Authority.

Article 2.- Legal Basis

The Puerto Rico Energy Commission (“Commission”) adopts this Amendment pursuant to Articles 6.3, 6.20 and 6.23 of Act 57-2014, as amended, known as the Puerto Rico Energy Transformation and RELIEF Act; to Section 6C of Act No. 83 of May 2, 1941, as amended, known as the Electric Power Authority Act; and pursuant to Act No. 170 of August 12, 2988, as amended, known as the Uniform Administrative Procedure Act (“UAPA”).

Article 3.- Purpose and Executive Summary

On May 22, 2015, the Commission adopted Regulation No. 8594, known as the Regulation on Integrated Resource Plan for the Puerto Rico Electric Power Authority (“Regulation 8594”). The purpose of Regulation 8594 is to establish the necessary rules for the elaboration, presentation, evaluation and approval of the first Integrated Resource Plan (“IRP”) of the Puerto Rico Electric Power Authority (“PREPA”).

On July 7, 2015, PREPA presented its first IRP to the Commission, pursuant to Regulation 8594. On September 23, 2016, after an extensive evaluation process from the Commission for this first IRP, a Final Resolution and Order was issued, which was notified on September 26, 2016. In this Final Resolution and Order the IRP presented by PREPA was disapproved, and in its place, a Modified IRP with specific elaborations was approved.

Through Regulation 8594 certain rules related to the implementation of energy efficiency and demand response programs were established, as well as the objectives and performance metrics that should be applied as part of the IRP. In light of the knowledge acquired during the IRP evaluation process, of the high public interest on PREPA’s performance and on the energy efficiency development of the electric grid of the island, the Commission determined necessary to amend various dispositions of Regulation 8594. The objective of these amendments is to address public concerns outlined during the IRP evaluation process in order to place the Commission in a better position to evaluate these issues of high importance and high public interest.

Article 4.- Amendments

(A) Subsection (D) of Section 4.01 of Regulation 8594 is amended to read as follows:

D) After the determination by the Commission on the IRP, the Commission shall establish through an Order the method to select a third-party administrator that will plan and implement the energy efficiency and demand response programs. The third-party administrator shall be contracted by the Commission and shall submit to it their reports thereon. The costs associated to the third-party administrator, including its compensation, as approved by the Commission, as well as the costs related to the implementation of the energy efficiency and demand response programs, will be covered through the electric rates to be approved by the Commission.

(B) Section 5.01 of Regulation 8594 is amended to read as follows:

Section 5.01.- Performance Metrics Targets and Incentives.

A) After the determination by the Commission on the IRP, the Commission shall open a docket to establish performance inducement metrics (PIMs) that will apply to PREPA. The PIMs, who contribute to PREPA's cost structure, shall include performance metrics, performance targets and specific performance inducements, in order to monitor and guide key areas related to PREPA's performance. The Commission will issue a Resolution and Order after the conclusion of the proceeding and will review periodically the performance metrics to determine whether any updates, modifications or refinements are warranted.

Article 5.- Effective Date

This Amendment shall enter into effect thirty (30) days after its submission to the Department of State and the Legislative Library, pursuant to sections 2.8 and 2.13 of the UAPA.