

**GOVERNMENT OF PUERTO RICO
PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO ENERGY BUREAU**

NEPR

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IN RE: REVIEW OF THE PUERTO RICO
ELECTRIC POWER AUTHORITY'S 10-
YEAR INFRASTRUCTURE PLAN –
DECEMBER 2020

CASE NO.: NEPR-MI-2021-0002

SUBJECT: Motion to Inform Approval
of Aguirre Power Plant Infrastructure
Repairs and Cambalache Power Plant
Permanent Repairs

**MOTION TO INFORM APPROVAL OF AGUIRRE POWER PLANT
INFRASTRUCTURE REPAIRS AND CAMBALACHE
POWER PLANT PERMANENT REPAIRS**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW the Puerto Rico Electric Power Authority ("PREPA"), through its counsel
of record, and respectfully submits and prays as follows:

I. APPROVAL OF AGUIRRE POWER PLANT PERMANENT REPAIRS

1. On November 15, 2021, PREPA submitted to the Energy Bureau of the Public Service Regulatory Board of Puerto Rico (the "Energy Bureau") a document titled *Motion to Submit Fourth Group of Generation Projects* ("November 15 Motion"). With the November 15 Motion, PREPA submitted one hundred and four (104) work descriptions of repair works projects of its generation assets to be presented to the Federal Emergency Management Administration (FEMA) for reimbursement under several FEMA programs (Section 428 Public Assistance). Among these repair projects were the Aguirre Power Plant Infrastructure Projects ("Aguirre Infrastructure Repairs").

2. The Aguirre Infrastructure Repairs included the following repair works: Sea Water Intake Structural Repairs Work, Rehabilitation Fuel Tank Farm Liners, Two New Condenser Discharge Water Pumps Motors, Two New BCWP Motors, Purchase and Installation Breakers 480 V, and

Design Fire Pump for Aguirre Power Complex.

3. On January 4, 2022, after some procedural events, the Energy Bureau entered a *Resolution and Order* (“January 4 Order”) by which, among other determinations, it conditionally approved the Aguirre Infrastructure Repairs and directed PREPA to submit SOWs for each project.

4. On January 13, 2022, PREPA filed a motion titled *Partial Compliance with the January 4 Order and Request for Extension of Time*, through which PREPA submitted 24 initial SOWs, among which five (5) were of the Aguirre Infrastructure Repairs, and requested an extension of time to complete the outstanding submittals in a rolling basis until February 14, 2022 (the “January 13 Motion”).¹ On January 28, 2022, PREPA filed its *Second Motion to Submit Additional Generation Project SOWs*, including SOW 2044 for the Aguirre Infrastructure Repair project titled *Purchase and Installation Breakers 480 V* (the “January 28 Motion”).

5. On February 10, 2022, the Energy Bureau entered a *Resolution and Order* approving the Aguirre Infrastructure Repairs included in the January 13 Motion (“February 10 Order”) and, on March 9, 2022, the Energy Bureau entered a *Resolution and Order* approving the Aguirre project submitted with the January 28 Motion (the “March 9 Order”).

6. The January 4, February 10, and March 9 orders provide that PREPA must submit to the Energy Bureau copy of the approval by the Puerto Rico Central Office for Recovery, Reconstruction and Resiliency and FEMA of the Aguirre Project, which shall contain the costs obligated, within ten (10) days of receipt of such approval and provide the Energy Bureau the actual contracted costs to construct the Aguirre Project. *See* January 4 Order at p. 3, Sec. III; February 10 Order at p. 3, Sec. III; and March 9 Order at p.6 Sec. IV.

7. In compliance with the January 4, February 10, and March 9 Orders, PREPA herein

¹ On January 21, 2022 the Energy Bureau issued a *Resolution and Order* granting PREPA’s request for extension.

informs that FEMA approved the Aguirre Infrastructure Repairs, and it has been assigned PW 10571 for federal financing and reimbursement. *See* Attachment A (“PW 10571 Project Report”).

II. APPROVAL OF CAMBALACHE POWER PLANT PERMANENT REPAIRS

1. On December 1, 2021, PREPA submitted a document titled *Motion to Submit Fifth Group of Generation Projects Scope of Work* (“December 1 Motion”). With the December 1 Motion, PREPA submitted four (4) statement of works (SOW) to be presented for the approval of the FEMA. Among these SOW was the Cambalache Power Plant Permanent Repairs (“Cambalache Power Plant Repairs”). On December 20, 2021, the Energy Bureau entered a *Resolution and Order* (“December 20 Order”) approving the Cambalache Power Plant Repairs.

2. The December 20 Order provides that PREPA must submit to the Energy Bureau copy of the approval by the Puerto Rico Central Office for Recovery, Reconstruction and Resiliency and/or FEMA of the Cambalache Project, which shall contain the costs obligated within ten (10) days of receipt of such approval. *See* December 20 Order at p. 3, Sec. IV.

3. In compliance with the December 20 Order, PREPA herein informs that FEMA approved the Cambalache Power Plant Permanent Repairs, and it has been assigned PW 10607 for federal financing and reimbursement. *See* Attachment B (“PW 10607 Project Report”).

III. REQUEST FOR CONFIDENTIAL DESIGNATION AND TREATMENT

1. The PWs 10571 and 10607 Project Reports presented herein contain global positioning system (“GPS”) coordinates of PREPA’s power plants, which is critical energy infrastructure information (“CEII”) that cannot be disclosed to the public. To protect such confidentiality, PREPA has redacted the GPS information from the PWs 10571 and 10607 Project Reports herein submitted (Attachments A and B) and requests the Energy Bureau to determine that the GPS information is CEII and thus, confidential and to maintain the public files with the redaction

already provided and the unredacted version under seal.

2. The following is a detailed list of the information that PREPA asserts is confidential and must be kept under seal:

DOCUMENT	CONFIDENTIAL INFORMATION	LEGAL BASIS
PW 10571		
	GPS Location Page 1	CEII
	GPS Location Page 2	CEII
	GPS Location Page 3	CEII
	GPS Location Page 7	CEII
	GPS Location Page 8	CEII
	GPS Location Page 9	CEII
	GPS Location Page 16	CEII
	GPS Location Page 17	CEII
PW 10607		
	GPS Location Page 1	CEII
	GPS Location Page 3	CEII
	GPS Location Page 4	CEII
	GPS Location Page 9	CEII

3. Article 6.15 of the *Puerto Rico Energy Transformation and RELIEF Act*, Act no. 57 of 2014, as amended (“Act 57”)², provides that “any person who is required to submit information to

² *Puerto Rico Energy Transformation and RELIEF Act*, Act no. 57 of May 27, 2014, 22 L.P.R.A. §§ 1051-1056.

the Energy [Bureau] believes that the information to be submitted has any confidentiality privilege, such person may request the [Bureau] to treat such information as such[.]” *Id.* at Sec. 6.15. “If the Energy [Bureau], after the appropriate evaluation, believes such information should be protected, it shall grant such protection in a manner that least affects the public interest, transparency, and the rights of the parties involved in the administrative procedure in which the allegedly confidential document is submitted.” *Id.* at Sec. 6.15(a). If the Energy Bureau determines that the information is confidential, “the information shall be duly safeguarded and delivered exclusively to the personnel of the Energy [Bureau] who needs to know such information under nondisclosure agreements.” *Id.* at Sec. 6.15(b). “The Energy [Bureau] shall swiftly act on any privilege and confidentiality claim made by a person subject to its jurisdiction by means of a resolution to such purposes before any allegedly confidential information is disclosed.” *Id.* at Sec. 6.15(c).

4. Under to its vested powers, the Energy Bureau approved the *Regulation on Adjudicative, Notices of Compliance, Rate Review, and Investigations Proceedings* (“Regulation 8543”).³ Regarding the safeguards that the Energy Bureau gives to confidential information, Regulation 8543 provides that:

[i]f in compliance with the provisions of [Regulation 8543] or any of the Energy Bureau’s orders, a person has the duty to disclose to the Energy Bureau information considered to be privileged pursuant to the Rules of Evidence, said person shall identify the allegedly privileged information, request the Energy Bureau the protection of said information, and provide supportive arguments, in writing, for a claim of information of privileged nature. The Energy Bureau shall evaluate the petition and, if it understands the material merits protection, proceed according to what is set forth in Article 6.15 of Act No. 57-2014, as amended.

Regulation 8543 at Sec. 1.15.

5. Federal and Puerto Rico laws protect the confidentiality of CEII, the public disclosure of

³ Energy Bureau, *Regulation on Adjudicative, Notices of Compliance, Rate Review and Investigations Proceedings*, No. 8543 (December 16, 2015).

which may pose a security threat in that the information could be useful to a person or group is planning an attack on critical infrastructure. *See, e.g.*, 18 C.F.R. § 388.113, as amended by Federal Energy Regulatory Commission (“FERC”) Order No. 683, *Critical Energy Infrastructure Information* (issued September 21, 2006); *USA Patriot Act of 2001*, § 1016, creating the *Critical Infrastructures Protection Act of 2001*, including 42 U.S.C. § 5195c(e) (defining Critical Infrastructure). FERC regulations subject such information to limitations on use and disclosure to “ensure that information deemed CEII stays out of the possession of terrorists.” 18 C.F.R. § 388.113(d)(4). *Off. of People's Counsel v. Pub. Serv. Comm’n.*, 21 A.3d 985, 991, Util. L. Rep. P 27157, 2011 WL 2473405 (D.C. App. 2011).

6. Under the Critical Infrastructures Protection Act of 2001, the term “critical infrastructure” means “systems and assets, whether physical or virtual, so vital to the United States that the incapacity or destruction of such systems and assets would have a debilitating impact on security, national economic security, national public health or safety, or any combination of those matters.” 42 U.S.C. § 5195c(e). In 2006, FERC Order no. 683 amended the regulations for gaining access to CEII and simplified procedures for obtaining access to CEII without increasing the vulnerability of the energy infrastructure and ensuring that access to CEII does not facilitate acts of terrorism.

7. A utility is not required to obtain FERC or other federal government approval to designate information as CEII. For example, information required by FERC’s Annual Transmission Planning and Evaluation Report, Form No. 715 (“FERC No. 715”) is *de facto* considered CEII and is automatically afforded the heightened protections. FERC No. 715 requires that any transmitting utility that operates integrated (non-radial) transmission facilities at or above 100 kV must annually submit information including but not limited to: Power Flow Base Cases, Transmitting Utility Maps and Diagrams, Transmission Planning Reliability Criteria, Transmission Planning

Assessment Practices, and Evaluation of Transmission System Performance. Any utility that submits the required transmission information under FERC No. 715 does so with the knowledge that, as stated in the Form's Instructions, FERC "considers the information collected by this report to be CEII and will treat it as such." *See also* 18 C.F.R. § 141.300(d) relating to the Form and CEII.

8. Mainland regulators typically do not require a utility that designates material as CEII to follow any process before the federal government to make or support such a designation, and, further, that the regulator, in its informed discretion, can establish limits on how information that it considers CEII can be accessed.

9. Furthermore, and regarding the foregoing argument, FERC has ruled on several occasions that GPS coordinates of any project feature "qualify as CEII because it provides more than just location." *See e.g.*, Final Rule, Docket Nos. RM02-4-000, PL02-1-000; Order No. 630, Note 31, entered on February 21, 2003 (ruling that FERC considered the global positioning system coordinates of any project features (precise surveyed or GPS coordinates at or above two decimal points of accuracy of equipment and structures) gas information to qualify as CEII because it provides more than just location).⁴

10. The request above for relief has been granted in other matters and dockets, for requests made under the captioned case, PREPA has had to produce information that included CEII, more specifically GPS. For example, PREPA submitted January 13 Motion, which included several SOWs which, in turn, included GPS information that PREPA redacted from the public filing and asserted that should remain under seal and declared confidential because, under federal and local law, it qualified as CEII. After evaluating PREPA's arguments, on January 21, 2022, the Energy

⁴ Federal Register: March 3, 2003 (Volume 68, Number 41); Rules and Regulations, pp. 9857-9873.

Bureau granted confidential designation and treatment to the GPS information redacted from the public versions of the filing. January 21 Order at pp. 3-5, Sec. III.

11. It is respectfully submitted that the redacted GPS information qualifies as CEII and thus, should remain redacted. Furthermore, it is asserted that the redactions made are the manner that least affects the public interest, transparency, and the rights of the parties involved in this administrative procedure. *See*, Act 57-2014 at Sec. 6.15(a). Accordingly, and pursuant to the above, it is respectfully requested that the Honorable Energy Bureau find that the information identified by PREPA as CEII is confidential and that the Secretary of the Energy Bureau be directed to keep the confidential CEII under seal.

IV. CONCLUSION

WHEREFORE, PREPA respectfully requests the Honorable Energy Bureau to note the approval of the Aguirre Infrastructure Repairs and the Cambalache Power Plant Permanent Repairs and PWs 10571 and 10607; to determine that the GPS information redacted from PWs 10571 and 10607 Project Report (Attachments A and B) is CEII and thus, confidential information; and to enter an order directing the Secretary of the Energy Bureau to maintain the unredacted version of Attachment A and B under seal.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 5th day of June 2022.

/s Katuska Bolaños-Lugo

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CERTIFICATE OF SERVICE

It is hereby certified that, on this same date, I have filed the above motion with the Office of the Clerk of the Energy Bureau using its Electronic Filing System at <https://radicacion.energia.pr.gov/login>, and a courtesy copy of the filing was sent to LUMA through its legal representatives at margarita.mercado@us.dlapiper.com and laura.rozas@us.dlapiper.com.

In San Juan, Puerto Rico, this 5th day of June 2022.

Attachment A

(Unredacted version submitted under seal)

Department of Homeland Security Federal Emergency Management Agency

General Info

Project #	669498	PW #	10571	Project Type	Specialized
Project Category	F - Utilities	Applicant	PR Electric Power Authority (000-UA2QU-00)		
Project Title	FAAST [Aguirre Power Plant 001 Infrastructure Projects] (Generation)			Event	4339DR-PR (4339DR)
Project Size	Large	Declaration Date	9/21/2017		
Activity Completion Date	9/20/2027	Incident Start Date	9/17/2017		
Process Step	Obligated	Incident End Date	11/15/2017		

Damage Description and Dimensions

The Disaster # 4339DR, which occurred between *09/17/2017* and *11/15/2017*, caused:

Damage #1222657; FAASt [Rehabilitation of Liner Dams Fuel Reserve Tanks Aguirre Generatrix Complex]

DDD for this facility codified in the 136271 - MEPA078 Puerto Rico Electrical Power Authority Island Wide FAASt Project.

General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** Rehabilitation of Liner Dams Fuel Reserve Tanks Aguirre Generatrix Complex
- **Facility Description:** The purpose of the project is to comply with the Spill Prevention, Control and Countermeasure (SPCC) plan under the Oil Pollution Act of 1990. This act amended the Clean Water Act to require facilities to have spill response plans. of oils, which can reach the navigable waters of the United States.
- **Approx. Year Built:** 1967
- **GPS Latitude/Longitude:** [REDACTED]

General Damage Information:

- **Date Damaged:** 9/20/2017
- **Cause of Damage:** High winds & wind driven rain, caused by Cat 4 Hurricane Maria.

Damage #1222658; FAASt [Aguirre Steam Plant – Procurement and Delivery of Two Re-Build (Remanufactured) Discharge Condenser Water Pump Motor]

DDD for this facility codified in the 136271 - MEPA078 Puerto Rico Electrical Power Authority Island Wide FAASt Project.

General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** Aguirre Steam Plant – Procurement and Delivery of Two Re-Build (Remanufactured) Discharge Condenser Water Pump Motor
- **Facility Description:** To improve the generation asset's reliability, increasing their availability, and provide continuous generation service to the People of Puerto Rico, it is crucial to keep these assets operational and in the best possible condition. Therefore, the prioritization of conservation, repairs, and retrofitting works projects is at the top priority list. The project is necessary to assure the flow of the sea water use for the cooling system of the condenser of both units 1 and 2. This will maintain a reliable operational condition of these generation units.
- **Approx. Year Built:** 1967
- **GPS Latitude/Longitude:** [REDACTED]

General Damage Information:

- **Date Damaged:** 9/20/2017
- **Cause of Damage:** High winds & wind driven rain, caused by Cat 4 Hurricane Maria.

Damage #1222660; FAASt [Aguirre Steam Plant - Two New Condenser Discharge Water Pump Motors]

DDD for this facility codified in the 136271 - MEPA078 Puerto Rico Electrical Power Authority Island Wide FAASt Project.

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General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** Aguirre Steam Plant - Two New Condenser Discharge Water Pump Motors
- **Facility Description:** To improve the generation asset's reliability, increasing their availability, and provide continuous generation service to the People of Puerto Rico, it is crucial to keep these assets operational and in the best possible condition. Therefore, the prioritization of conservation, repairs, and retrofitting works projects is at the top priority list. Internal inspection process revealed major damage in the stator and rotor. While on service, motors 1-3 and 2-2 associated to the discharge water pump suffered a breakdown, therefore, it was recommended to obtain new units. New motors will provide a better control of the discharge level which represents an increase in capacity and better dispatch reliability.
- **Approx. Year Built:** 1967
- **GPS Latitude/Longitude:** [REDACTED]

General Damage Information:

- **Date Damaged:** 9/20/2017
- **Cause of Damage:** High winds & wind driven rain, caused by Cat 4 Hurricane Maria.

Damage #1222661; FAASt [Aguirre Steam Plant Permanent Repairs]

DDD for this facility codified in the 136271 - MEPA078 Puerto Rico Electrical Power Authority Island Wide FAASt Project.

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General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** Aguirre Steam Plant Permanent Repairs
- **Facility Description:** To improve the generation asset's reliability, increasing their availability, and provide continuous generation service to the People of Puerto Rico, it is crucial to keep these assets operational and in the best possible condition. Therefore, the prioritization of conservation, repairs, and retrofitting works projects is at the top priority list. After an inspection of Central Aguirre unit 2 equipment, it was

determined that the existent Allis Chalmers breakers should be replaced for 480v breakers. These breakers are used for the protection of auxiliary equipment in unit 2.

- **Approx. Year Built:** 1967

- **GPS Latitude/Longitude:** [REDACTED]

General Damage Information:

- **Date Damaged:** 9/20/2017

- **Cause of Damage:** High winds & wind driven rain, caused by Cat 4 Hurricane Maria.

Final Scope

1222657

FAAST [Rehabilitation of Liner Dams Fuel Reserve Tanks Aguirre Generatrix Complex]

Introduction

The purpose of this document is to present and update a Project Scope of Work (SOW) with Cost Estimates to be submitted to COR3 and FEMA for projects under DR-4339-PR Public Assistance. The completed document will be reviewed by COR3 and FEMA to create and version a specific project worksheet and post fixed-cost estimates to repair, restore, or replace eligible facilities including Section 406 hazard mitigation for a specific project.

Puerto Rico Electric Power Authority (PREPA) is the agency that provides the electric service to the entire island of Puerto Rico. As such, the facilities, sites, and systems identified in this Scope of Work are eligible as critical services facilities as defined in the PAAP (Section 428) and BBA 2018 guidance documents.

Facility

Aguirre Fuel Tank Farm

The purpose of the project is to comply with the Spill Prevention, Control and Countermeasure (SPCC) plan under the Oil Pollution Act of 1990. This act amended the Clean Water Act to require facilities to have spill response plans. of oils, which can reach the navigable waters of the United States.

GPS Coordinates: [REDACTED]

Project Scope of Works

The scope of work for the rehabilitation of Rehabilitation of Liner Dams Fuel Reserve Tanks Aguirre Generatrix Complex will consist of the following:

1. Removal and disposal of the HDPE-Liner type coating.
2. Surface preparation by filling with select soil material.
3. Installation of covering material type HDPE - Liner.
4. Application of intrusion welding.
5. Tests of the installed material.

Please refer to pages 14 to 149 of document labeled: *669498-D4339PR-Revised- PREPA SOW Aguirre 001 Infrastructure Projects.pdf* for specific details and location of scope of works.

Project Estimate

The Contractor shall furnish and provide all engineering, design, work, labor, materials, tools, municipal taxes, equipment, enclosures, inspection, supervision, all necessary services, job administration, and superintendence, required for the for the Geo-Membrane Liner Rehabilitation Works, Fuel Tank Farm at the Aguirre Power Complex.

Lump Sum: \$1,291,00.00

DI# 1222657 Work to Be Completed (WTBC): \$1,291,000.00

Total Project Cost (All DI's): \$3,031,265.05

Project Notes:

1. For Environmental & Historical Preservation (EHP) requirements, details, and supporting documentation please refer to pages 257 to 274 of the document labeled: *669498-D4339PR-Revised- PREPA SOW Aguirre 001 Infrastructure Projects.pdf*.
2. Please see below general information and a brief description of the SOW for each additional generation project in the same facility: Aguirre Power Plant, as required by EHP:

Project# [669233] FAASt Aguirre Power Plant 002 Units 1 & 2 Projects (Generation)

DI# 1222391FAASt Aguirre Power Plant Condenser Circulating Water Pump Motor

The scope of work consists of:

- Purchase and deliver the motor to Aguirre's Power Plant.

DI# 1222392 FAASt Aguirre Unit 2 Excitation System Breakers

The scope of work consists of:

- General Requirement - The removal of ABB Unitrol D and installation services of the ABB Unitrol 6000 X-Power for the Unit #2 Excitation System, all parts and components, attachments, Covers and appurtenances. Includes but is not limited to receiving and inspecting, grounding, and anchoring, re-terminating existing cables, removing switches, lights and components, miscellaneous conduits, and fittings, etc.). All in accordance with the technical specifications.

DI# 1222396 FAASt Aguirre Steam Power Plant Unit 1 Turbine and Generator Inspection Rehabilitation and Installation

The scope of work consists of:

- Installation of refurbished HP and IP turbine rotors; LP1 and LP2 blades replacements and rotors installation.
- Refurbished gland casings.
- Repairs, and installation of control valves, stop valves, interceptor valves including the actuators.
- Lube and oil control system.
- S90 Trip Unit replacement.
- Emergency auxiliary and main oil pump.
- Turning gear; alignment.
- Cold and hot turbine recommissioning.
- Generator stator standard DC tests and generator rotor standard tests.

D# 1222398 FAASt Aguirre Power Station Inner Barrel Bundle

The scope of work consists of:

- Manufacture and delivery of one (1) Inner Barrel Assembly for the 9BB Motor Driven Boiler Feed Pump.

Project# [669815] FAASt [Aguirre Power Plant 003 Combined Cycle] (Generation)

D# 1222950 FAASt [Stage 2 & 3 Gas Turbine Rotor Bucket Set, Aguirre Combined Cycle Plant]

The scope of work consists of:

- Supply one (1) MS7001 EA stage 2 gas turbine rotor bucket set (refurbished).
- Supply one (1) MS7001 EA stage 3 gas turbine rotor bucket set (refurbished).

D# 1222952 FAASt [New Water Condensate Tank for the Aguirre Combined Cycle]

The general scope of this project will consist of the following:

- Removal of existing steel water condensate storage tank.
- Design and Build of a new 287,000 gallons steel water condensate storage tank, including interior and exterior coating application.
- Instrumentation system for reading water levels and improvements to the existing tank's concrete base.

D# 1222953 FAASt [Aguirre Combined Cycle Major inspection and Repairs Unit 1-3]

The scope of work consists of:

- Repair Turbine Rotor & Buckets
- Supply New Turbine Casing Shrouds
- Repair Turbine Nozzles Stages 1, 2 & 3
- Repair Transition Pieces Set
- New Fuel Oil Pump (Replacement)

D# 1222954 FAASt - [Aguirre Combined Cycle Hot Gas Path Inspection and repairs Work Units 2-4 and stand by transformer]

Work Completed:

- Gas Turbine Nozzle stage 1, unit to gas 1-4: inspection of frame 7EA 1st stage nozzle, heavy repair of frame? EA 1st stage nozzle, and supply & install 36 trailing edge coupons on frame 7EA.
- Combustion Liners and Crossfire tubes, units 1 to 3: inspect and repair 3 sets of 10 combustion liner, apply a thermal barrier coating to the body and cowl cap of each liner, replace liner spring seal, weld and machine fuel nozzle bore, and aft end section replacement.
- Gas Turbine Transition Piece Set, unit to gas 2-4: inspect and repair 10 transition pieces, supply transition piece installation hardware kit, install new aft end picture frame inner lip made of Nimonic 263, L605 sleeves on side and floating seals groove, and restore inner body corrosion damage.
- HGP Inspection, unit to gas 2-4: supply supervision and craft labor during twelve (12) weeks for the assembly job of unit

to gas 2-4.

- Transformer Replacement, unit to gas 2-3: design, manufacture and deliver a new Power Transformer GT MCC 500kva, 13.8kv/480v for the Aguirre Combined Cycle distribution system.

DI# 1222957-FAAST [Hot Gas Path Inspection Work Units 1-1 and 1-2]

The scope of work consists of:

- Rehabilitation of Stage 1 Turbine Nozzle, Hot Water Inspection (HGP) Gas Unit 1-4, Combined Cycle Power Plant.
- Repair of combustion baskets, Combined Cycle Power Plant
- Modification of Transition Parts Set, Hot Gas Passage Inspection (HGPI) Gas Unit, Aguirre Combined Cycle Power Plant.

Project# [670036] FAAST [Design Fire Pump for Aguirre Power Complex] (Generation)

DI#1222664 FAAST [Design Fire Pump for Aguirre Power Complex]

The scope of work for the Design Fire Pump for Aguirre Power Complex will consist of the following:

- Retrofit of the existing Aguirre Power Plant fire protection system main distribution loop and partial segments along its distribution. This solution involves the installation of the main distribution pipe above ground. These pipes layout will be install parallel to the exiting underground pipe. Where possible, exiting concrete pipe supports along the route will be reuse for the new installation. The above ground pipe layout will have some segments below grade level, at street crossing and some specific areas of traffic. The pipes in these below grade level areas will be installed inside open trenches with appropriate covers for their specific traffic conditions.
- Current Scope of Work was submitted for the creation of the project in Grants Manager. The specifications of the repairs/replacements will be provided in the Detailed Scope of Work after the A&E processes.

Other SOW: Unit 1 South Wall Boiler Tubing Replacement and Boilers Repairs-(Pending Approval from PREB)

DI#: pending creation based on the PREB response.

The scope of work for the Rehabilitation of the South Waterwall Boiler Unit 1 Aguirre Power Plant consists of the following:

- Purchase and delivery of boiler tube waterfall panels: 30 tubes wide x 43' ½ long, set of 6 panels
- Rehabilitation of the Furnace Front Waterwall Tubes
 - o Removal and installation of the outer casing
 - o Removal and installation of insulation
 - o Removal and installation of panels
 - o Manufacture and installation of additional panel
 - o Removal of trunks of 9EA observation ports, cutting and installation of sight tubes and filling of refractory.
 - o Fix membranes and weld wall to backstays.
 - o Wall cutout for boiler access
- Repair the air and gas duct pre-heaters:
 - o Duct de GRF (Gas Recirculation Fan Discharge Duct): Demolition, duct fabrication and installation including damper area. Insulation and refractory removal. Manufacture Duct according to existing plans and current field measurement.
- Repair of air heater Unit 1, Aguirre: Axial plate replacement / Axial plate installation include the following parts: Axial plate adjusters, Static seals / axial plate, Axial plate calibration
 - o Replacement consists of axial access plate removal of inner casing area axial plate; static stamps and rack pin section
- Replacement section plate hot/cold to remove and install sector plate, removal of static seals for plate sector removal / installation, removal / installation of adjusters and calibration - includes the following parts: Adjusters and axial reinforcement plate, Axial plate static seals, Hot/cold plate sector calibration
- Replacement of Rotor Seal Support and T-bar. Removal and installation of these parts, also the calibration
 - o End Plate, stay plate - sol area, front/rear diaphragm – sol area, inspection repair of torch / steam, washing/ device, support / pin rack, guide / support bearing / rotor drive o removal
 - o Installation Hot/ Cold of stamps, radials, bypass and axials

Scope Notes:

1. The Applicant's provided SOW has been modified in order to follow FEMA's SOW format.

2. For more information, please refer to pages 2 to 149 of the document labeled: 669498-D4339PR-Revised- PREPA SOW Aguirre 001 Infrastructure Projects.pdf.

406 HMP Scope

There is no feasible Hazard Mitigation opportunity identified for this Project. This Project is part of PREPA Immediate Works request.

1222658

FAASt [Aguirre Steam Plant – Procurement and Delivery of Two Re-Build (Remanufactured) Discharge Con

Introduction

The purpose of this document is to present and update a Project Scope of Work (SOW) with Cost Estimates to be submitted to COR3 and FEMA for projects under DR-4339-PR Public Assistance. The completed document will be reviewed by COR3 and FEMA to create and version a specific project worksheet and post fixed-cost estimates to repair, restore, or replace eligible facilities including Section 406 hazard mitigation for a specific project.

Puerto Rico Electric Power Authority (PREPA) is the agency that provides the electric service to the entire island of Puerto Rico. As such, the facilities, sites, and systems identified in this Scope of Work are eligible as critical services facilities as defined in the PAAP (Section 428) and BBA 2018 guidance documents. Additional details may be found in Sections 3 and 4, respectively.

Facility

Aguirre Steam Plant / Water Pump Motors

The project is necessary to assure the flow of the sea water use for the cooling system of the condenser of both units 1 and 2. This will maintain a reliable operational condition of these generation units.

GPS Coordinates: [REDACTED]

Project Scope of Work

The scope of work for Aguirre's Steam Plant for Procurement and Delivery of Two Re-Build (Remanufactured) Discharge Condenser Water Pump Motors will consist of the following:

1. Manufacture, test, and delivery of two 400 Hp-395 RPM, 4,0000 Volts-3 Phase, 60 Cycle Re-build Motors for the water discharge condenser pumps for the sea water canal discharge system to the Aguirre Steam Plant.

Project Cost Estimate

The estimate includes materials, construction labor and equipment, engineering, permitting, management, and contingencies. Cost is based historical pricing.

Lump Sum: \$750,000.00

For cost estimate details, please refer to PREPAs Fund certifications for Technical Specifications on pages 159 to 175 of document labeled: 669498-D4339PR-Revised- PREPA SOW Aguirre 001 Infrastructure Projects.pdf

DI# 1222658 Work to Be Completed (WTBC): \$750,000.00

Scope Notes:

1. The Applicant's provided SOW has been modified in order to follow FEMA's SOW format.
2. For more information, please refer to pages 150 to 175 of the document labeled: 669498-D4339PR-Revised- PREPA SOW Aguirre 001 Infrastructure Projects.pdf.

406 HMP Scope

There is no feasible Hazard Mitigation opportunity identified for this Project. This Project is part of PREPA Immediate Works request.

1222660

FAASt [Aguirre Steam Plant - Two New Condenser Discharge Water Pump Motors]

Introduction

The purpose of this document is to present and update a Project Scope of Work (SOW) with Cost Estimates to be submitted to COR3 and FEMA for projects under DR-4339-PR Public Assistance. The completed document will be reviewed by COR3 and FEMA to create and version a specific project worksheet and post fixed-cost estimates to repair, restore, or replace eligible facilities including Section 406 hazard mitigation for a specific project.

Puerto Rico Electric Power Authority (PREPA) is the agency that provides the electric service to the entire island of Puerto Rico. As such, the facilities, sites, and systems identified in this Scope of Work are eligible as critical services facilities as defined in the PAAP (Section 428) and BBA 2018 guidance documents. Additional details may be found in Sections 3 and 4, respectively.

Facility

Aguirre Steam Plant / Condenser Discharge Water Pumps Motors

An Internal inspection process revealed major damage in the stator and rotor. While on service, motors 1-3 and 2-2 associated to the discharge water pump suffered a breakdown, therefore, it was recommended to obtain new units. New motors will provide a better control of the discharge level which represents an increase in capacity and better dispatch reliability.

GPS Coordinates: [REDACTED]

Project Scope of Work

The scope of work for Aguirre's Steam Plant Emergency purchase of two new condenser discharge water pumps motors:

1. The contractor must provide labor, supervision, materials, equipment, security, design (if necessary) for the delivery of two motors associated to the discharge water pumps for Aguirre's Steam Plant including:

Dielectric testing of windings with AWAIV Advanced Winding Analysis System.

- Insulation resistance and polarization index with temperature correction.
- Phase resistance and resistance balance with temperature correction.
- Direct Current Step Voltage Testing.
- Surge Comparison Testing.

IEEE 112 Test Run.

- No Load Power Analysis.
- No Load FFT Analysis after temperature stabilization.
- Noise Level and Rate of Airflow (when applicable).
- Performance Testing Per IEEE 112 Method F1.
- Bearing Temperature Monitoring until point of stabilization (when applicable).

Thermographic analysis on magnetic cores for integrity verification.

Space heaters and winding temperature detectors (2) per phase.

Bearing temperature detectors.

Ant rotation lock device.

Project Cost Estimate

The estimate includes materials, construction labor and equipment, engineering, permitting, management, and contingencies. Cost is based historical pricing.

Purchase and delivery	\$625,000.00
Labor	\$15,150.00
Total	\$640,150.00

For cost estimate details, please refer to executed contracts MR 712745, Quotation, and Technical Specifications included in RFP and PREPAs Fund certifications pages 186 to 201 of document labeled: *669498-D4339PR-Revised- PREPA SOW Aguirre 001 Infrastructure Projects.pdf*.

DI# 1222660 Work to Be Completed (WTBC): \$640,150.00

Scope Notes:

1. The Applicant's provided SOW has been modified in order to follow FEMA's SOW format.
2. For more information, please refer to pages 175 to 201 of the document labeled: *669498-D4339PR-Revised- PREPA SOW Aguirre 001 Infrastructure Projects.pdf*.

406 HMP Scope

There is no feasible Hazard Mitigation opportunity identified for this Project. This Project is part of PREPA Immediate Works request.

1222661 FAASt [Aguirre Steam Plant Permanent Repairs]

Introduction

The purpose of this document is to present and update a Project Scope of Work (SOW) with Cost Estimates to be submitted to COR3 and FEMA for projects under DR-4339-PR Public Assistance. The completed document will be reviewed by COR3 and FEMA to create and version a specific project worksheet and post fixed-cost estimates to repair, restore, or replace eligible facilities including Section 406 hazard mitigation for a specific project.

Puerto Rico Electric Power Authority (PREPA) is the agency that provides the electric service to the entire island of Puerto Rico. As such, the facilities, sites, and systems identified in this Scope of Work are eligible as critical services facilities as defined in the PAAP (Section 428) and BBA 2018 guidance documents. Additional details may be found in Sections 3 and 4, respectively.

Facility

Aguirre Steam Plant / Unit 2 Excitation System

After an inspection of Central Aguirre unit 2 equipment, it was determined that the existent Allis Chalmers breakers should be replaced for 480v breakers. These breakers are used for the protection of auxiliary equipment in unit 2.

GPS Coordinates: [REDACTED]

Project Scope of Work

The scope of work for the acquisition and installation of 480v breakers in unit 2 of Aguirre Steam Plant will consist of the following:

1. Supply the replacement breakers for the Allis Chalmers LA type breakers on 480v Normal Bus. Breakers models to supply:

LA600-AR600NM (E/O) 520MC LSI (ARMS CAPABLE) — 12 EA

LA1600-AR160M (E/O) 520MC LSI (ARMS CAPABLE) -- 1 EA

- Each breaker includes:

- A new door and cassette
- 520 LSI trip unit or the 520MC LSI (ARMS Capable)
- Mechanically Operated (M/O) Supply the replacement breakers for the Allis Chalmers LA type breakers on 480v Normal Bus. Breakers models to supply:

2. Complete turnkey installation services or supervisory services.

Project Cost Estimate

The estimate includes materials, construction labor and equipment, engineering, permitting, management, and contingencies. Cost is based historical pricing.

Purchase and Installation: \$350,115.05

For cost estimate details, please refer to contract 84361, RFP 2032, and Scope of Work with Technical Specifications on pages 212 to 256 of document labeled: *669498-D4339PR-Revised- PREPA SOW Aguirre 001 Infrastructure Projects.pdf*.

DI# 1222661 Work to Be Completed (WTBC): \$350,115.50

Scope Notes:

1. The Applicant's provided SOW has been modified in order to follow FEMA's SOW format.
2. For more information, please refer to pages 203 to 256 of the document labeled: *669498-D4339PR-Revised- PREPA SOW Aguirre 001 Infrastructure Projects.pdf*.

406 HMP Scope

There is no feasible Hazard Mitigation opportunity identified for this Project. This Project is part of PREPA Immediate Works request.

Cost

Code	Quantity	Unit	Total Cost	Section
9201 (PAAP Fixed Estimate (No Value - Tracking Purposes Only))	1.00	Lump Sum	\$0.00	Completed
9001 (Contract (FAAST Project 136271))	1.00	Lump Sum	\$1,291,000.00	Uncompleted
9201 (PAAP Fixed Estimate (No Value - Tracking Purposes Only))	1.00	Lump Sum	\$0.00	Completed
9001 (Contract (FAAST Project 136271))	1.00	Lump Sum	\$750,000.00	Uncompleted
9201 (PAAP Fixed Estimate (No Value - Tracking Purposes Only))	1.00	Lump Sum	\$0.00	Completed
9001 (Contract (FAAST Project 136271))	1.00	Lump Sum	\$640,150.00	Uncompleted
9201 (PAAP Fixed Estimate (No Value - Tracking Purposes Only))	1.00	Lump Sum	\$0.00	Completed
9001 (Contract (FAAST Project 136271))	1.00	Lump Sum	\$350,115.05	Uncompleted

CRC Gross Cost \$3,031,265.05

Total 406 HMP Cost \$0.00

Total Insurance Reductions \$0.00

CRC Net Cost \$3,031,265.05

Federal Share (90.00%) \$2,728,138.55

Non-Federal Share (10.00%) \$303,126.50

Award Information

Version Information

Version #	Eligibility Status	Current Location	Bundle Number	Project Amount	Cost Share	Federal Share Obligated	Date Obligated
0	Eligible	Awarded	PA-02-PR-4339-PW-10571(11787)	\$3,031,265.05	90 %	\$2,728,138.55	5/25/2022

Drawdown History

EMMIE Drawdown Status As of Date	Obligation Number	Expenditure Number	Expended Date	Expended Amount
No Records				

Subgrant Conditions

- As described in Title 2 Code of Federal Regulations (C.F.R.) § 200.333, financial records, supporting documents, statistical records and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three (3) years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. Exceptions are stated in 2 C.F.R. §200.333(a) – (f)(1) and (2). All records relative to this project are subject to examination and audit by the State, FEMA and the Comptroller General of the United States and must reflect work related to disaster-specific costs.
- In the seeking of proposals and letting of contracts for eligible work, the Applicant/Subrecipient must comply with its Local, State (provided that the procurements conform to applicable Federal law) and Federal procurement laws, regulations, and procedures as required by FEMA Policy 2 CFR Part 200, Procurement Standards, §§ 317-326.
- The Recipient must submit its certification of the subrecipient's completion of this project, the final claim for payment, and supporting documentation within 180 days from the date that the applicant completes the scope of work, or the project deadline, whichever occurs first. FEMA reimburses Large Projects (those with costs above the large project threshold) based on the actual eligible final project costs. Therefore, during the final project reconciliation (closeout), the project may be amended to reflect the reconciliation of actual eligible costs.
- When any individual item of equipment purchased with PA funding is no longer needed, or a residual inventory of unused supplies exceeding \$5,000 remains, the subrecipient must follow the disposition requirements in Title 2 Code of Federal Regulations (C.F.R.) § 200.313-314.
- The terms of the FEMA-State Agreement are incorporated by reference into this project under the Public Assistance award and the applicant must comply with all applicable laws, regulations, policy, and guidance. This includes, among others, the Robert T. Stafford Disaster Relief and Emergency Assistance Act; Title 44 of the Code of Federal Regulations; FEMA Policy No. 104-009-2, Public Assistance Program and Policy Guide; and other applicable FEMA policy and guidance.
- The DHS Standard Terms and Conditions in effect as of the declaration date of this emergency declarations or major disaster, as applicable, are incorporated by reference into this project under the Public Assistance grant, which flow down from the Recipient to subrecipients unless a particular term or condition indicates otherwise.
- The Uniform Administrative Requirements, Cost Principles, and Audit Requirements set forth at Title 2 Code of Federal Regulations (C.F.R.) Part 200 apply to this project award under the Public Assistance grant, which flow down from the Recipient to all subrecipients unless a particular section of 2 C.F.R. Part 200, the FEMA-State Agreement, or the terms and conditions of this project award indicate otherwise. See 2 C.F.R. §§ 200.101 and 110.
- The subrecipient must submit a written request through the Recipient to FEMA before it makes a change to the approved scope of work in this project. If the subrecipient commences work associated with a change before FEMA approves the change, it will jeopardize financial assistance for this project. See FEMA Policy No. 104-009-2, Public Assistance Program and Policy Guide.
- The Subrecipient provided the estimate for this PW. FEMA validated the estimate and found it to be reasonable for the work to be performed.
- Pursuant to section 312 of the Stafford Act, 42 U.S.C. 5155, FEMA is prohibited from providing financial assistance to any entity that receives assistance from another program, insurance, or any other source for the same work. The subrecipient agrees to repay all duplicated assistance to FEMA if they receive assistance for the same work from another Federal agency, insurance, or any other source. If an subrecipient receives funding from another federal program for the same purpose, it must notify FEMA through the Recipient and return any duplicated funding.

Insurance

Additional Information

5/6/2022

No adjustments to be made to the previous insurance coverage determination, no revisions to narrative needed, updated applicant tracker if needed, providing administrative function and forwarding project for completion.

Jean-Carlo Echevarria, PA Insurance Specialist, CRC Atlantic, San Juan, PR

4/28/2022

GENERAL INFORMATION

Event: DR4339-PR

Project: SP 669498

Category of Work: Cat F - Utilities

Applicant: PR Electric Power Authority

Event Type: Hurricane / Hurricane Maria

Cause of Loss: Wind / Wind Driven Rain

Incident Period: 9/17/2017 to 11/15/2017

Total Public Assistance Amount: Repairs Amount \$3,031,265.05

COMMERCIAL INSURANCE INFORMATION

Does the applicant have a Commercial Policy that extends coverage for this facility: Yes

Policies Issued by: Willis Towers Watson, Multinational Insurance Company and Mapfre

Policy Numbers: Willis Towers Watson (B0804Q1966F17, B0804Q14312F17, B0804Q19673F17, B0804Q19672F17, B0804Q18529F17, B0804Q14312F17, B0804Q19674F17, B0804Q18411F17, B0804Q14310F17, B0804Q11038F17, B0804Q14507F17, B0804Q14312F17)

Mapfre Praico Insurance Company (1398178000644)

Multinational Insurance Company (88-CP-000307831-2, 88-CP-000318673-0, 88-CP000318674-0, 88-CP-000318675-0, 88-CP-000318676-0, 88-CP-000318677-0)

Policy Period: From: 5/15/2017 To: 5/15/2018

Policy Limits: \$300,000,000.00

RCV or ACV: Replacement Cost Value

Deductible Amount \$25,000,000.00 each and every occurrence property damage and 30 days each and every occurrence business interruption in respect of Named Windstorm.

Does the Applicant's Commercial Policy extend coverage for the damage described in this project: Yes

The amount of the deductible being funded in this project is \$0.00

The amount of the deductible previously funded in other projects is \$25,000,000.00

Final Insurance Settlement Status: Insurance proceeds for this project are anticipated

The amount of Anticipated Insurance Reduction applied for Project: \$0.00

NUMBER OF DAMAGED LOCATIONS INCLUDED IN THIS PROJECT: (4)

Damaged Inventory (DI) #1222657:

FAASt [Rehabilitation of Liner Dams Fuel Reserve Tanks Aguirre Generatrix Complex]

Location Description: Aguirre Generatrix Complex

GPS Coordinates: [REDACTED]

Cause of Loss: Wind / Wind Driven Rain

SOV / Schedule #: "Aguirre Steam Plant"

SOV / Schedule Amount: \$1,118,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$1,291,000.00

-

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-

Reduction(s):

No insurance reduction will be applied to this project. An anticipated insurance reduction of \$193,746,436.00 was applied to FAAST project # 136271 for anticipated insurance proceeds for Hurricane Maria losses. For ease of reference, please see table of insurance allocations: "PREPA Allocation Plan – All Disasters" file.

Obtain and Maintain Requirement:

No Obtain & Maintain Requirement is being mandated for the FAASt [Rehabilitation of Liner Dams Fuel Reserve Tanks Aguirre Generatrix Complex] because facility does not meet the definition of building, equipment, contents, or vehicle.

Damaged Inventory (DI) #1222658:

FAASt [Aguirre Steam Plant – Procurement and Delivery of Two Re-Build (Remanufactured) Discharge Condenser Water Pump Motor]

Location Description: Aguirre Generatrix Complex

GPS Coordinates: [REDACTED]

Cause of Loss: Wind / Wind Driven Rain

SOV / Schedule #: "Aguirre Steam Plant"

SOV / Schedule Amount: \$1,118,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$750,000.00

-

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-

Reduction(s):

No insurance reduction will be applied to this project. An anticipated insurance reduction of \$193,746,436.00 was applied to FFAST project # 136271 for anticipated insurance proceeds for Hurricane Maria losses. For ease of reference, please see table of insurance allocations: "PREPA Allocation Plan – All Disasters" file.

-

Obtain and Maintain Requirement:

An Obtain & Maintain Requirement is being required for Equipment, for the peril of Wind (all wind associated losses including "wind driven rain" for the FFAST [Aguirre Steam Plant – Procurement and Delivery of Two Re-Build (Remanufactured) Discharge Condenser Water Pump Motor] in the amount of \$750,000.00.

Damaged Inventory (DI) #1222660:

FFAST [Aguirre Steam Plant - Two New Condenser Discharge Water Pump Motors]

Location Description: Aguirre Generatrix Complex

GPS Coordinates: [REDACTED]

Cause of Loss: Wind / Wind Driven Rain

SOV / Schedule #: "Aguirre Steam Plant"

SOV / Schedule Amount: \$1,118,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$640,150.00

-

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-

Reduction(s):

No insurance reduction will be applied to this project. An anticipated insurance reduction of \$193,746,436.00 was applied to FFAST project # 136271 for anticipated insurance proceeds for Hurricane Maria losses. For ease of reference, please see table of insurance allocations: "PREPA Allocation Plan – All Disasters" file.

-

Obtain and Maintain Requirement:

An Obtain & Maintain Requirement is being required for Equipment, for the peril of Wind (all wind associated losses including "wind driven rain" for the FFAST [Aguirre Steam Plant - Two New Condenser Discharge Water Pump Motors] in the amount of \$640,150.00.

Damaged Inventory (DI) #1222661:

FFAST [Aguirre Steam Plant Permanent Repairs]

Location Description: Aguirre Generatrix Complex

GPS Coordinates: [REDACTED]

Cause of Loss: Wind / Wind Driven Rain

SOV / Schedule #: "Aguirre Steam Plant"

SOV / Schedule Amount: \$1,118,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$350,115.05

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

Reduction(s):

No insurance reduction will be applied to this project. An anticipated insurance reduction of \$193,746,436.00 was applied to FFAST project # 136271 for anticipated insurance proceeds for Hurricane Maria losses. For ease of reference, please see table of insurance allocations: "PREPA Allocation Plan – All Disasters" file.

Obtain and Maintain Requirement:

An Obtain & Maintain Requirement is being required for Equipment, for the peril of Wind (all wind associated losses including "wind driven rain" for the FFAST [Aguirre Steam Plant Permanent Repairs] in the amount of \$350,115.05.

Insurance Proceeds Statement:

FEMA acknowledges that the Applicant is in negotiations with their insurance carrier at the time of the FEMA insurance review and might have received partial settlements. In accordance with 44 CFR §206.250-253, in the absence of an actual settlement, anticipated insurance recoveries will be deducted from this project based on Applicant's insurance policy limits. FEMA subsequently adjusts the eligible costs based on the actual amount of insurance proceeds the Applicant receives after a final settlement.

FEMA's Recovery Policy FP 206-086-1, Public Assistance Policy on Insurance (June 29, 2015), requires applicants to take reasonable efforts to recover insurance proceeds that it is entitled to receive from its insurers. FEMA will consider final insurance settlements that may be less than the insurance policy limits when an applicant demonstrates that it has taken reasonable efforts to recover insurance proceeds that it is entitled on a case-by-case basis.

Standard Insurance Comments

FEMA Policy 206-086-1

PART 2: Other Insurance-Related Provisions. (Sections 312 and 406(d) of the Stafford Act)

A. Duplication of Benefits. FEMA cannot provide assistance for disaster-related losses that duplicate benefits available to an applicant from another source, including insurance.

1. Before FEMA approves assistance for a property, an applicant must provide FEMA with information about any actual or anticipated insurance settlement or recovery it is entitled to for that property.
2. FEMA will reduce assistance to an applicant by the amount of its actual or anticipated insurance proceeds.
3. Applicants must take reasonable efforts to recover insurance proceeds that they are entitled to receive from their insurer(s).

FEMA Policy 206-086-1

H. Subsequent Assistance. When a facility that received assistance is damaged by the same hazard in a subsequent disaster:

1. If the applicant failed to maintain the required insurance from the previous disaster, then the facility is not eligible for assistance in any subsequent disaster.
2. Upon proof that the applicant maintained its required insurance, FEMA will reduce assistance in the subsequent disaster by the amount of insurance required in the previous disaster regardless of:

a. The amount of any deductible or self-insured retention the applicant assumed (i.e., "retained risk").

Obtain and Maintain Requirements:

44 CFR § 206.253 Insurance requirements for facilities damaged by disasters other than flood.

(a) Prior to approval of a Federal grant for the restoration of a facility and its contents which were damaged by a disaster other than flood, the recipient shall notify the Regional Administrator of any entitlement to insurance settlement or recovery for such facility and its contents. The Regional Administrator shall reduce the eligible costs by the actual amount of insurance proceeds relating to the eligible costs.

(b)

(1) Assistance under section 406 of the Stafford Act will be approved only on the condition that the recipient obtain and maintain such types and amounts of insurance as are reasonable and necessary to protect against future loss to such property from the types of hazard which caused the major disaster. The extent of insurance to be required will be based on the eligible damage that was incurred to the damaged facility as a result of the major disaster. The Regional Administrator shall not require greater types and extent of insurance than are certified as reasonable by the State Insurance Commissioner.

(2) Due to the high cost of insurance, some applicants may request to insure the damaged facilities under a blanket insurance policy covering all their facilities, an insurance pool arrangement, or some combination of these options. Such an arrangement may be accepted for other than flood damages. However, if the same facility is damaged in a similar future disaster, eligible costs will be reduced by the amount of eligible damage sustained on the previous disaster.

(c) The Regional Administrator shall notify the recipient of the type and amount of insurance required. The recipient may request that the State Insurance Commissioner review the type and extent of insurance required to protect against future loss to a disaster-damaged facility, the Regional Administrator shall not require greater types and extent of insurance than are certified as reasonable by the State Insurance Commissioner.

(d) The requirements of section 311 of the Stafford Act are waived when eligible costs for an insurable facility do not exceed \$5,000.00. The Regional Administrator may establish a higher waiver amount based on hazard mitigation initiatives which reduce the risk of future damages by a disaster similar to the one which resulted in the major disaster declaration which is the basis for the application for disaster assistance.

(e) The recipient shall provide assurances that the required insurance coverage will be maintained for the anticipated life of the restorative work or the insured facility, whichever is the lesser.

(f) No assistance shall be provided under section 406 of the Stafford Act for any facility for which assistance was provided as a result of a previous major disaster unless all insurance required by FEMA as a condition of the previous assistance has been obtained and maintained.

Final Obtain and Maintain requirement amount will be determined during the closeout process after the final actual eligible costs to repair or replace the insurable facility have been determined.

FEMA Policy 206-086-1

F. Timeframes for Obtaining Insurance. FEMA will only approve assistance under the condition that an applicant obtains and maintains the required insurance.

The applicant must document its commitment to comply with the insurance requirement with proof of insurance.

If an applicant cannot insure a facility prior to grant approval (for example, if a building is being reconstructed), the applicant may provide a letter of commitment stating that they agree to the insurance requirement and will obtain the types and extent of insurance required, followed at a later date by proof of insurance once it is obtained. In these cases, the applicant should insure the property:

1. When the applicant resumes use of or legal responsibility for the property (for example, per terms of construction contract or at beneficial use of the property); or
2. When the scope of work is complete.

FEMA and the recipient will verify proof of insurance prior to grant closeout to ensure the applicant has complied with the insurance requirement.

An applicant should notify FEMA—in writing through the recipient—of changes to their insurance which impact their ability to satisfy the insurance requirement after it provides proof of insurance to FEMA. This includes changes related to self-insurance. If an applicant fails to do this, FEMA may de-obligate assistance and not provide assistance in a future disaster.

Jean-Carlo Echevarria, PA Insurance Specialist, CRC Atlantic, Guaynabo, PR

O&M Requirements

Insured Peril	Item Type	Description	Required Coverage Amount
Wind	Equipment	An Obtain & Maintain Requirement is being required for Equipment, for the peril of Wind (all wind associated losses including "wind driven rain" for the FAASSt [Aguirre Steam Plant – Procurement and Delivery of Two Re-Build (Remanufactured) Discharge Condenser Water Pump Motor] in the amount of \$750,000.00.	\$750,000.00
Wind	Equipment	An Obtain & Maintain Requirement is being required for Equipment, for the peril of Wind (all wind associated losses including "wind driven rain" for the FAASSt [Aguirre Steam Plant - Two New Condenser Discharge Water Pump Motors] in the amount of \$640,150.00.	\$640,150.00
Wind	Equipment	An Obtain & Maintain Requirement is being required for Equipment, for the peril of Wind (all wind associated losses including "wind driven rain" for the FAASSt [Aguirre Steam Plant Permanent Repairs] in the amount of \$350,115.05.	\$350,115.05

406 Mitigation

There is no additional mitigation information on **FAASSt [Aguirre Power Plant 001 Infrastructure Projects] (Generation)**.

Environmental Historical Preservation

Is this project compliant with EHP laws, regulations, and executive orders?

Yes

EHP Conditions

- Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.
- This review does not address all federal, state and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state and local laws. Failure to obtain all appropriate federal, state and local environmental permits and clearances may jeopardize funding.
- If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archaeological resources are discovered, will immediately cease construction in that area and notify the State and FEMA.
- NEPA Determination - All borrow or fill material must come from pre-existing stockpiles, material reclaimed from maintained roadside ditches (provided the designed width or depth of the ditch is not increased), or commercially procured material from a source existing prior to the event. For any FEMA-funded project requiring the use of a non-commercial source or a commercial source that was not permitted to operate prior to the event (e.g., a new pit, agricultural fields, road ROWs, etc.) in whole or in part, regardless of cost, the Applicant must notify FEMA and the Recipient prior to extracting material. FEMA must review the source for compliance with all applicable federal environmental planning and historic preservation laws and executive orders prior to a Sub-recipient or their contractor beginning borrow extraction. Consultation and regulatory permitting may be required. Non-compliance with this requirement may jeopardize receipt of federal funding. Documentation of borrow sources utilized is required at close-out and must include fill type (private, commercial, etc.), name, fill site GPS coordinates (not of the company/governmental office), address, and type of material.
- Resource Conservation and Recovery Act, aka Solid Waste Disposal Act (RCRA) - 1. The Applicant shall handle, manage, and dispose of all types of hazardous waste in accordance with requirements of local, state, and federal laws, regulations, and ordinances. In addition, the Applicant shall ensure that all debris is separated and disposed of in a manner consistent with the PR DNER guidelines at a permitted site or landfill. The contractor/applicant will be responsible for the proper disposition of construction debris in authorized landfills providing the name, location, coordinates and permits of the facility to the corresponding authorities. 2. Unusable equipment, debris, white goods, scrap metal any other material shall be disposed in approved manner and location. In the event significant items are discovered during the implementation or development of the project the Applicant shall handle, manage and dispose petroleum products, hazardous materials and

toxic waste in accordance to the requirements of the local and federal agencies. Noncompliance with these requirements may jeopardize receipt of federal funds.

- Executive Order 11988 - Floodplains - Applicant must obtain any required permits from the Planning Board prior to initiating work and comply with any conditions of the permit. All coordination (emails, letters, documented phone calls) pertaining to these activities and compliance must be provided and maintained in the Applicant's permanent files.

EHP Additional Info

There is no additional environmental historical preservation on **FAAST [Aguirre Power Plant 001 Infrastructure Projects] (Generation)**.

Final Reviews

Final Review

Reviewed By MARTINEZ SANTIAGO, ISRAEL

Reviewed On 05/19/2022 5:15 PM AST

Review Comments

FEMA Final Review completed. Project ready for recipient review.

Recipient Review

Reviewed By Salgado, Gabriel

Reviewed On 05/19/2022 5:54 PM AST

Review Comments

Recipient review completed. Project is ready for Applicant Review.

Fixed Cost Offer

As a Public Assistance (PA) Subrecipient PR Electric Power Authority (000-UA2QU-00), in accordance with Section 428 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Applicant agrees to accept a permanent work subaward based on a Fixed Cost Offer in the amount of \$3,031,265.05 for subaward number 10571 under Disaster # 4339. The Applicant accepts responsibility for all costs above the Fixed Cost Offer.

The Applicant understands that by participating in this pilot program they will be reimbursed for allowable costs in accordance with 2 CFR Part 200, and the reimbursement will not exceed the Fixed Cost Offer. The Applicant also understands that by agreeing to this Fixed Cost Offer, they will not receive additional funding related to the facilities or sites included in the subaward. The Applicant also acknowledges that failure to comply with the requirements of applicable laws and regulations governing assistance provided by FEMA and the PA Alternative Procedures Pilot Program Guidance (such as procurement and contracting; environmental and historic preservation compliance; and audit and financial accountability) may lead to loss of federal funding.

Project Signatures

Signed By Nieves, Ezequiel

Signed On 05/19/2022

Attachment B

(Unredacted version submitted under seal)

Department of Homeland Security Federal Emergency Management Agency

General Info

Project #	663383	PW #	10607	Project Type	Specialized
Project Category	F - Utilities	Applicant	PR Electric Power Authority (000-UA2QU-00)		
Project Title	FAASt [Cambalache Power Plant Permanent Repairs] (Generation)			Event	4339DR-PR (4339DR)
Project Size	Large	Declaration Date	9/21/2017		
Activity Completion Date	9/20/2027	Incident Start Date	9/17/2017		
Process Step	Obligated	Incident End Date	11/15/2017		

Damage Description and Dimensions

The Disaster # 4339DR, which occurred between **09/17/2017** and **11/15/2017**, caused:

Damage #661241; FAASt [Cambalache Power Plant Permanent Repairs]

DDD for this facility codified in the 136271 - MEPA078 Puerto Rico Electrical Power Authority Island Wide FAASt Project.

General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** Cambalache Power Plant
- **Facility Description:** The Cambalache Power Plant in Arecibo sustained damages in the following areas, that were in need of immediate repair to bring the units back on-line as quickly as possible. All work has been completed and was included within the Fixed Cost Estimate (FCE) under the Generation inventory. Sanitary Water Pumping System (Damage 1): Repair and recondition of the 8 submersible pumps, 2 per station. Cleaning and sanitation of the 4 sanitary water pumping stations, including related pipes replacement. Hydraulic Equipment (Damage 2): Repair and maintenance of hydraulic system, emergency generators, tractors, and boat engines of the Hydro Gas Division. Different areas of the Plant (Damages 3-8): Provide all the materials, equipment, tools, labor, supervision, and anything else needed to repair the different areas affected by the hurricane. Different A/C of the Plant (Damages 9-12): Purchase, installation and repair of different units of air conditioning in the Plant. Generation Plant Fences (Damage 15): To be repaired since one third (1/3) of them were damaged by the hurricane. Storm Water Pump System (Damages 16-18): Cambalache Plant is located in the middle of a dike. This doesn't allow the storm water to flow on a natural way, therefore it is necessary to have a functional mechanical system for this purpose. The storm water pump system and dike emptying maintain and control the flow of water if a flood occurs, so it is very important to repair the damaged areas. Fuel Transfer Pump (Damage 19): Circuit breaker was damaged. Cable Trays (Damage 25): Around the Generation Plant exists a Cable Trays System that protects the electric wiring of the turbine controls, auxiliary equipment, transmission lines and its interconnections. Due to the hurricane, these cables were severely damaged, exposed to weather and animals. Lighting (Damage 26): Lighting replacement for the safety of the Generation Plant and the employees working during night shifts.
- **Approx. Year Built:** 1980
- **GPS Latitude/Longitude:** [REDACTED]

General Damage Information:

- **Date Damaged:** 9/20/2017

- **Cause of Damage:** High winds & wind driven rain, caused by Cat 4 Hurricane Maria

Final Scope

661241 FAASSt [Cambalache Power Plant Permanent Work]

Work Completed

The applicant utilized contracts for repairs to the Cambalache Power Plant to restore facilities back to pre-disaster design, capacity, and function within the existing footprint.

(Cambalache Power Plant)

AVR & SFC Upgrade

Work Completed Totals:

1. Contracts: \$995,587.81
 - a. Sanitary Water Pumping System: \$58,230.00
 - b. Hydraulic Equipment: \$42,296.01
 - c. Different Areas of the Generation Plant: \$199,676.00
 - d. Different A/C of the Generation Plant: \$48,300.00
 - e. Generation Plant Fences: \$199,750.25
 - f. Storm Water Pump System: \$344,265.00
 - g. Fuel Transfer Pump: \$3,579.00
 - h. Cable Trays: \$60,000.00
 - i. Lighting: \$39,491.55

Work Completed totals: \$995,587.81

Work to be Completed

The applicant will utilize contracts for repairs to the Cambalache Power Plant units 2 and 3, to restore facilities back to pre-disaster design, capacity and function within the existing footprint with in-kind materials.

Introduction

The purpose of this document is to present and update a Project Scope of Work (SOW) with Cost Estimates to be submitted to COR3 and FEMA for projects under DR-4339-PR Public Assistance. The completed document will be reviewed by COR3 and FEMA to create and version a specific project worksheet and post fixed-cost estimates to repair, restore, or replace eligible facilities including Section 406 hazard mitigation

for a specific project.

Puerto Rico Electric Power Authority (PREPA) is the agency that provides the electric service to the entire island of Puerto Rico. As such, the facilities, sites, and systems identified in this Scope of Work are eligible as critical services facilities as defined in the PAAP (Section 428) and BBA 2018 guidance documents. Additional details may be found in Sections 3 and 4, respectively.

Facilities

Name: Cambalache Power Plant

GPS Location: [REDACTED]

Project Scope of Work

AVR & SFC Upgrade

The scope of work for the AVR & SFC Upgrade in Cambalache Power Plant units 2 and 3 will consist of the following:

Parts replacement for the following systems:

1. HMI (Human Machine Interface)
2. Gas and Steam Turbine Control System
3. Automatic Voltage Regulator
4. Static Frequency Converter
5. VibroSmart Pulsation System

Cost Estimate

The estimate includes materials, construction labor and equipment, engineering, permitting, management, and contingencies.

Cost Type:

-Technical Services and Parts: \$1,043,000.00

**\$31,000.00 on Training costs not being claimed (thus deducted)

Work to be Completed total: \$1,012,000.00

Total Project Cost: \$2,007,587.81 (WC + WTBC)

For additional information:

Work Completed, please refer to *CONTRACT WORK SUMMARY RECORD.xlsx*.

Work to Be Completed, please refer to: *Package SOW - AVR & SFC Upgrade_Cambalache U. 2 & 3 Revised- 4-5-22.pdf*

Project Notes:

This facility will also include the following SOWs:

A. Unit 1 Rehabilitation

B. FAASt Cambalache Power Plant - Flood Protection Barrier (Generation)

C. For Environmental & Historical Preservation (EHP) requirements, details, and supporting documentation please refer to pages 157 to 174 of the document labeled: *661241-DR4339PR-PREPA SOW Cambalache Power Plant-Consolidated Projects .pdf*.

A. Project Unit 1 Rehabilitation, Cambalache Power Plant

(Project is under PREB Evaluation, in case the SOW is not approved FEMA will process any change to this project through an amendment)

B. The scope of work for the Cambalache Power Plant Unit 1 Rehabilitation will consist of the following:

1. GT11N1 Gas Turbine Rebuilding: De-blade turbine rotor as required and Ice blast, Install all compressor vanes, Install turbine blades, Install Vane Row 1, Disassemble Combustion Chamber and Replace necessary components, rebuild Fuel Oil Nozzle, Trip, Fill/Shut-off, Nozzle BOV, and leakage valves, Reinstall lower half internal components, Install rotor, Install internal components upper half, Install upper turbine casing, install Combustor, Install BOV housing, Install Insulation Install all removed piping, Install air intake and GT enclosure, Install Burner, Reconnect Piping, Install Thermal Blankets.

2. Generator: Turbine Generator Stator (TGS), Turbine Generator Rotor (TGR), Turbine Generator Exciter (TGE).

3. Commissioning and Startup Support

B. FAASt Cambalache Power Plant - Flood Protection Barrier (Generation)

A flood hardening evaluation is underway at the Cambalache Power Plant located in Arecibo, Puerto Rico (). The preliminary scope of work considers raising the existing top of perimeter dike elevation by a minimum of 1-meter through the construction of embankment fill and possible intermittent installation of sheet pile or concrete reinforced retaining walls in localized areas where space for dike embankment expansion is not sufficient within the existing site boundaries and considering the surrounding wetlands. The southern portion of the existing perimeter dike (starting at the site entrance east towards the southern tip of the southern stormwater pond) may be

required to be elevated by importing embankment fill and building an elevated dike on top of the existing dike towards the exterior of the site, where there is sufficient space for a dike expansion between Caño Tiburones and the existing toe of dike. The northern portion of the existing dike (starting from the site entrance, down to the southern tip of the southern pond) is constrained by existing wetlands immediately adjacent to the toe of dike. The northern portion of the existing dike will be elevated with imported fill and the elevated dike will be built on top of the existing dike towards the interior of the site. Sheet piling or reinforced concrete retaining walls may be required to reinforce dike embankment fill in areas with space constraints due to minimum clearances with plant critical power block components. If necessary, the existing stormwater ponds will be modified to recover volume capacity occupied by expanded dike embankments. Existing utilities crossing dikes will be evaluated and/or relocated (or protected) as needed to accommodate dike modifications. In summary, the scope of work will be:

1. Site preparation - Stripping of topsoil as required for dike embankment fill;
2. Existing utility relocation or protection as required to install raised embankments.
3. Installation of flood hardening walls as required in areas where space is not sufficient for embankment fill;
4. Import of embankment fill, placement and compaction of fill to build up the dike on top of existing flood protection perimeter dike;
5. Repair or replacement of existing geogrid slope stability material damaged during the storm;
6. Adjustment of existing stormwater ponds to recover volume capacity occupied by dike improvements.
7. Final site stabilization placing crushed stone surfacing, asphalt paving and seeded topsoil as required.

406 HMP Scope

There is no feasible Hazard Mitigation opportunity identified for this Project. This Project is part of PREPA Immediate Works request.

Cost

Code	Quantity	Unit	Total Cost	Section
9201 (PAAP Fixed Estimate (No Value - Tracking Purposes Only))	1.00	Lump Sum	\$0.00	Completed
9001 (Contract (FAAST Project 136271))	1.00	Lump Sum	\$995,587.81	Completed
9001 (Contract (FAAST project 136271))	1.00	Lump Sum	\$1,012,000.00	Uncompleted

CRC Gross Cost \$2,007,587.81

Total 406 HMP Cost \$0.00

Total Insurance Reductions \$0.00

CRC Net Cost \$2,007,587.81

Federal Share (90.00%) \$1,806,829.03

Non-Federal Share (10.00%) \$200,758.78

Award Information

Version Information

Version #	Eligibility Status	Current Location	Bundle Number	Project Amount	Cost Share	Federal Share Obligated	Date Obligated
0	Eligible	Awarded	PA-02-PR-4339-PW-10607(11765)	\$2,007,587.81	90 %	\$1,806,829.03	5/19/2022

Drawdown History

EMMIE Drawdown Status As of Date	Obligation Number	Expenditure Number	Expended Date	Expended Amount
No Records				

Subgrant Conditions

- As described in Title 2 Code of Federal Regulations (C.F.R.) § 200.333, financial records, supporting documents, statistical records and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three (3) years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. Federal awarding agencies and pass-through entities must not impose any other record retention requirements upon non-Federal entities. Exceptions are stated in 2 C.F.R. §200.333(a) – (f)(1) and (2). All records relative to this project are subject to examination and audit by the State, FEMA and the Comptroller General of the United States and must reflect work related to disaster-specific costs.
- In the seeking of proposals and letting of contracts for eligible work, the Applicant/Subrecipient must comply with its Local, State (provided that the procurements conform to applicable Federal law) and Federal procurement laws, regulations, and procedures as required by FEMA Policy 2 CFR Part 200, Procurement Standards, §§ 317-326.
- The Recipient must submit its certification of the subrecipient's completion of this project, the final claim for payment, and supporting documentation within 180 days from the date that the applicant completes the scope of work, or the project deadline, whichever occurs first. FEMA reimburses Large Projects (those with costs above the large project threshold) based on the actual eligible final project costs. Therefore, during the final project reconciliation (closeout), the project may be amended to reflect the reconciliation of actual eligible costs.
- When any individual item of equipment purchased with PA funding is no longer needed, or a residual inventory of unused supplies exceeding \$5,000 remains, the subrecipient must follow the disposition requirements in Title 2 Code of Federal Regulations (C.F.R.) § 200.313-314.
- The terms of the FEMA-State Agreement are incorporated by reference into this project under the Public Assistance award and the applicant must comply with all applicable laws, regulations, policy, and guidance. This includes, among others, the Robert T. Stafford Disaster Relief and Emergency Assistance Act; Title 44 of the Code of Federal Regulations; FEMA Policy No. 104-009-2, Public Assistance Program and Policy Guide; and other applicable FEMA policy and guidance.
- The DHS Standard Terms and Conditions in effect as of the declaration date of this emergency declarations or major disaster, as applicable, are incorporated by reference into this project under the Public Assistance grant, which flow down from the Recipient to subrecipients unless a particular term or condition indicates otherwise.
- The Uniform Administrative Requirements, Cost Principles, and Audit Requirements set forth at Title 2 Code of Federal Regulations (C.F.R.) Part 200 apply to this project award under the Public Assistance grant, which flow down from the Recipient to all subrecipients unless a particular section of 2 C.F.R. Part 200, the FEMA-State Agreement, or the terms and conditions of this project award indicate otherwise. See 2 C.F.R. §§ 200.101 and 110.
- The subrecipient must submit a written request through the Recipient to FEMA before it makes a change to the approved scope of work in this project. If the subrecipient commences work associated with a change before FEMA approves the change, it will jeopardize financial assistance for this project. See FEMA Policy No. 104-009-2, Public Assistance Program and Policy Guide.
- Pursuant to section 312 of the Stafford Act, 42 U.S.C. 5155, FEMA is prohibited from providing financial assistance to any entity that receives assistance from another program, insurance, or any other source for the same work. The subrecipient agrees to repay all duplicated assistance to FEMA if they receive assistance for the same work from another Federal agency, insurance, or any other source. If an subrecipient receives funding from another federal program for the same purpose, it must notify FEMA through the Recipient and return any duplicated funding.

Insurance

Additional Information

5/6/2022

GENERAL INFORMATION

Event: DR4339-PR

Project: SP 663383

Category of Work: Cat F - Utilities

Applicant: PR Electric Power Authority

Event Type: Hurricane / Hurricane Maria

Cause of Loss: Wind / Wind Driven Rain

Incident Period: 9/17/2017 to 11/15/2017

Total Public Assistance Amount: Repairs Amount \$2,007,587.81

COMMERCIAL INSURANCE INFORMATION

Does the applicant have a Commercial Policy that extends coverage for this facility: Yes

Policies Issued by: Willis Towers Watson, Multinational Insurance Company and Mapfre

Policy Numbers: Willis Towers Watson (B0804Q1966F17, B0804Q14312F17, B0804Q19673F17, B0804Q19672F17, B0804Q18529F17, B0804Q14312F17, B0804Q19674F17, B0804Q18411F17, B0804Q14310F17, B0804Q11038F17, B0804Q14507F17, B0804Q14312F17)

Mapfre Praico Insurance Company (1398178000644)

Multinational Insurance Company (88-CP-000307831-2, 88-CP-000318673-0, 88-CP000318674-0, 88-CP-000318675-0, 88-CP-000318676-0, 88-CP-000318677-0)

Policy Period: From: 5/15/2017 To: 5/15/2018

Policy Limits: \$300,000,000.00

RCV or ACV: Replacement Cost Value

Deductible Amount \$25,000,000.00 each and every occurrence property damage and 30 days each and every occurrence business interruption in respect of Named Windstorm.

Does the Applicant's Commercial Policy extend coverage for the damage described in this project: Yes

The amount of the deductible being funded in this project is \$0.00

The amount of the deductible previously funded in other projects is \$25,000,000.00

Final Insurance Settlement Status: Insurance proceeds for this project are anticipated

The amount of Anticipated Insurance Reduction applied for Project: \$0.00

NUMBER OF DAMAGED LOCATIONS INCLUDED IN THIS PROJECT: (1)

Damaged Inventory (DI) #661241:**FAAST [Cambalache Power Plant Permanent Repairs]**

Location Description: Cambalache Power Plant

GPS Coordinates: [REDACTED]

Cause of Loss: Wind / Wind Driven Rain

Cause of Loss: Wind / Wind Driven Rain

SOV / Schedule #: "Cambalache Steam Plant"

SOV / Schedule Amount: \$331,000,000.00

Applicable Deductible Amount: \$25,000,000.00

Damage Inventory Amount: Repairs Amount \$2,007,587.81

-

Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility.

-

Reduction(s):

No insurance reduction will be applied to this project. An anticipated insurance reduction of \$193,746,436.00 was applied to FFAST project # 136271 for anticipated insurance proceeds for Hurricane Maria losses. For ease of reference, please see table of insurance allocations: "PREPA Allocation Plan – All Disasters" file.

-

Obtain and Maintain Requirement:

An Obtain & Maintain Requirement is being required for Equipment, for the peril of Wind (all wind associated losses including "wind driven rain" for the FFAST [Cambalache Power Plant Permanent Repairs] in the amount of \$1,768,346.01 (Repairs Amount \$2,007,587.81 – Uninsurable Items Amount \$239,241.80 (Fences & Lighting)). Please see "Work Completed totals" in the Scope of work.

-

Insurance Proceeds Statement:

FEMA acknowledges that the Applicant is in negotiations with their insurance carrier at the time of the FEMA insurance review and might have received partial settlements. In accordance with 44 CFR §206.250-253, in the absence of an actual settlement, anticipated insurance recoveries will be deducted from this project based on Applicant's insurance policy limits. FEMA subsequently adjusts the eligible costs based on the actual amount of insurance proceeds the Applicant receives after a final settlement.

FEMA's Recovery Policy FP 206-086-1, Public Assistance Policy on Insurance (June 29, 2015), requires applicants to take reasonable efforts to recover insurance proceeds that it is entitled to receive from its insurers. FEMA will consider final insurance settlements that may be less than the insurance policy limits when an applicant demonstrates that it has taken reasonable efforts to recover insurance proceeds that it is entitled to on a case-by-case basis.

Standard Insurance Comments

FEMA Policy 206-086-1

PART 2: Other Insurance-Related Provisions. (Sections 312 and 406(d) of the Stafford Act)

A. Duplication of Benefits. FEMA cannot provide assistance for disaster-related losses that duplicate benefits available to an applicant from another source, including insurance.

1. Before FEMA approves assistance for a property, an applicant must provide FEMA with information about any actual or anticipated insurance settlement or recovery it is entitled to for that property.
2. FEMA will reduce assistance to an applicant by the amount of its actual or anticipated insurance proceeds.
3. Applicants must take reasonable efforts to recover insurance proceeds that they are entitled to receive from their insurer(s).

FEMA Policy 206-086-1

H. Subsequent Assistance. When a facility that received assistance is damaged by the same hazard in a subsequent disaster:

1. If the applicant failed to maintain the required insurance from the previous disaster, then the facility is not eligible for assistance in any subsequent disaster.
2. Upon proof that the applicant maintained its required insurance, FEMA will reduce assistance in the subsequent disaster by the amount of insurance required in the previous disaster regardless of:
 - a. The amount of any deductible or self-insured retention the applicant assumed (i.e., "retained risk").

Obtain and Maintain Requirements:

44 CFR § 206.253 Insurance requirements for facilities damaged by disasters other than flood.

(a) Prior to approval of a Federal grant for the restoration of a facility and its contents which were damaged by a disaster other than flood, the recipient shall notify the Regional Administrator of any entitlement to insurance settlement or recovery for such facility and its contents. The Regional Administrator shall reduce the eligible costs by the actual amount of insurance proceeds relating to the eligible costs.

(b)

(1) Assistance under section 406 of the Stafford Act will be approved only on the condition that the recipient obtain and maintain such types and amounts of insurance as are reasonable and necessary to protect against future loss to such property from the types of hazard which caused the major disaster. The extent of insurance to be required will be based on the eligible damage that was incurred to the damaged facility as a result of the major disaster. The Regional Administrator shall not require greater types and extent of insurance than are certified as reasonable by the State Insurance Commissioner.

(2) Due to the high cost of insurance, some applicants may request to insure the damaged facilities under a blanket insurance policy covering all their facilities, an insurance pool arrangement, or some combination of these options. Such an arrangement may be accepted for other than flood damages. However, if the same facility is damaged in a similar future disaster, eligible costs will be reduced by the amount of eligible damage sustained on the previous disaster.

(c) The Regional Administrator shall notify the recipient of the type and amount of insurance required. The recipient may request that the State Insurance Commissioner review the type and extent of insurance required to protect against future loss to a disaster-damaged facility, the Regional Administrator shall not require greater types and extent of insurance than are certified as reasonable by the State Insurance Commissioner.

(d) The requirements of section 311 of the Stafford Act are waived when eligible costs for an insurable facility do not exceed \$5,000.00. The Regional Administrator may establish a higher waiver amount based on hazard mitigation initiatives which reduce the risk of future damages by a disaster similar to the one which resulted in the major disaster declaration which is the basis for the application for disaster assistance.

(e) The recipient shall provide assurances that the required insurance coverage will be maintained for the anticipated life of the restorative work or the insured facility, whichever is the lesser.

(f) No assistance shall be provided under section 406 of the Stafford Act for any facility for which assistance was provided as a result of a previous major disaster unless all insurance required by FEMA as a condition of the previous assistance has been obtained and maintained.

Final Obtain and Maintain requirement amount will be determined during the closeout process after the final actual eligible costs to repair or replace the insurable facility have been determined.

FEMA Policy 206-086-1

F. Timeframes for Obtaining Insurance. FEMA will only approve assistance under the condition that an applicant obtains and maintains the required insurance.

The applicant must document its commitment to comply with the insurance requirement with proof of insurance.

If an applicant cannot insure a facility prior to grant approval (for example, if a building is being reconstructed), the applicant may provide a letter of commitment stating that they agree to the insurance requirement and will obtain the types and extent of insurance required, followed at a later date by proof of insurance once it is obtained. In these cases, the applicant should insure the property:

1. When the applicant resumes use of or legal responsibility for the property (for example, per terms of construction contract or at beneficial use of the property); or
2. When the scope of work is complete.

FEMA and the recipient will verify proof of insurance prior to grant closeout to ensure the applicant has complied with the insurance requirement.

An applicant should notify FEMA—in writing through the recipient—of changes to their insurance which impact their ability to satisfy the insurance requirement after it provides proof of insurance to FEMA. This includes changes related to self-insurance. If an applicant fails to do this, FEMA may de-obligate assistance and not provide assistance in a future disaster.

O&M Requirements

Insured Peril	Item Type	Description	Required Coverage Amount
Wind	Equipment	An Obtain & Maintain Requirement is being required for Equipment, for the peril of Wind (all wind associated losses including "wind driven rain" for the FAASt [Cambalache Power Plant Permanent Repairs] in the amount of \$1,768,346.01.	\$1,768,346.01

406 Mitigation

There is no additional mitigation information on **FAASt [Cambalache Power Plant Permanent Repairs] (Generation)**.

Environmental Historical Preservation

Is this project compliant with EHP laws, regulations, and executive orders?

Yes

EHP Conditions

- Any change to the approved scope of work will require re-evaluation for compliance with NEPA and other Laws and Executive Orders.
- This review does not address all federal, state and local requirements. Acceptance of federal funding requires recipient to comply with all federal, state and local laws. Failure to obtain all appropriate federal, state and local environmental permits and clearances may jeopardize funding.
- If ground disturbing activities occur during construction, applicant will monitor ground disturbance and if any potential archaeological resources are discovered, will immediately cease construction in that area and notify the State and FEMA.
- Executive Order 11988 - Floodplains - Applicant must obtain any required permits from the Planning Board prior to initiating work and comply with any conditions of the permit. All coordination (emails, letters, documented phone calls) pertaining to these activities and compliance must be provided and maintained in the Applicant's permanent files.
- Resource Conservation and Recovery Act, aka Solid Waste Disposal Act (RCRA) - 1. The Applicant shall handle, manage, and dispose of all types of hazardous waste in accordance with requirements of local, state, and federal laws, regulations, and ordinances. In addition, the Applicant shall ensure that all debris is separated and disposed of in a manner consistent with the PR DNER guidelines at a permitted site or landfill. The contractor/applicant will be responsible for the proper disposition of construction debris in authorized landfills providing the name, location, coordinates and permits of the facility to the corresponding authorities. 2. Unusable equipment, debris, white goods, scrap metal any other material shall be disposed in approved manner and location. In the event significant items are discovered during the implementation or development of the project the Applicant shall handle, manage and dispose petroleum products, hazardous materials and toxic waste in accordance to the requirements of the local and federal agencies. Noncompliance with these requirements may jeopardize receipt of federal funds.

EHP Additional Info

There is no additional environmental historical preservation on **FAASt [Cambalache Power Plant Permanent Repairs] (Generation)**.

Final Reviews

Final Review

Reviewed By MARTINEZ SANTIAGO, ISRAEL

Reviewed On 05/13/2022 3:13 PM AST

Review Comments

FEMA FINAL REVIEW completed. Project ready for recipient review.

Recipient Review

Reviewed By Cintron, Jesus

Reviewed On 05/13/2022 5:56 PM AST

Review Comments

Recipient review completed. Pending Applicant final review

Fixed Cost Offer

As a Public Assistance (PA) Subrecipient PR Electric Power Authority (000-UA2QU-00), in accordance with Section 428 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, the Applicant agrees to accept a permanent work subaward based on a Fixed Cost Offer in the amount of \$2,007,587.81 for subaward number 10607 under Disaster # 4339. The Applicant accepts responsibility for all costs above the Fixed Cost Offer.

The Applicant understands that by participating in this pilot program they will be reimbursed for allowable costs in accordance with 2 CFR Part 200, and the reimbursement will not exceed the Fixed Cost Offer. The Applicant also understands that by agreeing to this Fixed Cost Offer, they will not receive additional funding related to the facilities or sites included in the subaward. The Applicant also acknowledges that failure to comply with the requirements of applicable laws and regulations governing assistance provided by FEMA and the PA Alternative Procedures Pilot Program Guidance (such as procurement and contracting; environmental and historic preservation compliance; and audit and financial accountability) may lead to loss of federal funding.

Project Signatures

Signed By Nieves, Ezequiel

Signed On 05/16/2022