In April 2019, Governor Rosselló signed the Public Energy Policy Law of Puerto Rico. The law establishes multiple energy provisions in line with the Governor’s Pledge for Climate Change goals, including calling for 100% renewable energy by 2050, with intermediate benchmarks for 40% by 2025 and 60% by 2040. The law also calls for the elimination of coal as an energy source by 2028. It also establishes an array of provisions intended to improve energy-system resilience and streamline the energy deployment process. The Puerto Rico Electric Power System Transformation Act, enacted in 2019, restructures the Puerto Rico Electric Power Authority (PREPA) through the creation of public-private partnerships (P3s), following declines in PREPA’s service quality and affordability. The act was deemed necessary in response to years of deteriorating infrastructure and service, exacerbated by Hurricane Maria. The P3 framework is intended to increase transparency, fast-track investment, and improve operations.

Climate Framework and Laws In response to Hurricane Maria’s impact to the island in 2017, Puerto Rico’s then-Governor Ricardo Rosselló prioritized ambitious climate-change initiatives to bolster resilience, transition the energy sector, and reduce greenhouse gas emissions. Puerto Rico signed the Climate Change Mitigation, Adaption and Resiliency Law, which establishes clear goals, metrics, and deadlines to address the devastating effects of climate change. It also passed the Public Energy Policy Law of Puerto Rico, which mandates 100% renewable energy by 2050. Also, the Puerto Rico Department of Education, in association with Department of Natural and Environmental Resources, is currently developing a climate change curriculum to be implemented in the first semester of 2020.
(GHG) emissions. In November 2018, Governor Rosselló introduced the Puerto Rico Pledge for Climate Change, which established 10 benchmarks:

1. 100% renewables by 2050 (40% by 2025)
2. 100% CapEx (capital investments) on resilience
3. 500,000 trees in 5 years; increasing reforestation efforts thereafter
4. Reduce carbon footprint by 50% in the next 5 years
5. Climate change education: implement robust school curriculums on mitigation, adaptation, resilience, and response
6. New construction code: stronger, more resilient; transition people into safe housing
7. Create multi-sectoral group to monitor and update necessary policy changes
8. Support science, research, and policy regarding erosion, conservation, water management, pollution
9. Short-term immediate intervention on beaches, reefs, aquifers, and other vulnerable environments
10. Rebuild framework of Puerto Rico needs to be centered on innovation and resiliency

Energy Efficiency The Climate Change Mitigation, Adaptation, and Resiliency Law introduces a set of energy-efficiency parameters for Puerto Rico, including goals to reduce general energy consumption by at least 1% per year starting in 2020, until reaching 10% by 2030 (weighted by population density), and to reduce the current energy consumption of public facilities. The law also calls for energy-efficiency improvements for new construction and directs the Puerto Rico Department of Housing to develop programs to encourage use and installation of environmentally-friendly energy equipment. In 2014, a lead-by-example mandate was enacted that requires a minimum 40% reduction in electricity consumption for each branch of government by 2022. Agencies must also promote energy savings performance contracts (ESPCs) and consider them as the first option for energy-efficiency projects, unless they can demonstrate that a project is not cost effective. The legislature must reduce its electrical energy consumption 12% below fiscal year 2012–13 levels by 2022. In addition, municipalities must reduce electricity consumption by either 5% annually for three years or 15% in the first three years.

Transportation Under 2019’s Climate Change Mitigation, Adaptation, and Resiliency Law, Puerto Rico will work to promote the use of hybrid vehicles or those that work with alternative fuel sources by 2028. In 2014, legislation was enacted that provides a tax exemption on all electric vehicles (EVs) and plug-in hybrids (PHEVs) and establishes guidelines for more charging stations. The law details that all EVs and PHEVs are exempt from import tax, that the EV tax exemption remains in effect until 10% of cars imported or produced in Puerto Rico are electric, and that condominiums are prohibited from limiting the installation of charging stations, within certain HOA regulations.

Resilience The Climate Change Mitigation, Adaptation, and Resiliency Law introduces a set of resilience parameters for Puerto Rico, including goals to reduce the population’s vulnerability to water scarcity through water conservation programs in residences, businesses, and industries; rainwater harvesting; and aquifer and watershed protection. Additionally, the law directs Puerto Rico to adapt to sea-level rise, effectively manage beach erosion and coastal floods, protect and restore coral reefs, and plant 500,000 native trees within the next 5 years. In addition to energy provisions, the Public Energy Policy Law of Puerto Rico establishes microgrid integration measures intended to boost Puerto Rico’s resilience.

Climate Finance Enacted in July 2010, the Green Energy Incentives Act established the Green Energy Fund (GEF), which specifically supports renewable-energy development in Puerto Rico. Funded via sales taxes on motor vehicles, the GEF will have a maximum ceiling of $40 million per year by FY 2020. Through the GEF, the Government of Puerto Rico will co-invest up to $185 million in the development of renewable-energy projects on the island.