

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

NEPR
Received:
Feb 12, 2024
6:38 PM

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 Submit FEMA Approval
in Compliance with Resolution and Order Dated
February 1, 2024

**MOTION TO SUBMIT FEMA APPROVAL IN COMPLIANCE WITH RESOLUTION
AND ORDER DATED FEBRUARY 1, 2024**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW GENERA PR LLC (“Genera”), as agent of the Puerto Rico Electric Power Authority (“PREPA”),¹ through its counsels of record, and respectfully submits and prays as follows:

1. On March 26, 2021, the Energy Bureau of the Puerto Rico Public Service Regulatory Board (“Energy Bureau”) issued a Resolution and Order in the instant case, through which it ordered PREPA to submit each specific capital investment project for approval to avoid potential noncompliance with the Approved Integrated Resource Plan (“IRP”) and Modified Action Plan. To streamline the process, the Energy Bureau requested PREPA to submit the specific projects to the Energy Bureau at least thirty (30) calendar days before their submission to the Puerto Rico Central Office for Recovery, Reconstruction and Resiliency (“COR3”) and the Federal Emergency Management Agency (“FEMA”), and any other federal agency, and to continue

¹ Pursuant to the *Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement* (“LGA OMA”), dated January 24, 2023, executed by and among PREPA, the Puerto Rico Public-Private Partnerships Authority and Genera, Genera is the sole operator and administrator of the Legacy Generation Assets (defined in the LGA OMA) the sole entity authorized to represent PREPA before the Energy Bureau with respect to any matter related to the performance of any of the O&M Services provided by Genera under the LGA OMA.

reporting to the Energy Bureau and FEMA, within the next five (5) years, the progress of all ongoing efforts related to the final approval of the submitted projects not yet approved by the Energy Bureau.

2. On January 24, 2023, Genera, PREPA and the P3 Authority executed the Legacy Generation Assets, Operation & Maintenance Agreement (“LGA OMA”). Pursuant to the LGA OMA, Genera is the sole operator and administrator of the Legacy Generation Assets and the exclusive entity authorized to represent PREPA before the Energy Bureau on any matter related to the performance of the O&M services provided by Genera under the LGA OMA. Additionally, Genera assumed sole responsibility for procuring and administering federal funds for projects to repair or replace the LGA.

3. On October 27, 2023, Genera filed with the Energy Bureau a document titled *Amended Motion for Leave to Submit Amendment to Project and 406 BESSs Initial Scope of Work* (“October 27th Motion”). In the October 27th Motion, Genera requested the Energy Bureau to grant Genera leave to present to COR3 and FEMA the Project Amendment and the Section 406 Initial Scope of Work (“SOW”) and to continue with all activities required to complete all the essential documentation and analysis to complete the Battery Energy Storage System (“BESS”) Project.

4. On November 8, 2023, the Energy Bureau issued a Resolution and Order titled *Determination on Genera’s October 15, 2023, Motion for the Request for Approval of Projects to Replace Critical Components and Improve Fuel Efficiency* (“November 8th Resolution”). In the November 8th Resolution, the Energy Bureau conditionally approved the projects in Annex A and B of the October 15th Motion, pending the submission of their respective Scope of Works (“SOWs”).

5. On November 17, 2023, Genera filed a document titled *Motion Submitting Time Extension to Provide Scope of Works in Response to Resolution and Order Dated November 8, 2023* (“November 17th Motion”). In Attachment A to the November 17th Motion, Genera outlined the processes to be followed for developing the SOWs and explained that detailed SOWs and cost estimates for purchasing equipment and materials for the projects described in Attachments A, B, and C were included in the document titled "*Equipment and Material Project, Project #673691*", which was submitted to FEMA.

6. On November 21, 2023, Genera filed a Document titled *Motion Submitting Response in Compliance with Resolution and Order Dated November 8, 2023, and Request a Time Extension to Provide the Detailed Scope of Work per Site* (“November 21st Motion”). Through the November 21st Motion, Genera submitted, as Exhibit A, a detailed explanation of the steps needed to complete the SOWs per site.

7. After certain procedural events, including inquiries from the Energy Bureau to LUMA Energy, LLC and LUMA Energy ServCo, LLC (jointly referred to as "LUMA") regarding the impact on the Genera BESS Project, the Energy Bureau issued a Resolution and Order on February 1, 2024, titled *Determination on GENERA’s November 21 Motion Submitting Response in Compliance with Resolution and Order Dated November 8, 2023 and Request a Time Extension to Provide the Detailed Scope of Work per Site* (“February 1st Order”). In this order, the Energy Bureau approved the projects included in Attachment A to the February 1st Order and noted that Genera is required to present the approved projects to FEMA and COR3 to finalize their approval process.

8. Furthermore, relevant to this motion, in the February 1st Order, the Energy Bureau ordered Genera to: “(ii) submit to the Energy Bureau a copy of the approval by COR3 and/or

FEMA for the projects included in Attachment A, which shall have the costs obligated for each individual site, within ten (10) days of receiving this approval.”

9. In compliance with the February 1st Order, Genera respectfully submits to the Energy Bureau a copy of the approval by FEMA for the BESS projects included in Attachment A of the February 1st Order as Exhibit A to this motion. It is important to note that, as of today, only the equipment purchase project has been approved. Each construction site’s approval is contingent upon an Environmental and Historic Preservation review and subsequent approval by FEMA. This distinction underscores the phased approach being taken toward full project implementation and highlights the ongoing nature of the approval process for each site.

WHEREFORE, Genera respectfully requests that this Energy Bureau **take notice** of the above for all purposes and **deem** Genera to be in partial compliance with the February 1st Order.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 12th day of February 2024.

ECIJA SBGB
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/s/ Alejandro López-Rodríguez
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CERTIFICATE OF SERVICE

We hereby certify that a true and accurate copy of this motion was filed with the Office of the Clerk of the Energy Bureau using its Electronic Filing System and that we will send an electronic copy of this motion to the attorney for PREPA, Lionel Santa Crispín, at lionel.santa@prepa.pr.gov; and to LUMA's counsel, Margarita Mercado, at margarita.mercado@us.dlapiper.com, and Yahaira De La Rosa, at yahaira.delarosa@us.dlapiper.com.

In San Juan, Puerto Rico, this 12th day of February 2024.

/s/ Alejandro López-Rodríguez
Alejandro López-Rodríguez

Exhibit A

Department of Homeland Security Federal Emergency Management Agency

General Info

Project #	673691	P/W #	10710	Project Type	Specialized
Project Category	F - Utilities	Applicant	PR Electric Power Authority (000-UA2QU-00)		
Project Title	FAASt [Equipment and Materials]				
Project Size	Large	Event	4339DR-PR (4339DR)		
Activity Completion Date	9/20/2027	Declaration Date	9/20/2017		
Process Step	Obligated	Incident Start Date	9/17/2017		
		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 #1231434; FAASt [Equipment and Materials]

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:** Equipment and Materials
- **Facility Description:** List of damaged equipment and components throughout PREPA's facilities that are covered under the PREPA FAASt project:
 - Transmission 1. 2,491 circuit miles of overhead transmission lines 2. 37 miles of underground 115 kV cable 3. 63 miles of underground 38 kV 4. 22.59 miles of submarine 38 kV cable to the islands of Vieques and Culebra 5. Transmission poles and towers 6. Conductors 7. Insulators 8. Anchors 9. Hardware 10. OPGW/OHSW • Substations 1. 339 substations 2. 53 Transmission Centers 3. Transformers 4. Circuit breakers 5. Control houses 6. Mobile substations • Distribution 1. 182,985 transformers 2. 13,367 miles of overhead feeders/conductors 3. 3,439 miles of underground feeders/conductors 4. 342,569 damaged streetlights 5. 45,811 power poles 6. 51,660 power line hardware - cross arms, insulators, fuses, lighting arresters, guy wires with anchors, grounding rods, etc • Telecoms 1. 478.3 linear miles of Fiber Optics 2. 108 Microwave Networks antennas 3. Information Technology (IT) in 34 facilities 4. 920 batteries 5. 15 weather stations 6. 23 generators • Generation 1. 12 power plants 2. Turbines 3. Cooling towers 4. Demin water tanks 5. Heat exchangers
- **Approx. Year Built:** 1950
- **Location Description:** Islandwide
- **GPS Latitude/Longitude:** 18.45098, -66.07631

General Damage Information:

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

Final Scope

1231434 FAASt [Equipment and Materials]

***** Start of Version 2 *****

Version 2 created to capture additional Applicant purchase and store Generation selected materials and equipment to eliminate, or at least minimize, any potential construction schedule impacts. In Version 1 a total of \$797,183,125.20 was awarded in support to purchase and store the selected materials and equipment to eliminate, or at least minimize, any potential construction schedule impacts. Genera prepared Battery Project itemized list of materials and major equipment that have long lead times and/or could be impacted by future events. See attachment document in GM labeled:

I. Overview

Project Name: Generation Fleet Battery Energy Storage System (BESS) Project

Project Type: Equipment Project

Project Location: Multiple generation facilities

Scope of Work

This FAASt Sub-Project is to purchase and store the selected materials and equipment to eliminate, or at least minimize, any potential construction schedule impacts. Genera prepared an initial itemized list of materials and equipment that are currently seeing inventory shortages, have long lead times and/or could be impacted by future events. Genera will manage the storage and eventual utilization of materials and equipment. Genera would track items across multiple locations from acquisition to final use. Material and equipment utilization would be tracked phase by phase and would ensure that items assigned for a particular project are not used elsewhere as outlined and approved under the FAASt obligated FEMA funding. This Scope of Work and Cost Estimate will versioned the already obligated project. Table 1,2, and 3 contains the itemized list along with pricing based on actual vendor quotations as well as publicly available prevailing prices. Table 4 contains all three subtotals and total.

Table 1: BESS

Site	Equipment	Quantity	Unit Cost 20 year warranty	Estimated Cost
Daguao peakers	4-hour 1 MW power output battery	20	\$1,187,000.00	\$ 23,740,000.00
Yabucoa peakers	4-hour 1 MW power output battery	20	\$1,187,000.00	\$ 23,740,000.00
Jobos Peakers	4-hour 1 MW power output battery	20	\$1,187,000.00	\$ 23,740,000.00
Aguirre Power Plant	4-hour 1 MW power output battery	100	\$1,187,000.00	\$ 118,700,000.00
Camalache Power Plant	4-hour 1 MW power output battery	20	\$1,187,000.00	\$ 23,740,000.00
Vega Baja peakers	4-hour 1 MW power output battery	50	\$1,187,000.00	\$ 59,350,000.00
Palo Seco Power Plant	4-hour 1 MW power output battery	50	\$1,187,000.00	\$ 59,350,000.00
San Juan Power Plant	4-hour 1 MW power output battery	50	\$1,187,000.00	\$ 59,350,000.00
Total		430		\$510,410,000.00

Table 2: Critical Components

Name of the Plant	Description / Specifications	Unit Cost	Unit s	Total Cost
Costa Sur 5&6/Aguirre 1&2	Air heater baskets (cold and hot)	\$ 600,000	3	\$1,800,000

Costa Sur 5&6/Aguirre 1&2	Condensing Circulating Water Pump Vertical motor 1000HP, 4000/146	\$ 1,017,720	9	\$9,159,480
Costa Sur 5&6/Aguirre 1&2	Main Condensing Pump Vertical motor 500HP, 4000 / 66	\$ 602,826	8	\$4,822,608
Costa Sur 5&6/Aguirre 1&2	Boiler Circulating Water Pump Vertical Motor 700 HP, 4000/90	\$ 237,600	12	\$2,851,200
Costa Sur 5&6/Aguirre 1&2	Boiler Feed Pump Horizontal Motor 4500HP	\$ 477,265	8	\$3,818,122
Costa Sur 5&6/Aguirre 1&2	IDF Horizontal Motor 1750HP, 4000/580	\$ 534,000	8	\$4,272,000
Palo Seco 3&4	Air Heaters	\$ 900,000	1	\$900,000
Palo Seco 3&4	Hydrogen cooler	\$ 1,044,000	2	\$2,088,000
Palo Seco 3&4	Turning Gear Assembly	\$ 360,000	1	\$360,000
Palo Seco 3&4	Set of open and close hardware - honeycomb seals, etc.	\$ 4,200,000	1	\$4,200,000
Palo Seco 3&4	Reduction station atemperatures	\$ 72,000	2	\$144,000
Palo Seco 3&4	Fixed screens	\$ 102,000	7	\$714,000
Palo Seco 3&4	Fuel pump	\$ 96,000	2	\$192,000
Palo Seco 3&4	Breakers 480 & 4160	\$ 600,000	1	\$600,000
Palo Seco 4	Recirculating valves	\$ 96,000	2	\$192,000
Palo Seco 3&4	Acid pumps P3 and P4	\$ 60,000	2	\$120,000
Palo Seco 3&4	Boiler and bumers recirculation valves	\$ 20,400	2	\$40,800
Palo Seco 3&4	Spill over, cold reheat & superheater turbine seal steam valves	\$ 204,000	2	\$408,000
Palo Seco Lab.	Demi 4 tank inlet regulation valve	\$ 117,600	1	\$117,600
Aguirre CC 2-3	Turbine section Stage 1, 2 & 3	\$ 1,200,000	1	\$1,200,000
Aguirre CC 2-3	Torque converter	\$ 420,000	1	\$420,000
Aguirre CC 2-3	switch gears 4kv	\$ 750,000	2	\$1,500,000
Aguirre CC	cooling tower motors	\$ 33,600	10	\$336,000
Aguirre CC 2-3	generator breaker 13kv	\$ 600,000	1	\$600,000

Cambalache 3	Fill shutoff valves	\$ 122,400	1	\$122,400
Cambalache 3	Trip shutoff valve	\$ 122,400	1	\$122,400
Cambalache 3	Nozzle valve	\$ 108,000	1	\$108,000
Cambalache 3	leakage valve	\$ 108,000	1	\$108,000
Cambalache 3	fuel control valve	\$ 42,000	1	\$42,000
Cambalache	leak detection system - fuel transfer line	\$ 600,000	1	\$600,000
Cambalache	demin water resin	\$ 480,000	1	\$480,000
Cambalache 2,3	steam bypass valve	\$ 336,000	2	\$672,000
Cambalache 2,3	steam release valve	\$ 132,000	2	\$264,000
Cambalache	fire protection system	\$ 360,000	1	\$360,000
Cambalache	generator breaker 13kv	\$ 600,000	1	\$600,000
Cambalache	high speed control	\$ 1,200,000	1	\$1,200,000
Cambalache 2,3	safety valve	\$ 35,000	4	\$140,000
Mayaguez	Fuel skid pumps	\$ 18,000	1	\$18,000
Mayaguez	Fuel skid solenoid valves	\$ 18,000	2	\$36,000
Mayaguez	Fuel Transfer valve	\$ 12,000	1	\$12,000
Mayaguez	Clutch removal kit	\$ 36,000	5	\$180,000
Mayaguez	DCS	\$ 3,876,000	1	\$3,876,000
Mayaguez	Demin RO system pump	\$ 180,000	2	\$360,000
Mayaguez	EDI system	\$ 30,000	2	\$60,000
Mayaguez	PI-DAS System	\$ 168,000	1	\$168,000
Costa Sur 5&6/Aguirre 1&2	Boiler feed water pumps	\$ 2,040,000	6	\$12,240,000
Costa Sur 5&6	Feedwater Heaters 6	\$ 1,800,000	2	\$3,600,000

Costa Sur 5&6	Feedwater Heaters 7	\$ 2,880,000	2	\$5,760,000
Costa Sur 5&6/Aguirre 1&2	Continuous Condenser Wash	\$ 600,000	1	\$600,000
Aguirre 1	Feedwater Heaters 7	\$ 3,600,000	1	\$3,600,000
Aguirre 2	Feedwater Heaters 3	\$ 3,600,000	2	\$7,200,000
San Juan 5 & 6	GT fully bladed rotor (deobligar costo de reparacion en child)	\$ 10,800,000	1	\$10,800,000
Palo Seco 3	Water heater 5	\$ 2,400,000	1	\$2,400,000
Palo Seco 3&4	Deareator pump recirculation valves	\$ 108,000	2	\$216,000
Palo Seco 3&4	Feedwater heaters & Boiler lead valves actuators	\$ 24,000	10	\$240,000
San Juan 5	Continuous Condenser Wash	\$ 2,880,000	1	\$2,880,000
San Juan 7	Continuous Condenser Wash	\$ 2,880,000	1	\$2,880,000
San Juan 7	Circulating pumps	\$ 36,000	2	\$72,000
San Juan 5,6,7	Traveling screens	\$ 1,200,000	1	\$1,200,000
San Juan 7	cooling tower	\$ 2,040,000	1	\$2,040,000
Aguirre CC 2-3	GT compressor rotor	\$ 6,360,000	1	\$6,360,000
Aguirre CC	Condensing Circulating Water Pump	\$ 1,320,000	2	\$2,640,000
Aguirre CC	boiler feed pumps	\$ 1,080,000	2	\$2,160,000
Aguirre CC 2-3	Exhaust duct	\$ 480,000	1	\$480,000
Cambalache	overhead crane	\$ 900,000	1	\$900,000
Cambalache	feedwater pump and motor	\$ 180,000	1	\$180,000
Cambalache 1,2,3	Starting Frequency Converter Transformer	\$ 84,000	1	\$84,000
Cambalache	DCS	\$ 3,600,000	1	\$3,600,000
San Juan 5 & 6	GT compressor wash	\$ 600,000	2	\$1,200,000
Total				\$ 123,716,610.00

Table 3: Fuel Efficiency Improvement

Location/Facility	Initiative	Estimated Cost	Quantity	Total Cost
Costa Sur 5 & 6	tubes of the low pressure feedwater heaters 1A, 1B, 2 y 3	\$ 1,000,000	8	\$ 8,000,000
Costa Sur 5 & 6	air preheater sootblowers system	\$ 500,000	4	\$ 2,000,000
Costa Sur 5 & 6	steam coils	\$ 1,250,000	4	\$ 5,000,000
Costa Sur 5 & 6	Condenser Continuous Cleaning System	\$ 2,460,000	2	\$ 4,920,000
Costa Sur 5 & 6	Cold Reheat reducing Station	\$ 2,100,000	2	\$ 4,200,000
Costa Sur 5 & 6	Variable frequency Drives for IDF Motors	\$ 1,250,000	4	\$ 5,000,000
Costa Sur 5 & 6	Variable frequency Drives for FDF Motors	\$ 1,250,000	4	\$ 5,000,000
Costa Sur 5 & 6	Variable frequency Drives for BFWP Motors	\$ 10,000,000	2	\$ 20,000,000
Aguirre 1	steam coils	\$ 1,250,000	2	\$ 2,500,000
Aguirre 2	steam coils	\$ 1,250,000	2	\$ 2,500,000
Aguirre 1 & 2	Continuous Condenser Wash	\$ 2,460,000	1	\$ 2,460,000
Palo Seco 3	Water Heater 5	\$ 2,000,000	1	\$ 2,000,000

San Juan 5 & 6	Combustion Turbine (CT) Compressor Online/Offline Water Wash System	\$ 500,000	2	\$ 1,000,000
San Juan 7	Condenser: Overhauling Debris Filters; Continuous Cleaning System	\$ 2,300,000	1	\$ 2,300,000
San Juan 5, 6 & 7	Traveling Screens	\$ 2,000,000	1	\$ 2,000,000
Mayaguez	Demi Water Injection in the compressor	\$ 2,000,000	3	\$ 6,000,000
Total				\$ 74,880,000.00

Table 4: Totals

Category	Cost
BESS	\$510,410,000.00
Critical Components	\$ 123,716,610.00
Fuel Efficiency Improvement	\$ 74,880,000.00
	\$ 709,006,610.00

Cost Estimate: Equipment and Materials:

- A. Battery Banks Packages – Battery Major Parts
- B. Critical Components
- C. Fuel Efficiency Improvements

Work to be Completed (WTBC): \$ 709,006,610.00

V2 Total = Version 1 + Change Requested = \$797,183,125.20 + \$709,006,610.00 = \$ 1,506,189,735.20

VERSION SUMMARY OF KEY CHANGES

Version 0: \$ 656,101,430

Version 1: Cost Change (Additional Funds) 141,081,695.20

Version 2: Cost Change (Additional Funds) \$709,006,610.00

Version 2 Total Project Cost: \$1,506,189,735.20

Project Notes:

1. For additional scope of work information please refer to uploaded document: *"Equipment and Materials SOW V2.pdf"*.
2. This project is part of a FFAST project, please reference project 136271.

***** End of Version 2 *****

406 HMP Scope

Project consist of equipment and Material procurement only. There is no HM opportunity for this project. Note: Part of these materials will be used as part of HM measures for another projects.

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 (funds from Parent Project 136271 MEPA078 Puerto Rico Electrical Power Authority Island Wide FAASt Project) V1)	1.00	Lump Sum	\$141,081,695.20	Uncompleted
9001 (Contract (funds from Parent Project 136271 MEPA078 Puerto Rico Electrical Power Authority Island Wide FAASt Project) V0)	1.00	Lump Sum	\$656,101,430.00	Uncompleted
9001 (Contract (funds from Parent Project 136271 MEPA078 Puerto Rico Electrical Power Authority Island Wide FAASt Project) V2)	1.00	Lump Sum	\$709,006,610.00	Uncompleted

CRC Gross Cost \$1,506,189,735.20

Total 406 HMP Cost \$0.00

Total Insurance Reductions \$0.00

CRC Net Cost \$1,506,189,735.20

Federal Share (90.00%) \$1,355,570,761.68

Non-Federal Share (10.00%) \$150,618,973.52

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-10710(11887)	\$656,101,430.00	90%	\$590,491,287.00	6/9/2022
1	Eligible	Awarded	PA-02-PR-4339-PW-10710(12664)	\$141,081,695.20	90%	\$126,973,525.68	10/14/2022
2	Eligible	Awarded	PA-02-PR-4339-PW-10710(14613)	\$709,006,610.00	90%	\$638,105,949.00	12/28/2023

Drawdown History

EMMIE Drawdown Status As of Date	IFMIS Obligation #	Expenditure Number	Expended Date	Expended Amount
8/22/2022	4339DRPRP00107101	20172Y8D-08182022	8/17/2022	\$147,622,821.80
3/3/2023	4339DRPRP00107101	20172Y8D-03022023	3/1/2023	\$31,743,381.42

Obligation History

Version #	Date Obligated	Obligated Cost	Cost Share	IFMIS Status	IFMIS Obligation #
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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

12/4/2023

GENERAL INFORMATION

Event: DR4339-PR

Project: SP 673691

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: CRC Gross Cost \$1,506,189,735.20

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) #1231434:

FAAST [Equipment and Materials]

Location Description: Islandwide

GPS Coordinates: 18.45098, -66.07631

Cause of Loss: Wind / Wind Driven Rain

SOV / Schedule #: As per policy

SOV / Schedule Amount: As per policy

Applicable Deductible Amount: As per policy

Damage Inventory Amount: CRC Gross Cost \$1,506,189,735.20

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Prior Obtain and Maintain Requirement:

No prior insurance requirements were found for this facility. -

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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.

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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 [Equipment and Materials] in the amount of \$1,241,117,902.20 (CRC Gross Cost \$1,506,189,735.20 – Uninsurable Items (Distribution & Transmission System) \$265,071,833.00). Please see "673691-DR4339-Long Lead Items T&D Rev.1" file.

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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).

...

5. If an applicant has an insurance requirement from a previous event:

a. FEMA will reduce assistance by the actual or anticipated insurance proceeds, or the amount of insurance required in the previous disaster, whichever is greater.

b. FEMA will only consider insolvent insurers, legal fees, or apportionment of proceeds as described in Section VII, Part 2(A)(3) and (4) when the applicant's anticipated or actual insurance proceeds are higher than the amount of insurance required in the previous disaster.

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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").

...

4. If the applicant's anticipated or actual insurance proceeds are higher than the amount of insurance required in the previous disaster, FEMA will reduce assistance by that amount in accordance with Section VII, Part 2(A) of this policy.

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:

- a. 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
- b. 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 FFAST [Equipment and Materials] in the amount of \$1,241,117,902.20.	\$1,241,117,902.20

406 Mitigation

There is no additional mitigation information on **FAAST [Equipment and Materials]**.

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.
- 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 with the requirements of the local and federal agencies. Noncompliance with these requirements may jeopardize receipt of federal funds.
- NEPA Determination: Any additional storage/staging areas must be identified and must be provided, before or at close-out. Storage activities must occur on previously disturbed land or in existing facilities.

EHP Additional Info

There is no additional environmental historical preservation on **FAASt [Equipment and Materials]**.

Final Reviews

Final Review

Reviewed By Amaro, Luis N.

Reviewed On 12/08/2023 1:42 PM AST

Review Comments

LNA 12/08/23. This project has been reviewed, found eligible and cost reasonable, and it is ready to continue the award process.

Recipient Review

Reviewed By Salgado, Gabriel

Reviewed On 12/08/2023 4:55 PM AST

Review Comments

Recipient review completed. Applicant must ensure to compliance with all regulatory requirements and PA policy. 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 \$1,506,189,735.20 for subaward number 10710 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 Vallejo, Frances

Signed On 12/08/2023