

Commission is therefore a necessary action to reduce customers' exposure to imprudent costs.

The Commission recognizes that PREPA's key personnel are deeply involved in the restoration effort, as well as efforts to renegotiate debt and secure federal resources. But it is precisely at such times of crisis that discipline in spending can decrease—especially in a company whose pre-existing discipline is suboptimal. Lack of discipline and oversight can delay restoration services by reducing the effectiveness and efficiency with which emergency resources are allocated towards emergency response and restoration efforts.

The temporary measures and directives identified in Part II of this Order are specifically designed to ensure discipline during the current emergency and the period immediately after. While the Commission will subject PREPA to rigorous oversight, the measures adopted herein are also designed to avoid unnecessary burdens which may delay PREPA's restoration efforts. Requiring PREPA and its contractors to account for their activities and costs is a small matter compared to the benefits in terms of certainty, transparency and accountability. However, the Commission invites PREPA to suggest alternative means of accomplishing the level of accountability that these requirements are designed to achieve.

c. The Commission's Authority to Require Review

Act 57-2014 grants the Commission express and unambiguous authority to review PREPA's operations and implement the regulatory actions necessary to "guarantee the capacity, reliability, safety, efficiency and reasonability of electricity rate [in] Puerto Rico."¹⁰ Accordingly, the Commission is empowered to address "all types of operations, processes and mandates pertaining to the efficiency of the energy sector of the Island."¹¹ This broad authority is further strengthened by the closing sentence of Section 6.3 of Act 57-2014, which states that the Commission shall have all those "implicit and incidental powers that are pertinent and necessary" to comply with its mandates. Equally vital is the Commission unquestionable authority to "require and gather [from PREPA and certified energy companies] any pertinent or necessary information to properly carry out its powers and duties."¹²

II. REQUIREMENT FOR CONTRACT REVIEW

The foregoing factors highlight the need to establish several requirements for PREPA's contracting and spending under such contracts. These requirements will remain in effect for a period of six months, beginning on the date issuance of this Order, unless the Commission determines otherwise through resolution or order.

¹⁰ See sub-section (c) of Section 6.3 of Act 57-2014.

¹¹ See Statement of Motives of Act 57-2014 at ¶20.

¹² See sub-section (l) of Section 6.3 of Act 57-2014.