

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

NEPR Received: Nov 13, 2024 1:57 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
for the Equipment and Materials Project for
Project #673691

**MOTION TO SUBMIT FEMA APPROVAL FOR THE EQUIPMENT
AND MATERIALS PROJECT FOR PROJECT #673691**

TO THE HONORABLE PUERTO RICO ENERGY BUREAU:

COMES NOW GENERA PR LLC (“Genera”), as agent of the Puerto Rico Electric Power Authority (“PREPA”), 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 submittal 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 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 Puerto Rico Public-Private Partnerships Authority (“P3A”) executed the Puerto Rico Thermal Generation Facilities Operation and Maintenance Agreement (“LGA OMA”). According 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 about any matter related to the performance of the Operation and Maintenance (“O&M”) services provided by Genera under the LGA OMA. Further, Genera is the sole entity responsible for procuring and administering federal funds for projects related to the LGA.

3. On January 18, 2024, Genera filed a document titled *Motion to Submit Equipment and Material Projects Information in Response to the Resolution and Order Dated January 10, 2024* (“January 18th Motion”), which included as “Exhibit A” a document titled *Equipment and Materials Project for Project #673691* previously submitted to FEMA.

4. On February 12, 2024, Genera filed a document titled *Motion to Submit FEMA Approval in Compliance with the Resolution and Order Dated February 1, 2024* (“February 12th Motion”), in which Genera included as Exhibit A the FEMA-approved SOWs for (i) Battery Energy Storage System (BESS), (ii) Critical Components, and (iii) Fuel Efficiency Improvement projects.

5. On April 23, 2024, the Energy Bureau issued a Resolution and Order titled *Resolution and Order to Motion to Submit FEMA Approval in Compliance with Resolution and Order Dated February 1, 2024, filed by Genera on February 12, 2024* (“April 23rd Resolution”). In the April 23rd Resolution, the Energy Bureau determined the projects submitted with the April 15th Motion are necessary to improve the reliability and resiliency of the electrical system, achieve fuel efficiency, reduce environmental impact, and increase the safety of personnel and equipment;

thus, it approved the projects listed in Attachment A to April 23rd Resolution. Genera was instructed to present these projects to COR3 and FEMA to finalize the approval process for requesting federal funds. Furthermore, if the scope of the project changes or if the request for federal funds is denied, Genera must immediately seek the Energy Bureau's approval for any such changes. Consequently, the Energy Bureau ordered Genera to: (i) submit a copy of the approval by COR3 and FEMA for the projects in Attachment A, including the obligated cost, within ten (10) days of receiving the approval; (ii) provide the actual contracted cost to construct the projects in Attachment A within ten (10) days of contract execution; and (iii) inform the Energy Bureau once the projects are completed.

6. On November 1, 2024, FEMA obligated \$1,382,423,973.30 for version 6 of the Equipment and Material Project, Project #673691. In compliance with the April 4th Resolution and April 23rd Resolutions, Genera hereby submits to the Energy Bureau a copy of FEMA's approval for the amendment request for version 6 of Project #673691, including the obligated cost, as Exhibit A to this motion.

WHEREFORE, Genera respectfully requests that this Energy Bureau **take notice** of the above for all purposes and deem Genera to be in compliance with the April 4th Resolution and April 23rd Resolution.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 13th day of November of 2024.

ECIJA SBGB
PO Box 363068
San Juan, Puerto Rico 00920
Tel. (787) 300.3200
Fax (787) 300.3208

/s/ Jorge Fernández-Reboredo
Jorge Fernández-Reboredo

jfr@sbglaw.com
TSPR 9,669

/s/ Alejandro López-Rodríguez
Alejandro López-Rodríguez
alopez@sbglaw.com
TSPR 22,996

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 PREPA's counsel, Mirelis Valle Cancel, at mvalle@gmlex.net, and Alexis Rivera, at arivera@gmlex.net; 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 13th day of November 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]	Event	4339DR-PR (4339DR)
Project Size	Large	Declaration Date	9/20/2017
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 #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]

*****Version 6*****

Version 6 created to incorporate GENERA and LUMA Scope of Works and Amendments. In previous versions, a total of \$1,539,668,063.20 was awarded in support of Applicant's purchases and storing of selected materials and equipment. LUMA prepared an itemized list along with the average unit prices that were leveraged to forecast the material and equipment costs used to estimate the required value. See attachment document in GM labeled: "4339DR- 673691 FAASt Equipment and Materials V5- Peakers 8-28-2024.pdf".

SOW from previous version has been removed from current SOW. It can be found in the "Versioning and Amendments" tab in GM.

GENERA Amendment Request for Version 6

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 contains the itemized list along with pricing based on actual vendor quotations as well as publicly available prevailing prices.

Table 1

Grid Support Units - Equipment Only

Combustion Turbine Generators (CTGs) – 2 x 50 MW Units	\$ 114,586,223
CTG Auxiliary Equipment	\$ 85,920,192
Reciprocating Internal Combustion Engines (RICE) – 8 x 18 MW Units	\$ 189,856,888
RICE Auxiliary Equipment	\$ 68,560,394
TOTAL	\$458,923,697

Notes:

- 15% contingency on as received pricing from Wartsila & Siemens for generating equipment and auxiliaries.
- Equipment includes generating equipment and auxiliaries

LUMA Amendment Request for Version 6

This amendment request seeks to update the cost estimates for materials and equipment required for the reconstruction and repair of Puerto Rico's Electrical Grid System. To better align the estimated cost, an amendment has been requested to update the cost to replace items identified by a category. The updates are based on new estimates and actual costs gathered during the project's formulation. To date, the project has been versioned as follows:

- Version 0 was written to allow the Subrecipient to purchase materials and equipment to eliminate, or minimize, any potential construction schedule impacts related to Substation, Distribution, Transmission and ITOT projects. Initial Obligation was for a total \$656,101,430.
- Version 1 was obligated to capture additional Subrecipient purchase cost associated with Generation. Obligation of v1 was for a total \$141,081,695.20.
- Version 2 documented additional Subrecipient materials and equipment and the associated increase in cost for additional funding to be obligated based on Generation estimates. Obligation of v2 was for a total \$709,006,610.
- Version 3 was drafted to include additional language to support the projection in overall quantities and the listed items for the material and equipment to be purchased. Obligation was for \$0, as it was only written to update the language in the scope of work.
- Version 4 was written to add cost associated with Generation. Obligation of v4 added \$33,478,328 for additional equipment and materials.

This amendment has been submitted to adjust the quantity and cost identified in previous versions. This adjustment will also provide clarification of categories, labels, and inventory titles for the equipment and materials to be purchased for replacement. By adjusting the cost to reflect a better estimate, the Subrecipient will be capturing an estimated cost that is more in line with actual cost for material and equipment within the scope of work of the project. The updated estimate is based on estimates and actual cost collected and identified in preparation of gathering details and information for formulation.

This amendment request will result in an increase in the obligation amount for a total of \$2,616,771,003 (Anticipated V4 Obligation Amount totaling \$1,539,668,063.20 + V6 Amendment Request totaling \$1,077,102,940). This amount is an increase of \$1,077,102,940, which is a result of additional quantities for equipment/materials and an update to the cost of equipment/materials based on actual vendor quotations, available data, historical trends, and any other additional information to support reasonable cost.

- Previous Obligation Total (V4): \$1,539,668,063.20
- Amendment Request (V6): \$1,077,102,940
- New Obligation Total: \$2,616,771,003

Quantities and Total Estimated Cost have been separated by Asset and Category (Equipment/Material). The formulation of the amendment request was created to identify specific grouping to allow for efficient obligation, reimbursement, and closeout of the project by providing a sufficient level of detail to validate that all components correspond with the agreed upon scope of work and cost estimate.

As outlined in the table below, changes to the quantities and estimated cost have been identified when comparing Version 3 to this amendment request. Please note that all line items, to be addressed in this version, have been identified, as follows:

Asset	Category - Label	Unit of Measure	Quantity of Materials & Equipment	Cost of Materials & Equipment	Version 3 Quantities	Version 3 Estimated Cost	Additional Quantities in V6	Additional Cost in V6
Distribution	Pole Mount Capacitor Banks	EA	1,650	\$23,203,600				
Distribution	Overhead & Underground cFCI	EA	11,000	\$56,000,000				
Distribution	Distribution Pole 35ft-60ft	EA	52,088	\$255,456,208	31,555	\$56,477,161	20,533	\$198,979,047
Distribution	3 Phase & 1 Phase Reclosers	EA	17,000	\$135,918,720	5,800	\$67,405,000	11,200	\$68,513,720
Distribution	Voltage Regulators	EA	180	\$12,096,000				
Distribution	Bypass Switches	EA	4,500	\$20,160,000				
Distribution	Pole Mount Transformers 13kVA-100kVA	EA	23,240	\$73,626,560	6,000	\$16,185,000	17,240	\$57,441,560

Microgrid	BESS Battery Units 25MW	EA	4	\$112,000,000				
Microgrid	PMU & Optical Sensors	EA	353	\$6,214,764				
Substation	GOAB 15kV-230kV	EA	1,317	\$29,011,920	1,292	\$34,197,800	25	(\$5,185,880)
Substation	Breakers 38kV - 230kV	EA	703	\$55,441,120	289	\$34,515,000	414	\$20,926,120
Substation	GIS 15kV - 230kV	EA	50	\$320,200,524	48	\$176,711,600	2	\$143,488,924
Substation	Mobile Substation	EA	6	\$19,040,000	6	\$14,430,000	0	\$4,610,000
Substation	Relay Modules	EA	1,590	\$16,032,455				
Substation	Substation Transformers 38kV-230kV	EA	100	\$417,095,297	18	\$32,740,500	82	\$384,354,797
Telecom	Telecom Enclosures	EA	9,398	\$57,561,567				
Telecom	Networking Equipment	EA	2,661	\$56,820,805	784	\$25,845,300	1,877	\$30,975,505
Transmission	Pole 70'-95'	EA	5,857	\$67,324,834	8,038	\$80,603,900	(2,182)	(\$13,279,066)
				\$1,733,204,373		\$539,111,261		\$890,824,727
Categories not included in v6								
Distribution	Conductor 4kV-15kV	FT			6,785,820	\$6,912,178		
Distribution	Insulators 4kV-15kV	EA			22,908	\$1,489,020		
Distribution	Fiberglass Crossarms	EA			12,000	\$2,987,400		
Transmission	Structures 38kV-230kV	EA			50	\$934,700		
Transmission	Conductor 38kV-230kV	FT			13,800,000	\$54,580,500		
Transmission	Insulators 38kV-230kV	EA			50,497	\$5,937,952		
Transmission	Insulators 38kV-230kV (2)	EA			45,855	\$4,724,242		
Transmission	Anchors	EA			751,778	\$9,402,148		
Transmission	Hardware Kits 38kV-230kV	EA			3,390,583	\$22,027,423		
Transmission	OPGW/OHSW	FT			3,440,000	\$2,810,209		
Major Equipment	Motor Operated Disconnect 46 KV	EA			31	\$676,000		
Telecom	Microwave Radios	EA			22	\$1,378,000		
Telecom	Radio Land Mobile Radio (LMR)	EA			14	\$3,130,400		
						\$116,990,172		
				\$1,733,204,373		\$656,101,433		\$1,077,102,940

New line items have been identified and included in this amendment, as follows:

Asset	Category - Label	Quantity	Cost
Distribution	Pole Mount Capacitor Banks	1,650	
Distribution	Overhead & Underground cFCL	11,000	
Distribution	Voltage Regulators	180	
Distribution	Bypass Switches	4,500	
Microgrid	BESS Battery Units 25MW	4	
Microgrid	PMU & Optical Sensors	353	
Substation	Relay Modules	1,590	
Telecom	Telecom Enclosures	9,398	

Line items, in the previous versions, are being removed based on the necessity of the categories, as follows:

Asset	Category - Label	Unit of Measure	Quantity	Cost
Categories not included in v5				
Distribution	Conductor 4kV-15kV	FT	6,785,820	
Distribution	Insulators 4kV-15kV	EA	22,908	
Distribution	Fiberglass Crossarms	EA	12,000	
Transmission	Structures 38kV-230kV	EA	50	
Transmission	Conductor 38kV-230kV	FT	13,800,000	
Transmission	Insulators 38kV-230kV	EA	50,497	
Transmission	Insulators 38kV-230kV (2)	EA	45,855	
Transmission	Anchors	EA	751,778	
Transmission	Hardware Kits 38kV-230kV	EA	3,390,583	
Transmission	OPGW/OHSW	FT	3,440,000	
Major Equipment	Motor Operated Disconnect 46 KV	EA	31	
Telecom	Microwave Radios	EA	22	
Telecom	Radio Land Mobile Radio (LMR)	EA	14	

Amendment Request for Version 6 was requested to accurately track and document the equipment and materials to be purchased for work to be completed on FAAST projects. The current approved amount is \$656,101,433 for Assets (Distribution, Transmission, Substation, Telecommunications). This version was originally estimated to increase the funding for equipment and materials from \$656,101,433 to \$3,568,675,761 by an additional \$2,945,635,919. The initial list of equipment and materials was modified to address items currently needed and most critical to continue with repairs for Puerto Rico's Electrical Grid Island wide, to include Culebra and Vieques. Quantities were adjusted, and multiple line items presented were removed to address the concern of available funding in the Fixed Cost Estimate Grant Obligation.

A subsequent version will be requested which will add additional line items and associated cost not included in this amendment request. Upon completion of an evaluation of the Detailed Scopes of Work for individual repair/replacement projects for the Assets (Distribution, Transmission, Substation, Telecommunications), a subsequent version request will be requested, and funding for materials and equipment will be reallocated from the individual projects to the main Equipment and Materials Project. Equipment and Materials quantities, including associated cost, will be de-obligated from the associated FAASTs project and re-obligated into the FAASTs 673691 / PW 10710.

In regard to additional cost to be captured in a future version, this amendment request does not include or address any cost for 406 Hazard Mitigation associated with the individual line items. A hazard mitigation proposal will be developed and presented for FEMA to make an eligibility determination. A subsequent amendment request will address hazard mitigation for items included in this version and subsequent versions with the presentation of the Hazard Mitigation Strategy and/or Matrix for each individual asset.

Attachment:

673691-10710 Equipment Material List

Cost Estimate: Equipment and Materials: Genera + LUMA

Work to be Completed (WTBC): \$ 458,923,697.00 + \$1,077,102,940 = **\$1,536,026,637.00**

V6 Total = V4 + Genera Change Requested + LUMA Change Requested = \$1,539,668,063.20 + \$458,923,697.00 + \$1,077,102,940 = **\$3,075,694,700.20**

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 3: No cost change (Align itemized list from Version 0)

Version 4: Cost Change (Additional Funds) \$33,478,328.00

Version 5: Event has been migrated to GM Only, no action will be taken in EMMIE

Version 6: Cost Change (Genera + LUMA) (Additional Funds) \$1,536,026,637.00

Project Notes:

1. Refer to the detailed SOW provided in document [4339DR- 673691 FAASt Equipment and Materials V5- Peakers 8-28-2024-1.pdf](#), [673691 Amendment Request Version 5 07122024.pdf](#) and [673691-Amendment Request Version 5 LUMA Excel.xlsx](#).
2. For additional itemized list please refer to uploaded document: [673691 - DR4339-Long Lead Items T&D Rev.2B.pdf](#)
3. This project is part of a FAAST project, please reference project 136271.

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.

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 FAAS Project) V4)	1.00	Lump Sum	\$33,478,328.00	Uncompleted
9001 (Contract (funds from Parent Project 136271 MEPA078 Puerto Rico Electrical Power Authority Island Wide FAAS 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 FAAS Project) V5)	1.00	Lump Sum	\$458,923,697.00	Uncompleted
9001 (Contract (funds from Parent Project 136271 MEPA078 Puerto Rico Electrical Power Authority Island Wide FAAS 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 FAAS Project) V2)	1.00	Lump Sum	\$709,006,610.00	Uncompleted
9001 (Contract (funds from Parent Project 136271 MEPA078 Puerto Rico Electrical Power Authority Island Wide FAAS Project) V6 LUMA)	1.00	Lump Sum	\$1,077,102,940.00	Uncompleted

CRC Gross Cost	\$3,075,694,700.20
Total 406 HMP Cost	\$0.00
Total Insurance Reductions	\$0.00
<hr/>	
CRC Net Cost	\$3,075,694,700.20
Federal Share (90.00%)	\$2,768,125,230.18
Non-Federal Share (10.00%)	\$307,569,470.02

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
3	Eligible	Awarded	PA-02-PR-4339-PW-10710(14805)	(\$709,006,610.00)	90%	(\$638,105,949.00)	3/5/2024
4	Eligible	Awarded	PA-02-PR-4339-PW-10710(14854)	\$709,006,610.00	90%	\$638,105,949.00	3/7/2024
5	Eligible	Notified		\$0.00	90%	\$0.00	
6	Eligible	Awarded	PA-02-PR-4339-PW-10710(15487)	\$33,478,328.00	90%	\$30,130,495.20	7/12/2024

Drawdown History

EMMIE Drawdown Status As of Date	IFMS 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
3/18/2024	4339DRPRP00107101	20172Y8D-03152024	3/14/2024	\$159,526,487.25
10/4/2024	4339DRPRP00107101	20172Y8D-10032024	10/2/2024	\$892,425.00

Obligation History

Version #	Date Obligated	Obligated Cost	Cost Share	IFMS Status	IFMS Obligation #
1	10/14/2022	\$126,973,525.68	90%	Accepted	4339DRPRP00107101
3	3/5/2024	(\$638,105,949.00)	90%	Accepted	4339DRPRP00107101
4	3/7/2024	\$638,105,949.00	90%	Accepted	4339DRPRP00107101
0	6/9/2022	\$590,491,287.00	90%	Accepted	4339DRPRP00107101
2	12/28/2023	\$638,105,949.00	90%	Accepted	4339DRPRP00107101
5	7/12/2024	\$30,130,495.20	90%	Accepted	4339DRPRP00107101
6	11/1/2024	\$1,382,423,973.30	90%	Validation Error	4339DRPRP00107101
6	11/1/2024	\$1,382,423,973.30	90%	Accepted	4339DRPRP00107101

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

10/2/2024

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.

Jorge Parrilla, PA Insurance Specialist

CRC Atlantic, Guaynabo, PR

9/17/2024

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: \$3,075,694,700.20 (CRC Gross Cost)

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 \$3,075,694,700.20

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:

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 [Equipment and Materials] in the amount of \$2,317,844,006.68 (CRC Gross Cost \$3,075,694,700.20 - Uninsurable Items (Distribution & Transmission System) \$757,850,693.52). Please, see "PW10710 FEMA Sub Amend: 82624-Ins" file.

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.

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.

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 [Equipment and Materials] in the amount of \$2,317,844,006.68.	\$2,317,844,006.68

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.
- 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.
- 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.
- The Applicant shall transport, handle, manage, storage, and use all types of hazardous/dangerous goods in accordance with requirements of local, state, and federal laws, regulations, and ordinances.

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 10/11/2024 8:55 AM AST

Review Comments

LNA 10/11/24. 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 10/11/2024 9:36 AM 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 \$3,075,694,700.20 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 Sanchez, Maria

Signed On 10/11/2024