



GOVERNMENT OF PUERTO RICO
CENTRAL RECOVERY RECONSTRUCTION
AND RESILIENCE OFFICE

Hon. Pedro R. Pierluisi Urrutia
Governor

Manuel A.J. Laboy Rivera
Governor's Authorized
Representative

July 21, 2022

Edison Avilés Deliz, P.E., Esq.
Chairman
Puerto Rico Energy Bureau
268 Muñoz Rivera Ave.
San Juan, P.R. 00918

RE: DISBURSMENT CERTIFICATION – FUEL COSTS DR - 4473

Dear Mr. Avilés:

Reference is made to a communication dated July 14, 2022 from the Puerto Rico Energy Bureau in which you requested information regarding fuel costs that have, or may be reimbursed, to the Puerto Rico Energy Power Authority (PREPA) with funds obligated by the Federal Emergency Management Agency (FEMA). As part of the vision of the Central Office of Recovery, Reconstruction and Resilience (COR3), we are committed of continuing our cooperation with all agencies and entities from the Government of Puerto Rico. As such, we hereby provide the requested information.

Earthquake Peaker Units Fuel Claim

Under the period of performance of January 2020 to June, 2020 the obligated amount for the Peaker Units Fuel Claim was \$384,150,412. This obligation was based on estimated amounts submitted to FEMA by PREPA. The anticipated insurance deduction was \$66,786,371. After such deduction, the federal claim total was \$317,364,041 and, based on the 75% federal cost share applicable at the time of the claim, COR3 **disbursed \$238,023,030** to PREPA.

On December 11, 2020, PREPA submitted a cost alignment request for this claim corresponding to fuel expenses for the extended period of performance approved by FEMA from July 2020 to February, 2021. The estimated claim for such extended Period of Performance corresponding to the Peaker Units Fuel costs was \$131,761,553. The anticipated insurance deduction is \$63,894,630. Therefore, the federal claim total is \$67,866,923. Based on the 75% federal cost share, the maximum amount that could be disbursed to PREPA is \$50,900,192.

On February 27, 2022 FEMA notified the Government of Puerto Rico an increase in Federal Cost Share percentage for the Earthquake disaster from 75% to 90%. With that increase the Federal Share for the initial period of performance of January 2020 through June, 2020 increased from \$238,023,030 to \$285,627,636. Therefore, COR3 could disburse \$47,604,606 to PREPA subject to PREPA's final compliance with EPA and FEMA EHP requirements.

Furthermore, for the extended period of performance of July, 2020 through February, 2021 the estimated Federal Share to be claimed would increase from \$50,900,192 to \$61,080,230. The estimated total amount to be disbursed subject to PREPA's final compliance with the requirements of EPA and FEMA EHP requirements is \$108,684,836. Please refer to the following table for a full breakdown.

7/18/22					75% Federal Share		90% Federal Share
POP Earthquake	Obligated	Insurance	Federal Claim	75% Cost Share	Balance for Disbursement by COR3	90% Federal Share	Balance for Disbursement by COR3
Jan 2020 - Jun 2020	\$384,150,412	\$66,786,371	\$317,364,041	\$238,023,030	\$0	\$285,627,636	\$47,604,606
Jul 2020 - Feb 2021	\$131,761,553	\$63,894,630	\$67,866,923	\$50,900,192	\$50,900,192	\$61,080,230	\$61,080,230
Jan 2020 - Feb 2021	\$515,911,965	\$130,681,001	\$385,230,964	\$288,923,223	\$50,900,192	\$346,707,867	\$ 108,684,836

Should you need additional information or have any questions, please feel free to contact me us your convenience. Thank you in advance for your prompt attention to this time sensitive matter.

Cordially,



Manuel Laboy Rivera, P.E.
Executive Director
Governor's Authorized Representative