

April 13, 2018

Ms. Natalie Jaresko
Executive Director
Fiscal Oversight and Management Board
Seaborne Plaza
Hato Rey, Puerto Rico

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Dear Ms. Jaresko:

The Puerto Rico Manufacturers Association (PRMA), like all the productive sectors of the Island, understands that there is an urgent need to define and approve the Integrated Resource Plan to streamline the process of optimizing our electrical system. However, the Plan to be reviewed and accredited must be the result of a public discussion, with broad participation of all relevant sectors, including the private productive sector, public sectors and any interested party, and included in a broad and clear legislation establishing a project for the transition of a clear and above all, safe electricity system.

This project must reflect a 20-year plan, to be executed mostly in the next 5 years, with a transformative and modern vision that legitimizes the framework of transactions for the sale of assets of the Electric Power Authority (AEE), as well as the resolution of debts and obligations, all in a public contractual mechanism using the mechanism known as public auction.

The accumulated debt in relation to the electric system must be defined at its maximum, in accordance with what Puerto Rico can pay, to produce the economic development that we all yearn for, defining a payment of no more than 20 cents the KVH and always having as a goal to reduce it as much as possible.

The fiscal project submitted must account for a contraction of the PREPA customer universe in at least 28% of its base in 2016, reflecting the past years of recession and the impact of hurricanes Irma and María, especially in the smaller companies of the private sector.

We recommend prudence and clarity in any computation that will consider with optimism the federal transfers justified as recovery money.

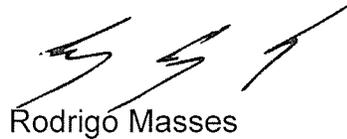
Distributed energy should be considered as a fundamental element of the competitiveness and resilience formula in order to offer the consumer options for the future, accounting for at least 20% of the total system generation, not the 10% limit proposed by PREPA.

The Puerto Rico Energy Commission (PREC) in collaboration with the Fiscal Board will review the Integrated Resources Plan, with adequate budget, independent commissioners and professionals with the necessary experience to regulate the transformation of a broken electrical system, in addition to supervising an PREPA in crisis. The selection of the commissioners will include processes that ensure that the CEPR always operates outside political-partisan influences.

The PRMA would support the fiscal plan with the previous amendments.

We are at your disposal to work together to achieve a final document that will benefit the socioeconomic development of all Puerto Ricans.

Cordially,



Rodrigo Masses