

(S. B. 1214)

(No. 145)

(Approved August 3, 2006)

AN ACT

To amend Section 17.001 of Act No. 81 of August 30, 1991, as amended, known as the “Autonomous Municipalities Act of the Commonwealth of Puerto Rico of 1991,” in order to include the generation of energy from renewable energy sources among the activities to be promoted by the Special Corporations for Municipal Development; and for other purposes.

STATEMENT OF MOTIVES

Excessive dependency on crude oil to generate electricity and the high costs thereof are causing an increase in the costs of goods and services, thereby decreasing the local capital available to generate financial activities, bleeding municipal budgets dry, limiting the development of the infrastructure and affecting the pocket and the future of the Puerto Rican people. One way to counteract this situation is by encouraging the use of renewable sources of energy that do not depend upon fossil fuels such as crude oil, coal and natural gas, but rather upon inexhaustible non-contaminant sources such as the sunlight and the wind. The technology on the use of solar and eolic energy has increased rapidly in the last years making feasible the generation of electricity by solar equipment and small and large-scale windmills. During the last twenty (20) years, the cost of wind energy has decreased eighty percent (80%), making it competitive with other sources of energy. At present, a windmill farm with capacity to

generate forty-five megawatts (45 MW) is being built in Guayanilla at a cost of sixty million dollars. In Germany, Japan and various states of the continental US solar power plants have been built with capacity to generate up to five hundred kilowatts (500 kW). At the Mojave Desert in California, a commercial plant, known as Solar Tres, is being built with capacity to generate one hundred and eighty-eight (188 MW) megawatts of electricity.

The Federal law known as the Public Utility Regulatory Policies Act (PURPA), requires power companies, in our case, the Electric Power Authority, to purchase power produced by other entities at avoided cost rates for not having to produce it. This rate may have favorable results for co-generators and promotes the use of sources other than crude oil to produce power.

For all of the above, the municipalities shall consider establishing strategic alliances with the private sector in order to take advantage of the development of the power generation field through renewable sources of energy. In this manner, the municipalities may address their need for energy in a creative manner, offering alternatives that tend to reduce the operating costs of the Municipal Government and its residents. For this reason, the generation of power from renewable energy sources shall be expressly authorized among the activities that shall be promoted by the Special Corporations for Municipal Development.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- Section 17.001 of Act No. 81 of August 30, 1991, as amended, is hereby amended to read as follows:

“Section 17.001.- Authorization for the Creation of Special Corporations for Municipal Development.

The municipalities are hereby empowered to authorize the creation of nonprofit Special Corporations for Municipal Development, hereinafter “Special Corporations,” for the primary purpose of promoting in the municipalities whatever activities, enterprises and municipal, commonwealth and federal programs addressed to their integral development and that will result in the general welfare of the inhabitants of the municipality through the growth and extension of diverse areas, such as social services, the development of public lands, affordable housing, commerce, industry, agriculture, recreation, health, the environment, sports and culture, as well as the generation of power from renewable sources of energy.

The corporations or organizations that are strictly nonprofit, organized under the laws of Puerto Rico, and whose functions are strictly of a civic and community nature, are hereby exempted from the application of this Section, and the nonprofit corporations referred to in Section 17.016 of this Chapter.”

Section 2.- This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 145 (S.B. 1214) of the 3rd Session of the 15th Legislature of Puerto Rico:

AN ACT to amend Section 17.001 of Act No. 81 of August 30, 1991, as amended, known as the “Autonomous Municipalities Act of the Commonwealth of Puerto Rico of 1991,” in order to include the generation of energy from renewable energy sources among the activities to be promoted by the Special Corporations for Municipal Development; and for other purposes,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 22nd of January of 2007.

Francisco J. Domenech
Director