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# Puerto Rico Set to Privatize Power Generation as Outages Persist

Community Center / **Published On January 17, 2023 06:58 AM /**

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Puerto Rico is set to privatize power generation — a first for a U.S. territory — in an effort to address long-standing issues and a crumbling grid.

Power transmission and distribution are already under private sector control, as [in June 2021](#) those responsibilities were given to Luma Energy. That controversial decision has now reached the courts, with the presidents of Puerto Rico's House and Senate asking a judge to cancel a contract extension recently granted to the company, which is owned by Canadian and American interests.

The decision to privatize power generation in PR is facing similar pushback. The Associated Press reports leaders in the main opposition Popular Democratic Party are vowing to fight the plan. Despite this, the contract to the as-yet undisclosed company is expected to be approved, after the

board of the territory's Public-Private Partnerships Authority voted unanimously in favor of privatizing the generation of power on Puerto Rico.

The contract will be sent to the board of the territory's power company and then to governor Pedro Pierluisi for approval.

Residents are reportedly wary about the plan, as LUMA's takeover of transmission and distribution operations did not ameliorate the chronic outages the territory has been facing since 2017, when hurricane Maria laid waste to the island's energy infrastructure.

However, the dysfunction of Puerto Rico's Electric Power Authority, dogged by accusations of corruption and mismanagement, and holding \$9 billion in debt, may have left authorities feeling like they have no choice.

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