

**UNOFFICIAL TRANSLATION**

COMMONWEALTH OF PUERTO RICO

17<sup>th</sup> Legislative  
Assembly

1<sup>st</sup> Special  
Session

**SENATE OF PUERTO RICO**

**S. B. 842**

November 20, 2013

Introduced by Mr. *Bhatia-Gautier*

*Referred to the Committee on Energy Affairs and Water Resources*

**AN ACT**

To create the Government Energy Efficiency Act in order to devise energy savings strategies to reduce electric power consumption in the agencies and instrumentalities of the Commonwealth of Puerto Rico; repeal subsection (2) of Section 3 of Act No. 229 of August 9, 2008, as amended, known as the “Act to Promote the Efficient Use of Energy and Water Resources in New and Existing Buildings of the Commonwealth of Puerto Rico.”

**STATEMENT OF MOTIVES**

According to the U. S. Department of Energy, Puerto Rico is the country that uses the most energy per square kilometer in the world. Moreover, the Government of the Commonwealth of Puerto Rico is the largest consumer of electric power. One of the reasons that contributes the most to our excessive consumption of resources is the inefficient use of energy in government buildings. The cost of electricity to maintain the operations of public buildings increases every day to unprecedented levels and is projected to continue increasing due to our high dependence on oil and nonrenewable sources. If facilities are not efficient, equipments stop working, systems fail, and employees and officials are unable to

effectively perform their duties, which adversely affects the services provided to citizens.

There is no doubt that short and long term alternatives are available to conserve and use energy more efficiently in our Government. This can be achieved through improvements and maintenance in structures and operations, using new technologies, and devising design and construction plans to use energy more efficiently. Although a large number of agencies have taken measures directed to conserve energy in their buildings and offices, such as replacing inefficient equipment and installing renewable energy technology and equipment, even more drastic measures should be taken in the Island to substantially decrease energy consumption and to place our Government at the forefront of energy efficiency.

In order to establish mechanisms to achieve the intended energy savings, a database shall be created whereby agencies may share their initiatives and achievements. In this manner, we shall continue innovating to address the changing needs of the citizenry and provide better services to our people. Mechanisms used at the Federal level, such as energy savings performance contracts (ESPCs) are hereby promoted, since these have proven to be successful in the creation of safe, healthy, and efficient working environments.

This Legislative Assembly deems it compelling and necessary to implement energy savings plans in all of the Island's government agencies. Therefore, energy consumption reduction and savings goals are herein set.

***BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF PUERTO RICO:***

1           Section 1.- Title.-

2           This Act shall be known as the "Government Energy Efficiency Act."

3           Section 2.- Declaration of Public Policy.-

4           It is hereby declared the public policy of the Commonwealth of Puerto Rico  
5 that energy resources available in the Island shall be used wisely and efficiently.

1 Thus, all government components shall be required to take actions and measures to  
2 reduce or eliminate those activities, practices, or uses in the facilities, buildings,  
3 and offices of all agencies, instrumentalities, and public corporations that waste or  
4 inefficiently use energy resources. In this manner, we take responsible and  
5 innovative measures to bring our government to the forefront with regards to  
6 energy. Therefore, the implementation of specific initiatives to achieve energy  
7 efficiency in the government is hereby established as public policy.

8 Section 3.- Definitions.-

9 The following terms shall have the meaning stated below:

10 (a) “Agency” means all the instrumentalities, public corporations, and  
11 departments of the government of the Commonwealth of Puerto Rico, including  
12 the Judicial Branch of Puerto Rico.

13 (b) “Puerto Rico Electric Power Authority” or “PREPA” means the  
14 public corporation created by virtue of Act No. 83 of May 2, 1941, as amended.

15 (c) “Regulatory Commission” means the energy regulatory body created  
16 by law.

17 (d) “Baseline Energy Use” means the average electric power consumed  
18 by every agency during the two (2) years preceding the effective date of this Act,  
19 according to the electricity consumption records of PREPA.

20 (e) “Savings Percentage Deficiency” means the dollar amount or value of  
21 the electric power consumed by agencies that failed to achieve or meet the savings  
22 percentage provided in this Act, using the baseline energy use as a benchmark,  
23 which PREPA shall charge the agency through an electric bill.

24 (f) “Savings Percentage” means the minimum percentage by which the  
25 offices of the Legislative Assembly must reduce their electric power consumption  
26 annually, using the baseline energy use as a benchmark.

1           Section 4.- Energy Savings of Agencies, Instrumentalities, and Public  
2 Corporations.-

3           It shall be the duty and responsibility of all agencies to implement strategies  
4 aimed at reducing electric power consumption in the offices and facilities under  
5 their jurisdiction. To such ends, agencies shall take actions and measures geared  
6 toward reducing their total annual consumption of electric power, compared with  
7 total energy consumed during fiscal year 2011-2012, following the savings  
8 percentage stated below:

9	Fiscal	Reduction
10	Year	Percentage
11	2014.....	3
12	2015.....	6
13	2016.....	9
14	2017.....	12
15	2018.....	15
16	2019.....	18
17	2020.....	21
18	2021.....	24
19	2022.....	27
20	2023.....	30
21	2024.....	33
22	2025.....	36
23	2026.....	39
24	2027.....	42
25	2028.....	45

1 For subsequent fiscal years, the savings achieved shall be maintained and the  
2 goal of reducing the energy consumption by three percent (3%) shall be  
3 consistently met until achieving a 75% reduction by 2040.

Section 5.- Compliance Oversight.-

4 (a) Agencies shall be required to file, twice (2) a year, on or before  
5 March 30<sup>th</sup> and on September 30<sup>th</sup>, a report before the Regulatory Commission,  
6 including the consumption record provided by PREPA (electric bill or similar  
7 official document), information on the methods employed to reduce energy  
8 consumption, and the savings achieved. Such report shall also include a detailed  
9 explanation supporting the reasons for noncompliance with this Act. Agencies  
10 shall publish such reports on their websites making them easily accessible to users.

11 (b) The Regulatory Commission shall be required to file an annual report  
12 before the Legislative Assembly on or before the last day of February, including a  
13 summary of the information furnished by all the agencies, as well as  
14 recommendations to continue furthering the government's public policy on energy  
15 efficiency.

16 Section 6.- Transparency and Disclosure of Energy Savings.-

17 The Regulatory Commission shall issue semiannual scorecards (grades)  
18 reflecting the energy efficiency efforts made by each agency, which shall be  
19 published on its website. These scorecards shall be based on the savings percentage  
20 gathered from the information provided by the agencies, according to the criteria  
21 established through regulations by the Regulatory Commission. Such scorecards  
22 shall promote greater transparency in the use of energy resources by the agencies.

1           Section 7.- Coordination and Administration.-

2           Agencies, in coordination with the Regulatory Commission, the academia,  
3 professional associations with expertise in the energy field, and universities shall  
4 be entrusted with planning and implementing energy use in buildings owned or  
5 leased by the government and establish a program to maximize the efficiency with  
6 which energy is used in all buildings, including, but not limited to one of the  
7 following:

8           (1) Replacement or modification of lighting and electrical components,  
9 devices, or systems, including natural lighting systems;

10          (2) Renewable or solar thermal energy systems;

11          (3) Automated or computerized energy control systems;

12          (4) Improvements in indoor air quality adjusted to the requirements of the  
13 applicable building code;

14          (5) Changes in operations and maintenance practices;

15          (6) Replacement or modification of windows or doors; and

16          (7) Others.

17          The Regulatory Commission shall oversee the goal of the Commonwealth to  
18 reduce energy consumption and the specific objectives of the Commonwealth  
19 agencies for compliance with the operational rules adopted by virtue of this Act, as  
20 well as monitor the agencies' use of energy and costs thereof.

21          Section 8.- Energy Savings Performance Contracts.-

22          In order to comply with the purposes of this Act, every agency shall enter  
23 into an energy savings performance contract (ESPC) with a certified energy service  
24 provider to achieve savings in public utilities or operations and maintenance costs,  
25 as provided in Act No. 19-2012, known as the Energy Savings Performance  
26 Contracts Act.

1           Any energy savings measure implemented under such contracts shall comply  
2 with local building codes. The Regulatory Commission shall be responsible  
3 for approving the necessary regulations to adopt this type of agreement,  
4 in coordination with the pertinent agencies.

5           Section 9.- Noncompliance with the Energy Savings Plan.-

6           Any agency that fails to comply with the savings percentage herein  
7 established shall pay PREPA the amount corresponding to the savings percentage  
8 deficiency, as provided in the regulations established to such effects by the  
9 Department of the Treasury and the Office of Management and Budget. PREPA  
10 shall be a preferred creditor and may charge any savings percentage deficiency to  
11 the corresponding agency. Given the preferred creditor status of PREPA, such  
12 agency is hereby empowered to collect any outstanding invoices causing the  
13 Department of the Treasury to deduct the monthly allocations of the budget item  
14 appropriated to them.

15           Section 10.- Subsection (2) of Section 3 of Act No. 229 of August 9, 2008,  
16 as amended, known as the “Act to Promote the Efficient Use of Energy and Water  
17 Resources in New and Existing Buildings of the Commonwealth of Puerto Rico,”  
18 is hereby repealed.

19           Section 11.- This Act shall take effect immediately after its approval.