

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

NEPR
Received:
Jul 7, 2026
6:32 PM

IN RE:
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 Submitting Two (2) FEMA
Approvals of Project, Request for Confidential
Treatment, and Supporting Memorandum of Law

**MOTION SUBMITTING TWO (2) FEMA APPROVALS OF PROJECT, REQUEST FOR
CONFIDENTIAL TREATMENT AND SUPPORTING MEMORANDUM OF LAW
TO THE PUERTO RICO ENERGY BUREAU:**

**COME NOW LUMA Energy, LLC, and LUMA Energy ServCo, LLC, (jointly referred
to as "LUMA"), through the undersigned legal counsel and, respectfully submits the following:**

I. Submittal of Two FEMA Approvals and Request for Confidentiality

1. On March 26, 2021, this Honorable Puerto Rico Energy Bureau ("Energy Bureau") issued a Resolution and Order in the instant proceeding, ordering, in pertinent part, that the Puerto Rico Electric Power Authority ("PREPA") submit to the Energy Bureau the specific transmission and distribution projects ("T&D Projects" or "Projects") to be funded with Federal Emergency Management Agency ("FEMA") funds or any other federal funds at least thirty (30) calendar days prior to submitting these Projects to the Puerto Rico Central Office for Recovery, Reconstruction and Resiliency ("COR3"), FEMA or any other federal agency ("March 26th Order"). It also directed PREPA to continue reporting to the Energy Bureau and FEMA, within the next five years, on the progress of all ongoing efforts related to the approval of the submitted Projects that have

not yet been approved by the Energy Bureau.¹ The Energy Bureau thereafter determined that this directive should be applied to PREPA and LUMA. *See* Resolution and Order of August 20, 2021.

2. On April 24, 2023, LUMA submitted a *Motion Submitting Scope of Work and Request for Confidentiality and Supporting Memorandum of Law* (“April 24th Motion”), whereby it submitted one (1) SOW for the Energy Bureau’s review and approval prior to submitting it to COR3 and FEMA (“April 24th Motion”). The SOW submitted by LUMA was for the “Island-Wide Vegetation Clearing” T&D Project.

3. On May 5, 2023, the Energy Bureau issued a Resolution and Order in which it approved the “Island-Wide Vegetation Clearing” SOW and determined it necessary to improve the system’s reliability (“May 5th Order”). Further, the Energy Bureau ordered LUMA to submit a copy of the approval by COR3 and/or FEMA of the projects, which shall contain the costs obligated for each project within ten (10) days of receiving such approval.

4. As shown in Exhibit 5 of the Motion filed on July 31, 2024, *Motion Submitting Three Amended Scopes of Work, and One Scope of Work, an Updated Project List, and Request for Confidentiality and Supporting Memorandum of Law*, and most recently in Exhibit 1 of the Motion filed on October 27, 2025, *Motion Submitting LUMA’s Consolidated List with Costs Incurred for Obligated Projects*, the “Island-Wide Vegetation Clearing” SOW was divided into separate projects, by group, which include, among others, the “FAASt [Region 6 -Ponce Group A] Low Density (Vegetation)” and the “FAASt [Ponce Region 6 Line 4800 (38kV) – Toro Negro to Aibonito, Santa Isabel] (Vegetation)” T&D Projects. *See Id.*

¹ On April 22, 2026, the Energy Bureau issued a Resolution and Order (“April 22nd Order”), in which it extended the March 26th Order’s reporting period for an additional five (5) years. *See* April 22nd Order, p.2. The Energy Bureau stated that all the other provisions of the March 26th Order would remain in full force and effect. *Id.*

5. In compliance with the May 5th Order, LUMA hereby submits a copy of the “FAASt [Region 6 – Ponce Group A] Low Density (Vegetation)” and the “FAASt [Ponce Region 6 Line 4800 (38kV) – Toro Negro to Aibonito, Santa Isabel] (Vegetation)” T&D Projects approval by FEMA, which were obligated on June 29, 2026. *See Exhibit 1*² to this Motion. The document contains FEMA’s approvals and includes the costs obligated for each Project.

6. LUMA is submitting herein a redacted public version of the FEMA approvals (**Exhibit 1**) protecting confidential information associated with Critical Energy Infrastructure Information (“CEII”). As explained in this Motion, portions of the FEMA approvals of the aforementioned T&D Projects are protected from disclosure as CEII, *see, e.g.*, 6 U.S.C. §§ 671-674; 18 C.F.R. § 388.113 (2020), and pursuant to the Energy Bureau’s Policy on Management of Confidential Information. *See* Energy Bureau’s Policy on Management of Confidential Information, CEPR-MI-2016-0009, issued on August 31, 2016, as amended by Resolution dated September 20, 2016.

II. Memorandum of Law in Support of Request for Confidentiality

A. Applicable Laws and Regulations to Submit Information Confidentially Before the Energy Bureau

7. The bedrock provision on the management of confidential information filed before this Energy Bureau, is Section 6.15 of Act 57-2014, known as the “Puerto Rico Energy Transformation and Relief Act.” It provides, in pertinent part, that: “[i]f any person who is required to submit information to the [Energy Bureau] believes that the information to be submitted has any confidentiality privilege, such person may request the [Energy Bureau] to treat such information as such [...]” 22 LPRA § 1054n (2025). If the Energy Bureau determines, after appropriate

² Please note that **Exhibit 1** has digitalization and table format issues, which are found on the documents as issued by FEMA.

evaluation, that the 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.* § 1054n(a).

8. Access to confidential information shall be provided “only to the lawyers and external consultants involved in the administrative process after the execution of a confidentiality agreement.” *Id.* § 1054n(b). Finally, Act 57-2014 provides that this Energy Bureau “shall keep the documents submitted for its consideration out of public reach only in exceptional cases. In these cases, 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. However, the [Energy Bureau] shall direct that a non-confidential copy be furnished for public review.” *Id.* § 1054n(c).

9. Relatedly, in connection with the duties of electric power service companies, Section 1.10 (i) of Act 17-2019 provides that electric power service companies shall provide the information requested by customers, except for confidential information in accordance with the Rules of Evidence of Puerto Rico.

10. Moreover, the Energy Bureau’s Policy on Management of Confidential Information details the procedures a party should follow to request that a document or portion thereof be afforded confidential treatment. In essence, the referenced Policy requires identifying confidential information and filing a memorandum of law explaining the legal basis and support for a request to file information confidentially. *See* CEPR-MI-2016-0009, Section A, as amended by the Resolution of September 20, 2016, CEPR-MI-2016-0009. The memorandum should also include a table that identifies the confidential information, a summary of the legal basis for the confidential

designation, and why each claim or designation conforms to the applicable legal basis of confidentiality. *Id.* at ¶ 3. The party that seeks confidential treatment of information filed with the Energy Bureau must also file both a “redacted” or “public version” and an “unredacted” or “confidential” version of the document that contains confidential information. *Id.* at ¶ 6.

11. The Energy Bureau’s Policy on Management of Confidential Information states the following with regard to access to validated CEII:

Critical Energy Infrastructure Information (“CEII”)

The information designated by the [Energy Bureau] as Validated Confidential Information on the grounds of being CEII may be accessed by the parties’ authorized representatives only after they have executed and delivered the Nondisclosure Agreement.

Those authorized representatives who have signed the Non-Disclosure Agreement may only review the documents validated as CEII at the [Energy Bureau] or the Producing Party’s offices. During the review, the authorized representatives may not copy or disseminate the reviewed information and may bring no recording device to the viewing room.

Id. at § D (on Access to Validated Confidential Information).

12. Regulation No. 8543, *Regulation on Adjudicative, Notice of Noncompliance, Rate Review, and Investigation Proceedings*, also includes a provision for filing confidential information in proceedings before this Energy Bureau. To wit, Section 1.15 provides that “a person has the duty to disclose information to the [Energy Bureau] 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 [that] the material merits protection, proceed according to [...] Article 6.15 of Act No. 57-2015, as amended.” *See also* Energy Bureau Regulation No. 9137 on

Performance Incentive Mechanisms, § 1.13 (addressing disclosure before the Energy Bureau of Confidential Information and directing compliance with Resolution CEPR-MI-2016-0009).

B. Request for Confidentiality

13. The FEMA approvals included in **Exhibit 1** contain portions of CEII that, under relevant federal law and regulations, are protected from public disclosure. LUMA stresses that the FEMA approvals with CEII warrant confidential treatment to protect critical infrastructure from threats that could undermine the system and negatively affect electric power services to the detriment of the interests of the public, customers, and citizens of Puerto Rico. In several proceedings, this Energy Bureau has considered and granted requests by PREPA to submit CEII under seal of confidentiality.³ In at least two Data Security and Physical Security proceedings,⁴ this Energy Bureau, *motu proprio*, has conducted proceedings confidentially, thereby recognizing the need to protect CEII from public disclosure.

14. Similarly, the Energy Bureau has granted LUMA's requests for confidential treatment of portions of the FEMA approvals submitted for approval in the present case. Notably, the Energy Bureau has granted LUMA's request for confidential treatment of portions of FEMA Approvals of Projects submitted for consideration and authorization. Furthermore, this Energy Bureau designated portions of submitted FEMA Approvals of Projects as confidential CEII in its Resolution and Order of March 20, 2023; *see* Table 1 on pages 1-2.

³ *See e.g., In re Review of LUMA's System Operation Principles*, NEPR-MI-2021-0001 (Resolution and Order of May 3, 2021); *In re Review of the Puerto Rico Power Authority's System Remediation Plan*, NEPR-MI-2020-0019 (order of April 23, 2021); *In re Review of LUMA's Initial Budgets*, NEPR-MI-2021-0004 (order of April 21, 2021); *In re Implementation of Puerto Rico Electric Power Authority Integrated Resource Plan and Modified Action Plan*, NEPR MI 2020-0012 (Resolution of January 7, 2021, granting partial confidential designation of information submitted by PREPA as CEII); *In re Optimization Proceeding of Minigrad Transmission and Distribution Investments*, NEPR-MI 2020-0016 (where PREPA filed documents under seal of confidentiality invoking, among others, that a filing included confidential information and CEII); *In re Review of the Puerto Rico Electric Power Authority Integrated Resource Plan*, CEPR-AP-2018-0001 (Resolution and Order of July 3, 2019 granting confidential designated and request made by PREPA that included trade secrets and CEII. However, *see* Resolution and Order of February 12, 2021, reversing in part, grant of confidential designation).

⁴ *In re Review of the Puerto Rico Electric Power Authority Physical Security Plan*, NEPR-MI-2020-0018.

15. As mentioned above, the Energy Bureau’s Policy on Management of Confidential Information provides for the management of CEII. It directs that the parties’ authorized representatives access information validated as CEII only after executing and delivering a Non-Disclosure Agreement.

16. CEII or critical infrastructure information is generally exempted from public disclosure because it involves assets and information that pose public security, economic, health, and safety risks. Federal Regulations on CEII, particularly, 18 C.F.R. § 388.113, state that:

Critical energy infrastructure information means specific engineering, vulnerability, or detailed design information about proposed or existing critical infrastructure that:

- (i) Relates details about the production, generation, transportation, transmission, or distribution of energy;
- (ii) Could be useful to a person in planning an attack on critical infrastructure;
- (iii) Is exempt from mandatory disclosure under the Freedom of Information Act, 5 U.S.C. 552; and
- (iv) Does not simply give the general location of the critical infrastructure.

Id.

23. Additionally, “[c]ritical electric infrastructure means a system or asset of the bulk-power system, whether physical or virtual, the incapacity or destruction of which would negatively affect national security, economic security, public health or safety, or any combination of such matters. *Id.* Finally, “[c]ritical infrastructure means existing and proposed systems and assets, whether physical or virtual, the incapacity or destruction of which would negatively affect security, economic security, public health or safety, or any combination of those matters.” *Id.*

24. The Critical Infrastructure Information Act of 2002, 6 U.S.C. §§ 671-674 (2020), part of the Homeland Security Act of 2002, protects critical infrastructure information (“CII”).⁵

⁵ Regarding protection of voluntary disclosures of critical infrastructure information, 6 U.S.C. § 673, provides in pertinent part, that CII:

(A) shall be exempt from disclosure under the Freedom of Information Act;

CII is defined as “information not customarily in the public domain and related to the security of critical infrastructure or protected systems [...]” 6 U.S.C. § 671 (3).⁶

25. Portions of the FEMA approvals in **Exhibit 1** qualify as CEII because each of these documents contains the express coordinates and physical addresses to power transmission and distribution facilities (18 C.F.R. § 388.113(iv)), and these specific coordinates and addresses could

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- (B) shall not be subject to any agency rules or judicial doctrine regarding ex parte communications with a decision-making official;
 - (C) shall not, without the written consent of the person or entity submitting such information, be used directly by such agency, any other Federal, State, or local authority, or any third party, in any civil action arising under Federal or State law if such information is submitted in good faith;
 - (D) shall not, without the written consent of the person or entity submitting such information, be used or disclosed by any officer or employee of the United States for purposes other than the purposes of this part, except—
 - (i) in furtherance of an investigation or the prosecution of a criminal act; or
 - (ii) when disclosure of the information would be--
 - (I) to either House of Congress, or to the extent of matter within its jurisdiction, any committee or subcommittee thereof, any joint committee thereof or subcommittee of any such joint committee; or
 - (II) to the Comptroller General, or any authorized representative of the Comptroller General, in the course of the performance of the duties of the Government Accountability Office
 - (E) shall not, be provided to a State or local government or government agency; of information or records;
 - (i) be made available pursuant to any State or local law requiring disclosure of information or records;
 - (ii) otherwise be disclosed or distributed to any party by said State or local government or government agency without the written consent of the person or entity submitting such information; or
 - (iii) be used other than for the purpose of protecting critical Infrastructure or protected systems, or in furtherance of an investigation or the prosecution of a criminal act.
 - (F) does not constitute a waiver of any applicable privilege or protection provided under law, such as trade secret protection.

⁶ CII includes the following types of information:

- (A) actual, potential, or threatened interference with, attack on, compromise of, or incapacitation of critical infrastructure or protected systems by either physical or computer-based attack or other similar conduct (including the misuse of or unauthorized access to all types of communications and data transmission systems) that violates Federal, State, or local law, harms interstate commerce of the United States, or threatens public health or safety;
- (B) the ability of any critical infrastructure or protected system to resist such interference, compromise, or incapacitation, including any planned or past assessment, projection, or estimate of the vulnerability of critical infrastructure or a protected system, including security testing, risk evaluation thereto, risk management planning, or risk audit; or
- (C) any planned or past operational problem or solution regarding critical infrastructure or protected systems, including repair, recovery, construction, insurance, or continuity, to the extent it is related to such interference, compromise, or incapacitation.

potentially be helpful to a person planning an attack on the energy facilities listed as part of this FEMA approval. The information identified as confidential in this paragraph is not common knowledge and is not made publicly available. Therefore, it is respectfully submitted that, on balance, the public interest in protecting CEII weighs in favor of protecting the relevant portions of the FEMA approvals with CEII in **Exhibit 1** from disclosure, given the nature and scope of the details included in those portions of the Exhibit.

26. Based on the above, LUMA respectfully submits that portions of the FEMA approvals should be designated as CEII. This designation is a reasonable and necessary measure to protect the specific location of the energy facilities listed or discussed in the FEMA approvals in **Exhibit 1**. Given the importance of ensuring the safe and efficient operation of the generation assets and the T&D System, LUMA respectfully submits that these materials constitute CEII that should be maintained confidentially to safeguard their integrity and protect them from external threats.

C. Identification of Confidential Information

27. In compliance with the Energy Bureau’s Policy on Management of Confidential Information (CEPR-MI-2016-0009) below, find a table summarizing the portions of the FEMA approval for which we present this request for confidential treatment.

Document	Name	Pages in which Confidential Information is Found, if applicable	Summary of Legal Basis for Confidentiality Protection, if applicable	Date Filed
Exhibit 1	FAASt [Region 6 – Ponce Group A] Low Density (Vegetation)	Pages 1, 3	Critical Energy Infrastructure Information, 18 C.F.R. § 388.113; 6 U.S.C. §§ 671-674.	July 7, 2026

Document	Name	Pages in which Confidential Information is Found, if applicable	Summary of Legal Basis for Confidentiality Protection, if applicable	Date Filed
Exhibit 1	FAASt [Ponce Region 6 Line 4800 (38kV) – Toro Negro to Aibonito, Santa Isabel] (Vegetation)	Pages 1, 3, 12	Critical Energy Infrastructure Information, 18 C.F.R. § 388.113; 6 U.S.C. §§ 671-674.	July 7, 2026

WHEREFORE, LUMA respectfully requests that the Energy Bureau **take notice** of the aforementioned; **accept** the copy of the FEMA approvals attached herein as **Exhibit 1**; and **grant** the request for confidential treatment of **Exhibit 1**.

RESPECTFULLY SUBMITTED.

We hereby certify that we filed this Motion using the electronic filing system of this Energy Bureau. We will send an electronic copy of this Motion to PREPA via Alexis Rivera, alexis.rivera@prepa.pr.gov, and through its counsel of record, Natalia Zayas Godoy, nzayas@gmlex.net, Richard Cruz Franqui, rcruzfranqui@gmlex.net, and Mirelis Valle Cancel, mvalle@gmlex.net, to Genera PR LLC, through its counsel of record, Jorge Fernández-Reboredo, jfernandez@ecija.com, José J. Díaz Alonso, jdiaz@ecija.com, Ernesto R. Ramos Maldonado, eramos@ecija.com.

In Guaynabo, Puerto Rico, on this 7th day of July 2026.



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Exhibit 1

(public version, confidential version to be filed under seal of confidentiality)

Department of Homeland Security Federal Emergency Management Agency

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General Info

Project #	750063	P/W #	107965	Project Type	Specialized
Project Category	F - Utilities	Applicant	PR Electric Power Authority (000-UA2QU-00)	Event	4339DR-PR (4339DR)
Project Title	FAASt [Region 6 -Ponce Group A] Low Density (Vegetation)		Declaration Date	9/20/2017	
Project Size	Large	Incident Start Date	9/17/2017		
Activity Completion Date	9/20/2027	Incident End Date	11/15/2017		
Process Step	Obligated				

Damage Description and Dimensions

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

Damage #1379714; FAASt [Region 6 Ponce Group A Distribution] Low Density (Vegetation)

General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** Region 6 Ponce Group A Distribution Low Density
- **Facility Description:** The Puerto Rico Electric Power Authority (PREPA) owns more than 19,000 miles of transmission and distribution lines. The facilities addressed in this project are all the overhead distribution lines. To ensure the functioning of this infrastructure to the level of service needed, keeping this equipment clear from vegetation is significant.
- **Approx. Year Built:** 1950
- **GPS Latitude/Longitude:** [REDACTED]

Final Scope

1379714 FAASt [Region 6 Ponce Group A Distribution] Low Density (Vegetation)

Project 136271 (hereinafter PREPA FAASt Project) authorized \$9,459,885,412.39 (Federal Share) to be awarded to the Puerto Rico Electric Power Authority (PREPA, Subrecipient) as a fixed cost estimate (FAASt FCE agreement) based on eligible work without detailed scopes of work to restore disaster-damaged facilities. Eligible work for the Transmission and Distribution (T&D) system included restoration of:

Broken structures due to high winds such as poles/towers (counted as broken when poles were inclined, bent, torn, and/or cracked); and other damages/broken components such as transformers, insulators, conductors, grounding system, jumpers, Gang Operated Air Breakers (GOABs), pole hardware, guy wires and anchors.

FEMA deferred the 406 Hazard Mitigation Proposal (HMP) fixed cost offer in the PREPA FAASt Project until the Subrecipient submits its actual recovery solutions. FEMA also issued a clarification letter regarding whether hazard mitigation funding under Section 404 or Section 406 of the Stafford Act may be made available for the execution of a one-time, island-wide vegetation clearing and removal operation intended to mitigate the threat to the existing vegetation, if unintended to, poses to Puerto Rico's electric T&D system. See FEMA's letter to COR3, document Signed Vegetation Management March 24 2023.pdf. The Subrecipient's actual recovery solution seeks a one-time Island-wide vegetation clearance and removal operation intended to mitigate the threat to the existing vegetation, if unintended to, poses to Puerto Rico's electric T&D system. The actual recovery solution seeks to mitigate the Puerto Rico's electric T&D system, including areas without infrastructure repairs.

The actual recovery solution (scope and cost) will be captured in multiple individual projects (hereinafter Vegetation clearance HMP Sub-FAASt projects) to provide flexibility and enable multiple programmatic reviews simultaneously. The Vegetation clearance HMP Sub-FAASt projects do not include infrastructure

repair work.

This project captures a portion of the Island-wide actual recovery solution, specifically the one-time vegetation clearance and removal operation intended to mitigate the Ponce Region 6 Group A (see project note #1 and #2).

FEMA 406 Hazard Mitigation (HM) team will review this actual recovery solution and issue a FCE offer for the portion of the recovery solution that reduces risk of future similar damages. The Work to be Completed will be captured in the 406 HM scope section. To address the overlap between the incidental vegetation work needed to carry out the repairs and the mitigation work, the Vegetation clearance HMP Sub-FAAST projects will be adjusted as describe in FEMA-4339-DR-PR Public Assistance PREPA FAAST Post-Fixed Cost Estimate Obligation Vegetation HMP Approach: Distribution. See document [FAASTVegetationHMPApproach_Distribution_03.24.2025.pdf](#). The PA Scope of Work and Cost is limited to the incidental vegetation clearance. No permanent infrastructure repairs are included as part of this scope. WTBC Cost (PA) = \$30,385.95 per mile. Therefore, the total cost (PA) for this project will be **\$15,889,515.90**.

DI#	PA Vegetation Clearance Overlap per mile	Total miles	WTBC - PA Cost with Subrecipient Management & General Conditions	A&E - PA	Total - PA
1379714	\$30,385.95	531.21	\$16,141,320.50	\$(251,804.60)	\$15,889,515.90

Work to be Completed: \$16,141,320.50

A&E Deduction (Global A&E FAASt 335168): - \$251,804.60

Project Total Cost: \$15,889,515.90

Project Notes:

1. This is a Distribution-Vegetation clearance HMP Sub-FAAST project.
2. Vegetation clearance HMP Sub-FAAST projects will be written according to line type (Distribution: 13.2kV and down, and Transmission: 38 kV, 115kV, and 230 kV) because of the different ROWs and other characteristics. Multiple projects of each type will be submitted and reviewed for eligible PA 406 HM funding. Vegetation clearing work will only be submitted for those areas that vegetation represents strike potential (may cause future similar damage to the T&D system when subject to high winds). However, at times there is overlap between these lines (i.e., multiple distribution lines (13.2kV and down) coexist on the same pole infrastructure, transmission lines (38 KV and up) can be located above distribution lines within the same right of way, various lines may pass each other with overlapping right of ways, etc.). In the submittal of this project the Subrecipient's Authorized Representative attests that only the vegetation clearance submitted is to reduce strike potential and that the ROW for these lines has been, and will be, counted only once to avoid duplication within the vegetation clearance projects.
3. For more details of the requirements and conditions for the execution of a one-time, island-wide vegetation clearance and removal operation considered as an eligible Section 406 hazard mitigation proposal (HMP), please refer to document labeled: Attachment A - FEMA letter dated March 24 2023.pdf.
4. For details on the SOW, refer to filename Region 6 Ponce Group A Low Density - PW 750063 DSOW 11_20_2025.pdf.
5. Vegetation clearance funds will not be allocated to SubFAAST projects in low density locations.
6. A&E cost included in this project will be reduced from this project and obligated under the FAAS Project #335168, A&E, as shown in the table above. The A&E project was obligated to track and account for costs associated with individual FAAS projects.
7. This project is part of Donor FAAS 136271 – MEPA078 Puerto Rico Electrical Power Authority (PREPA) Island Wide FAAS Project.

406 HMP Scope

406 HMP Scope

Project number: 750063-FAASt [Region 6 - Ponce Group A Low Density] (Vegetation)

Damage number: 1379714

Applicant: PR Electric Power Authority (000-UA2QU-00)

Location: Region 6 - Ponce, Puerto Rico

GPS Latitude/Longitude: [REDACTED]

Introduction

Puerto Rico's electrical grid infrastructure has been severely compromised by extreme weather events, particularly with Hurricane Maria in September 2017. The hurricane caused widespread disruptions to transmission and distribution systems, largely due to vegetation impacts that collapsed distribution and transmission lines. Substantial infrastructure was damaged when trees downed utility power lines and poles, causing most of the transmission/distribution system fail. Post-hurricane vegetation clearance to enable grid repair and restoration progressed slowly, considerably delaying overall electrical recovery. Remaining excess vegetation continues to cause operational outages, as ground faults occur when vegetation contacts power lines even during normal weather events. After the passage of Hurricane María, minimal cleaning work was carried out exclusively to clear the areas to carry out emergency repairs to the electrical system. These works were covered by Category B Emergency Protective Measure, but excess vegetation on the electrical system remains an outstanding vulnerability.

The Puerto Rico's grid modernization and mitigation one time ROW clearance strategy will prioritize effective and proactive vegetation management protocols to prevent prolonged storm-related outages, thereby increasing the reliability of the electric system. These reliability and resiliency gaps are especially impactful to Puerto Rico which has been facing increasingly frequent natural hazards such as hurricanes. This project is part of the for Vegetation Reset Program which will impact the Transmission and Distribution systems for each of the 78 municipalities.

Hazard Mitigation Narrative

In order to minimize damages in a future event, the Subrecipient's actual recovery solution seeks a one-time Island-wide vegetation remediation clearance for the above work included in the PREPA FAASt Project, as according to the Public Assistance Alternative Procedures (PAAP) (Section 428) Guide for Permanent Work FEMA-4339-DR-PR (hereinafter PR PAAP Guide) and FEMA's letter to COR3, document Signed Island-Wide Vegetation Clearance March 24, 2023. Section 406 hazard mitigation are funds that can be added to projects for the restoration of disaster-damaged facilities and must prevent future damage to that caused by the declared event. Under DR-4339-PR, Section 406 hazard mitigation funds are based on eligible, technically feasible, and cost-effective mitigation activities proposed to reduce risk to the function of the disaster-damaged facilities. The portion of the recovery solution that reduces risk of future damages may be considered as eligible 406 mitigation.

The island-wide transmission and distribution grid was significantly damaged by the strong winds and heavy rainfall during the atmospheric event hurricane Maria. This resulted in many trees and other vegetation becoming a direct hazard to the electrical grid. A one-time 406 hazard mitigation island-wide vegetation clearance will benefit the reliability and resiliency of the Puerto Rico electrical grid, including the number and duration of customer outages during and after the work to complete the repairs to the electrical grid through other PREPA 428 FAASt Projects. The scope of the global 406 Hazard Mitigation (HM) projects includes vegetation clearing across the entire width of the easement, plus a radius of 12 to 15 feet from energized conductors to directly reduce the potential for future damage to the "transmission and/or distribution" (T&D) systems (refer to "LUMA Vegetation Management 10ft and 12ft clearance diagram (1).pdf" in project documents). Each 406 HM Vegetation Reset project is correlated with an eligible 428 T&D project, in association with PREPA's electrical grid. Different regional projects are developed to impact all lines of the electrical system, including distribution lines and high-voltage transmission lines. Also, projects are defined in terms of line type (distribution or transmission) and population density of the area (high or low) to simplify the evaluation by the Environmental and Historical Preservation team (EHP).

The global project was divided into the following regions:

- Region 1 – San Juan
- Region 2 – Arecibo
- Region 3 – Bayamón
- Region 4 – Caguas
- Region 5 – Mayagüez
- Region 6 – Ponce

For each region, five (5) groups were defined in individual projects with their own DSOW. Group A and B will be divided into high/low density projects based on the population of the area located to facilitate the evaluation by EHP.

- Group A – High/Low Density Distribution Lines
- Group B – 38 kV Transmission.
- Group C – Overlapped Distribution and Transmission Lines
- 115 kV Facilities
- Substation and Telecommunication Facilities (for substations that do not include vegetation clearing in their projects)

This 406 HM work is limited to what is necessary to directly reduce the potential of future damage to the T&D system assets, that exceeds what is necessary to clear

vegetation for accessing facilities when carrying out repairs which are already established as eligible for FEMA funding utilizing the 428 FAAS Grant. Each 406 HM will correlate to an eligible 428 Transmission and/or Distribution (T&D) project in association with the PREPA power grid. There will be 7 Regional DSOW's developed capturing planned actions within scopes of work formulated with an established criteria detailed for Distribution and Transmission lines/facility locations. The first DSOW is Group A - High Density areas with a low reflection of infrared light, which is associated with impervious locations within the Ponce Region where the majority of the distribution lines are located parallel or adjacent to maintained roads, along maintained land near residential and industrial areas; including disturbed forest fragments around power facilities and non-agricultural areas 13.2kV and below; the second DSOW is Group A Low Density locations where more vegetation density is present, which is determined by a higher level of reflection of infrared associated with Vegetation for 13.2kV and below locations; the third DSOW is Group B locations at 38kV level; the fourth DSOW is Group C - with known local environmental sensitivities at 38kV and below levels locations; the fifth DSOW is 115kV Facilities; and the sixth DSOW is Substation and Telecommunication Facilities. There will also be a 230 kV Facilities (these installations have a separate Vegetation Clearance project that is not region-specific).

This SOW is aligned with and leverages FEMA's Island-Wide Benefits Cost Analysis (IWBCA), which was used for this purpose and fully support the mitigation measures employed within this project scope of work.

The Subrecipient's authorized representative (LUMA) estimates that this 406 Hazard Mitigation proposal for island-wide vegetation clearance will have immediate and future widespread benefits, including:

- Mitigation of the hazards due to vegetation impacts and damages.
- 70% annual reduction of outages caused by vegetation.
- 35-45% annual reduction of customer interruptions.
- Faster restoration for impacted customers.
- Improved safety for utility workers and the public.
- Support the rebuilding of the grid and effective execution of large-scale construction projects.

The following terms, when used in this document, shall have the meaning described below.

Compatible Species – Compatible species are those that are congruent with the intended use of the site, and include small trees, shrubs and herbaceous vegetation that will never grow into conflict with overhead conductors.

Incompatible Species – Incompatible species are those that are not congruent with the intended use of the site and include tall growing trees and other plant forms (e.g., bamboo and palms) with the potential to conflict with overhead conductors.

Clearance - The minimum distance between two conductors, between conductors and their supports or other objects, or between conductors and the ground. The National Electrical Safety Code (NESC) and PREPA's Technical Communication (See 12-02 attached) determine the minimum requirements regarding distances (vertical and horizontal) between an energized conductor or device and a structure, building or surface. Vegetation Clearing will be limited to clearing any vegetation affecting these clearances. This term is not synonymous with easement. Clearances can be met without being within an easement. Clearance requirements must be complied with either when the Authority builds its facilities, as well as when a third party builds a structure. Clearances, in both cases, must be complied with by regulation, regardless of whether an easement exists.

Easement - is a lien imposed on a property for the benefit of another belonging to a different owner. The property, in favor of which the easement is constituted, is called the dominant estate; the one who suffers it, servant property. An easement for electrical power lines provides PREPA and LUMA as its agent various rights including: reasonable access to the electric infrastructure to provide maintenance, repair, expand, operate and is established on the strips or portions of land where facilities of the T&D system are located or will be located, such as: lines, poles, towers, equipment, and accessories. These acquired rights make it easier to carry out vegetation clearing work.

The PREPA distribution and transmission systems are populated with millions of plants but only some have the conditions, growth characteristics, and/or locations that make them compatible or incompatible with the safe and reliable energy delivery service. The Subrecipient's authorized representative recognizes the diversity of species in tropical ecosystems, and the general remediation strategy is to control incompatible species while encouraging the growth of compatible species. Compatible species may, on occasion, need control if their height or density impedes the necessary line of sight for inspections or access to perform resilience work. Within Appendix A and B are lists of protected flora species and incompatible flora species expected to be encountered during scope performance.

(I) Proposed 428 Public Assistance Scope of Work (SOW):

This project includes Public Assistance (PA) works; however, PA Scope of Work and Cost is limited to the incidental vegetation clearance. No permanent infrastructure repairs are included as part of this scope. WTBC Cost (PA) = \$28,972.65 per mile.

PA incidental works will be deducted from the Section 406 Hazard Mitigation project costs to avoid duplication of works. To address the overlap between the incidental vegetation work needed to carry out the repairs and the mitigation work, the Vegetation clearance HMP Sub-FAAS projects will be adjusted as describe in FEMA-4339-DR-PR Public Assistance PREPA FAAS Post-Fixed Cost Estimate Obligation Vegetation HMP Approach: Distribution "FAASVegetationHMPApproach_Distribution_03.24.2025.pdf".

Note: This unit cost specifically applies to the Distribution System projects. The Transmission System projects will require a separate evaluation to determine a unit cost according to the assets characteristics.

(II) Hazard Mitigation Proposal (HMP) Scope of Work:

As a result of DR-4339-PR, vegetation surrounding T&D assets are falling onto these facilities and interfering with the safe and reliable operation of the assets. The vegetation at present is currently causing outages when vegetation is in contact with the T&D assets. To mitigate the future damage across T&D assets and protect the 428

repairs and replacement along these facilities, clearing vegetation materials will be required. This 406 Hazard Mitigation Scope of Work is to directly reduce the potential of future damages to the T&D system by clearing vegetative materials that pose an immediate threat to the power distribution lines, and identification for corrective actions related to clearing vegetation (consisting of shrubs, branches, limbs, stumps, bamboo, and trees that are directly impacting the resilience and productivity of the power grid) applicable to the existing PREPA electrical grid within Region 6 (Ponce) of Puerto Rico.

The extent and execution of this scope includes performing verification of facilities, assets, and condition assessments for determining the most appropriate remediation, preparing work orders for executing the necessary vegetation remediation, by ways of tree felling, vegetation remediation, mechanical vegetation remediation, vegetative debris disposal via chipping, mulching, hauling, and recycling where applicable in easement of the PREPA power Distribution lines. LUMA is not planning to construct access roads. If the work to be done is not adjacent to an existing road, our contractor tree crews will minimize environmental disturbance by utilizing vegetation crews hiking by foot in and out of our existing easement.

Parameters for Performing 406 Hazard Mitigation Vegetation Clearing

Regulation 7282 requires that only shrubs and plants (no trees) be planted within the easement under power lines. Climbing plants and vines, as well as bamboo, are prohibited from being planted within an easement. The branches of trees planted outside the easement must not obstruct free passage of the power lines. The National Electrical Safety Code (NESC) and PREPA’s Technical Communication establish the minimum required distances, both vertical and horizontal, between an energized conductor or device and any structure, building, or surface. Vegetation clearing will be restricted to removing any vegetation that interferes with these clearances. For power distribution lines, NESC and Regulation 7282 defines the vertical distance from vegetation as 12 feet. By law, any trees, shrubs, or plants planted in violation of Regulation 7282 may be uprooted, removed, or cut down in accordance with the provisions of Regulation 7282 – for both compatible and incompatible species.

Industry standard practices will determine how the work will be performed. A healthy tree is less likely to fall over in a storm and damage overhead lines; therefore, vegetation will be pruned according to ANSIA300 (Part 1) – 2017 Tree, Shrub, and Other Woody Plant Management – Standard Practices (Pruning). Vegetation that is improperly pruned could become susceptible to disease and decay, resulting in a hazard to both the line and public safety. ANSIA300 is the tree care industry standard of care in the USA. It was developed by Tree Care Industry Association and maintained by a consensus of various industry stakeholders through periodically reviewing and updating the guidelines. These standards provide guidance on how and where to prune vegetation to achieve clearances and maintain a healthy plant. In all cases, Subrecipient’s authorized representative’s vegetation clearing contractors will be required to perform clearing activities in a manner consistent with ANSIA300, NESC, and Regulation 7282 alignment with Resolution 4987, Organic Law 83 (amended version), Communication 12-02, and PREPA ‘s Comprehensive Vegetation Management Plan establishing standard Distribution easement widths. Easement Clearance widths for distribution lines are given in the table below:

Line Type	Voltage Class	Easement Width Edge to Edge (from Centerline)
Single Phase (1Ø)	7.6/13.2kV	10’ (5’)
Multi-phase (2-3Ø)	7.6/13.2kV	10’ (5’)
Double circuit 3Ø	7.6/13.2kV	10’ (5’)
Aerial Spacer Cable	7.6/13.2kV	10’ (5’)
Single Phase (1Ø)	=4.8/8.3kV	10’ (5’)
Multi-phase (2-3Ø)	=4.8/8.3kV	10’ (5’)

Scope of Work Inside Easement – Incompatible Species

Incompatible species are those that are not congruent with the intended use of the site and include tall growing trees and other plant forms (e.g., bamboo and palms) with the potential to conflict with overhead conductors. For the power distribution lines, all Incompatible Species will be cleared from the full width of the easement. “Clearing” in this context includes the following activities: tree removal, severing of vines, cutting, vegetation mastication.

- **Tree removal:** Qualified line clearance crews work at ground level or on aerial platforms to remove the portion of the tree that is above ground, leaving the stump in place.
- **Severing of vines:** Vines will be severed at the base with an airgap created between the root system and the portion of the vine climbing on the structure. Vines are severed and treated by a qualified working at ground level. The upper portion of the vine remains attached and is not removed.
- **Cutting:** Cutting typically involves the removal of small diameter Incompatible Species by hand.
- **Vegetation mastication:** also known as mulching, slash-busting, or brush-cutting, involves technique for reducing the size of vegetation and downed material in forests. It involves grinding, shredding, or chopping vegetation into smaller pieces, which are then left on the site as mulch.

Scope of Work Inside Easement – Compatible Species

Compatible vegetation species will be cleared consistent with the distances identified in Regulation 7282, which means that any species with the potential to encroach within 12 feet of the conductors at full size will be removed using the same methods discussed above. Even though the distances identified in Regulation 7282 are vertical clearances, Compatible Species encroaching on the conductors from any direction can pose a hazard to the distribution system, with the maximum edge of the conductors to be 12 feet wide centered on the pole. Therefore, the 12-foot clearance is being applied to both vertical and horizontal clearances. For areas with overhead distribution systems located in

the backyard or side yard, the certified easement width from LUMA Land Records office will use for clearing.

In rare cases where Subrecipient's authorized representative encounters significant resistance from landowners or stakeholders to remediate vegetation, Subrecipient's authorized representative will work with landowners or stakeholders to determine if Incompatible and Compatible Species can be pruned to mitigate the hazard to the lines instead of being completely removed.

Scope of Work Outside Easement – Species Growing into the Easement

There is the potential for vegetation outside or along the boundary of the easement to interfere with the operation of power distribution lines. Appropriate clearances around the conductors must be achieved to protect the lines from future damage. For distribution lines, Subrecipient's authorized representative has established a minimum clearance distance of 12 feet from all conductors, with the maximum edge of the conductors to be 12 feet wide centered on the pole. This distance is consistent with the vertical distance established in Regulation 7282. If there are species encroaching on the 12-foot clearance outside or along the boundary of the easement, these species will be pruned to obtain at least 12 feet of clearance from the conductors at the time clearance work occurs. In cases where following ANSIA300 best practices require clearance beyond 12 feet, the maximum distance cleared will not exceed 15 feet. Diagrams illustrating these clearing distances are provided as attachments within Grants Portal. The following clearing methods will be provided as Attachment B-“FAAStVegetationHMPApproach_Distribution_03.24.2025.pdf”.

- **Tree pruning:** Qualified personnel work from an aerial platform or while climbing within a crown of trees to prune the tree. All pruning work wounds the tree. Done poorly, pruning can result in an exaggerated regrowth response by adversely altering tree architecture and increasing exposure to decay organisms that can weaken the tree. These adverse consequences increase the likelihood of tree-initiated faults causing system interruptions and customer outages. Proper arboriculture techniques will be utilized.
- **Tree removal:** Qualified line clearance crews work at ground level or on aerial platforms to remove the portion of the tree that is above ground, leaving the stump in place.
- **Severing of vines:** Vines will be severed at the base with an airgap created between the root system and the portion of the vine climbing on the structure. Vines are severed and treated by a qualified worker at ground level. The upper portion of the vine remains attached and is not removed.
- **Cutting:** Cutting typically involves the removal of small diameter species by hand.
- **Vegetation mastication:** also known as mulching, slash-busting, or brush-cutting, involves technique for reducing the size of vegetation and downed material in forests. It involves grinding, shredding, or chopping vegetation into smaller pieces, which are then left on the site as mulch.

Power Distribution Primary Group A - Vegetation Clearing Work Locations, Cost, and Description

Distribution lines typically start at substations and branch out in multiple directions to serve end-use customers. The GPS coordinate points provided in “Appendix C”, are for the PREPA substations where the Distribution lines start. GIS shapefiles, which show the locations of the lines and the end points, have been uploaded to Grants Portal.

(III) Hazard Mitigation Proposal (HMP) Cost:

HM Vegetation Clearance Cost per Mile (Base Cost) = \$108,102.81 / mile

*Risk Factor approved by the DR4339-PR leadership (5%) = \$5,405.14 / mile

PA Vegetation Clearance Overlap per Mile (Deduction) = (\$30,385.95 / mile)

Hazard Mitigation Total Cost per Mile = \$83,122.00 / mile

Project Total Miles (PN750063) = 531.21 miles

Hazard Mitigation Total Cost per Mile = \$83,122.00 / mile

Hazard Mitigation Total Cost = \$44,155,237.6

Note:

The \$83,122.00 / mile calculation represents the total cost (base costs + soft costs – PA Overlap). For this project, breaking down that total cost further yields the approximate figures below. For additional information please see the attached document.

Total Net Hazard Mitigation Cost (Base Cost) = \$ 42,034,733.62

+ HM (Applicant A&E, Management & General Conditions) = \$ 2,120,504.00

Hazard Mitigation Total Cost = \$44,155,237.62

(IV) Hazard Mitigation Proposal (HMP) Cost Distribution:

Architecture and Engineering (A&E) = \$ 688,821.71

Remaining Vegetation Clearance Cost = \$ 43,466,415.91

Hazard Mitigation Total Cost = \$44,155,237.62

(V) HMP Cost-Effectiveness Calculations:

FEMA's Benefit-Cost Analysis (BCA), methodology evaluates expected risk reduction benefits of a hazard mitigation project and compares those benefits to the cost of the mitigation project. FEMA Public Assistance Program and Policy Guide (PAPPG) Chapter 2, Section VII C, defines cost effective mitigation as: The Hazard Mitigation Measure is cost effective through an acceptable Benefit Cost Analysis (BCA) with a resulting Benefit Cost Ratio equal to or greater than (1).

The Island Wide Benefit Cost Analysis (IWBCA) created for the PREPA infrastructure defines a maximum potential benefit using the incurred costs of the PREPA FEMA Accelerated Award Strategy (FAAsT) fixed cost estimate, the mission assignments utilized for the reconnection effort, and the costs associated with loss of service. This maximum benefit has been developed to fund all mitigation projects from both Public Assistance Hazard Mitigation and the Hazard Mitigation Grant program.

It is the Subrecipient responsibility to maintain a record of approved IWBCA related projects to avoid running out of funds for their Mitigation portion projects. Please see attached IWBCA Package

The cost of the Hazard Mitigation Proposal (HMP) described herein is \$44,155,237.62 (Hazard Mitigation Total Cost). The cost of this HMP combined with all other proposals (both PA and HMGP) does not exceed the maximum potential benefit and is therefore deemed cost effective per FEMA Public Assistance Program and Policy Guide (PAPPG) V3.1 April 2018, Chapter 2, VII, Section C, BCA Rule. This Hazard Mitigation Proposal meets eligible repair and restoration cost-effective requirements.

**See Mitigation Profile Documents Tab in Grants Manager for complete version of this HMP and supporting documents (HMP, HMP cost estimate, Supporting documents file).

Compliance and Assurance Requirements:

HMP GENERAL NOTES:

By agreeing to implement the hazard mitigation measures in this HMP, the Applicant/Sub-Applicant is bound by the specific guidelines listed within this document.

COSTS AND GENERAL CONDITIONS: The vegetation removal cost is established according to the average base cost of \$108,102.81 / mile. Additionally, the DR4339-PR leadership has approved the application of a 5% risk factor to the average cost per mile, resulting in \$113,507.95 / mile. After deducting Public Assistance (PA) \$28,972.65 amount (incidental work-refer to document

FAAsTVegetationHMPApproach_Distribution_03.24.2025.pdf), the final total is \$83,122.00 / mile.

DOCUMENTATION REQUIREMENTS: The subrecipient shall document all vegetation removal work, including but not limited to the following:

- Before and after photographs of the total distance included in the HMP Scope of work that clearly show the condition of the area before and after the vegetation clearance.
- A digital map in ArcGIS format showing all areas where vegetation removal was performed. Location information must be provided, including the physical address, GPS coordinates from start to finish of clearance work, and contact information for private property (when applicable).
- Work orders must account for the entire feeder length distance and include a description of the sections both with and without vegetation. Material disposal documentation must specify whether the material was chipped and removed, left on-site, or transported to a landfill.

Note: All vegetation clearance projects must include the above documentation to define the work completed prior to project closeout.

COST DISTRIBUTION: Recognizing that the established cost is an average per mile, it is understood that actual expenses for each feeder or area may deviate (either underrun or overrun) from the estimated project amount. The 406 HMP scope and cost agreement sets an average cost per mile for vegetation clearance, allowing the subrecipient to manage funds across the various projects that comprise the vegetation asset. The Public Assistance Alternative Procedures (Section 428) Guide for Permanent Work FEMA-4339-DR-PR, January 1, 2022 (PR PAAP Guide), states that if funds for 406 Mitigation are included in the fixed-cost subaward, the subrecipient

must complete the approved Scope of Work (SOW) of the Hazard Mitigation Proposal (HMP) in order to retain the 406 Mitigation funding. Consequently, only completed distance in the HM Scope of work, supported by the necessary back-up documentation (e.g., verified mitigated clearance distance), will be eligible for fund retention. Any uncompleted work from the HMSOW (e.g., miles not documented with mitigated clearance distance) will be de-obligated during the closeout process.

SCOPE OF WORK DEVELOPMENT OF HAZARD MITIGATION: FEMA will evaluate each mitigation opportunity to first determine what measures or portions of solutions could be funded through Section 406 mitigation. FEMA analyzes the proposed mitigation measures for cost-effectiveness, technical feasibility, and compliance with EHP laws, regulations, and Eos. FEMA, the Applicant, Recipient, and Sub-recipients will develop and agree to scopes of work (SOW) and cost estimates to repair, restore, or replace eligible facilities including 406 Hazard Mitigation” (Page 6).

COMPLETION OF HAZARD MITIGATION SCOPE OF WORK: If this HMP is approved and the mitigation is not performed, the Applicant must apply for a change in the Scope of Work and a de-obligation of the HMP funding. Failure to complete the work of the HMP may limit future FEMA funding of repairs at the site in the event that a similar disaster event results in similar damage at the site.

CHANGES TO THE HAZARD MITIGATION SCOPE OF WORK FOR LARGE PROJECTS:

Per PAAP PA Process (Section 428), Guide for Permanent Work, February 10, 2020, “A Subrecipient may alter the 406-hazard mitigation SOW (HMP) after FEMA, the Recipient, and Subrecipient agree on the cost estimate for the initial proposal. After the project is obligated, the SOW for the HMP can be changed only once and the timeline for this change will be established based on a facility-by-facility basis. The proposed change will require evaluation by FEMA for eligibility and EHP. As part of the eligibility review, FEMA will evaluate the SOW, technical feasibility, the level of protection, the revised cost estimate, and cost effectiveness of the new hazard mitigation proposal, and, if approved, will adjust the scope and cost estimate accordingly.” (Page 14)

HAZARD MITIGATION UNDERSTANDING STATEMENT: This HMP is for estimating purposes only and not to be construed as a project design. If the site's final placement and configuration are different than the preliminary estimate, the Applicant should submit a change in scope request. This HMP is subject to further review prior to award.

HAZARD MITIGATION PERFORMANCE: The Applicant must provide & maintain competent & adequate project performance & supervision during the execution phase to ensure that the completed work conforms to the approved plans & specifications & all applicable material & industry standards.

As a condition of the FEMA mitigation grant, the Applicant is responsible for the determination of and compliance with all applicable requirements, codes, standards and specifications in connection with the project, including but not limited to the Puerto Rico Building Code of 2018 (2018 PRBC), IBC, IRBC, NFIP Floodplain Management Regulations outlined in 44 C.F.R 60.3, ASCE24, ASCE7, and receiving all applicable permits & approvals prior to construction.

MAINTENANCE OF HAZARD MITIGATION: The Applicant shall ensure proper maintenance of the installed mitigation measures, per manufacturer and designer specifications. Any adaptations or installations not approved or that renders the hazard mitigation measure ineffective shall be removed by the Applicant. Examples include, but are not limited to, improper installation of roof-mounted equipment or installation of window-mounted air-conditioning units.

ENVIRONMENTAL AND HISTORIC PRESERVATION: Eligibility and funding for the mitigation at this site on this project will be subject to the compliance of all environmental laws, regulations, and executive orders applicable to the site. This project will undergo a EHP compliance review, after obligation any changes to the SOW will likely trigger an additional EHP compliance review of the revised SOW.

HEAVY MACHINERY USED ON SITE: Tree uprooting and/or removal may be necessary to comply with Regulation 7282. However, uprooting will be minimized and will only be carried out when necessary to ensure the safety of people or protect the asset. There will not be any synthetic or biological chemicals utilized for tree stump removals, however, there may be heavy machinery used for uprooting trees, tree removal, and mulching includes specialized equipment designed for efficient and safe vegetation management.

HEAVY MACHINERY USED ON SITE: Tree uprooting and/or removal may be necessary to comply with Regulation 7282. However, uprooting will be minimized and will only be carried out when necessary to ensure the safety of people or protect the asset. There will not be any synthetic or biological chemicals utilized for tree stump removals, however, there may be heavy machinery used for uprooting trees, tree removal, and mulching includes specialized equipment designed for efficient and safe vegetation management.

Below is a description of commonly utilized heavy machinery:

I. Tree Removal and Uprooting

- **Excavators with Grapple Attachments:** Equipped with powerful hydraulic grapples or thumbs to grab and uproot trees, these machines are ideal for handling large trees

and stumps.

- **Bulldozers:** Used to push over trees and remove roots. Bulldozers with a ripper attachment can also break up soil and roots.
- **Skid Steers with Tree Pullers:** Compact and versatile, skid steers fitted with tree puller attachments can uproot smaller trees and shrubs effectively.
- **Backhoes:** Used for digging out tree stumps and roots, particularly in areas requiring precision.
- **Stump Grinders:** Specialized machines that grind tree stumps into mulch, leaving the area ready for replanting or other uses.

II. Mulching

- **Forestry Mulchers:** These machines are designed to shred trees, branches, and other vegetation into mulch directly on-site. They are typically mounted on excavators, skid steers, or tractors and are suitable for clearing large areas of vegetation.
- **Chippers:** Convert cut branches, tree limbs, and smaller logs into wood chips for disposal or reuse.

III. Additional Equipment

- **Cranes:** Used for safely removing large trees in sections, especially in urban or constrained environments.
- **Tree Spades:** Specialized for uprooting and transplanting trees while keeping the root system intact.
- **Tracked Feller Bunchers:** Machines that cut and gather trees in a single operation, useful for logging or large-scale clearing projects.
- **Log Loaders:** Used for handling and transporting felled trees and logs.
- **Brush Cutters:** Heavy-duty cutters designed to clear dense vegetation and small trees.

Each piece of equipment is selected based on the size of the trees, site conditions, environmental considerations, and project goals.

ARBORICULTURE TECHNIQUES: The ANSI A300 standards for arboriculture establish industry best practices for tree care and maintenance. They provide guidelines for techniques such as pruning, planting, transplanting, soil management, support systems (cabling and bracing), lightning protection, and risk assessment. These standards aim to promote tree health, safety, and structural integrity while minimizing environmental impact. They serve as a resource for professionals, property owners, and organizations to develop effective tree care specifications and ensure consistent, high-quality practices.

ATTACHMENTS:

Please refer the following documents.

- "Island-Wide Vegetation Clearance - FEMA letter dated March 24 2023.pdf"
- "LUMA Vegetation Management 10ft and 12ft clearance diagram (1).pdf"
- "FAAStVegetationHMPApproach_Distribution_03.24.2025.pdf"
- "Appendix A and B - Protected Flora and Incompatible Flora Species.pdf"
- "IWBCA HMP Package.pdf"
- "Expansion of Cost-Effective Hazard Mitigation Measures and Applicability to Current Disasters.pdf"
- "Region 6 Ponce Group A Low Density - PW 750063 DSOW 11_20_2024.pdf"
- "PN750063-DR4339PR-HMCE-20250325-RIBR.xlsx"
- "PN750063-DR4339PR-HMP-20250325-RIBR.pdf"

Cost

Code	Quantity	Unit	Total Cost	Section
9001	1	Lump Sum	\$16,141,320.50	Uncompleted
3510	1	Lump Sum	(\$251,804.60)	Uncompleted
9201	1	Lump Sum	\$0.00	Completed

CRC Gross Cost	\$15,889,515.90
Total 406 HMP Cost	\$44,155,237.62
Total Insurance Reductions	\$0.00
<hr/>	
CRC Net Cost	\$60,044,753.52
Federal Share (90.00%)	\$54,040,278.17
Non-Federal Share (10.00%)	\$6,004,475.35

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.
- 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.
- 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.
- 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.
- The Subrecipient provided the estimate for this PW. FEMA validated the estimate and found it to be reasonable for the work to be performed.
- 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.
- 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.

Insurance

Additional Information

11/25/2025

Does the Applicant have a Commercial Policy: Yes.

Does the Applicant's Commercial Policy extend coverage for the damage described in this project: No.

Property insurance coverage for the water distribution facilities represented on this project are not insured or insurable. No insurance relief is anticipated. No Obtain and Maintain requirement will be made.

FEMA requires the applicant to take reasonable efforts to pursue claims to recover insurance proceeds that it is entitled to receive from its insurer(s). In the event that any insurance proceeds are received for these expenses those proceeds must be reduced from FEMA Public Assistance funding to ensure no duplication of benefits has occurred.

No duplication of benefits from insurance is anticipated for work described in this application. In the event any part or all costs are paid by an insurance policy, a duplication of benefits from insurance will occur. Applicant must notify grantee and FEMA of such recoveries, and the Sub-Grant award amount must be reduced by actual insurance proceeds.

No insurance requirements will be required for this project. Insurance requirements are specific to permanent work to replace, restore, repair, reconstruct, or construct buildings, contents, equipment, or vehicles. (FEMA Recovery Policy FP 206-086-1).

No insurance narrative will be produced or uploaded into documents or attachments.

Jorge Parrilla, PA Insurance Specialist
CRC Atlantic, Guaynabo, PR

O&M Requirements

There are no Obtain and Maintain Requirements on **FAASt [Region 6 -Ponce Group A] Low Density (Vegetation)**.

406 Mitigation

There is no additional mitigation information on **FAASt [Region 6 -Ponce Group A] Low Density (Vegetation)**.

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.

EHP Additional Info

There is no additional environmental historical preservation on **FAASt [Region 6 -Ponce Group A] Low Density (Vegetation)**.

Final Reviews

Final Review

Reviewed By LEFRANC-GARCIA, CARLOS L.

Reviewed On 12/05/2025 5:39 PM PDT

Review Comments

SOW and Cost revised as per IEP's determination. Reviewed, found eligible and reasonable. Subrecipient is responsible for complying with all grants and subgrant conditions. CLG 12/05/2025

Recipient Review

Reviewed By Mulero, Noel

Reviewed On 12/05/2025 7:23 PM PDT

Review Comments

Recipient review completed. Applicant must ensure to compliance with all regulatory requirements, Record of Environmental Consideration (REC) Special Conditions and PA policy. Project is ready for applicant review.

Project Signatures

Reviewed By Unsigned

Reviewed On Unsigned

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 \$60,044,753.52 for subaward number 107965 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.

Award Information

Version Information

Version #	Eligibility Status	Current Location	Bundle Number	Project Amount	Cost Share	Federal Share Obligated	Date Obligated
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Drawdown History

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

Obligation History

Version #	Date Obligated	Obligated Cost	Cost Share	IFMIS Status	IFMIS Obligation #
0	6/29/2026	\$54,040,278.17	90%	Accepted	4339DRPRP01079651

Department of Homeland Security Federal Emergency Management Agency

v0

General Info

Project #	956343	P/W #	108154	Project Type	Specialized
Project Category	F - Utilities	Applicant	PR Electric Power Authority (000-UA2QU-00)	Event	4339DR-PR (4339DR)
Project Title	FAASt [Ponce Region 6 Line 4800 (38kV) – Toro Negro to Aibonito, Santa Isabel] (Vegetation)		Declaration Date	9/20/2017	
Project Size	Large	Incident Start Date	9/17/2017		
Activity Completion Date	9/20/2027	Incident End Date	11/15/2017		
Process Step	Obligated				

Damage Description and Dimensions

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

Damage #1716287; Ponce Region 6 Transmission Line 4800 – Toro Negro to Aibonito, Santa Isabel

General Facility Information:

- **Facility Type:** Power generation, transmission, and distribution facilities
- **Facility:** Transmission Line 4800 – Toro Negro to Aibonito, Santa Isabel
- **Facility Description:** Transmission line 4800 (38kV) is a single circuit line with a total of 39.77 miles.
- **Approx. Year Built:** 1980
- **Start GPS Latitude/Longitude:** [REDACTED]
- **End GPS Latitude/Longitude:** [REDACTED]

Final Scope

1716287 Ponce Region 6 Transmission Line 4800 – Toro Negro to Aibonito, Santa Isabel

Project 136271 (hereinafter PREPA FAASt Project) authorized \$9,459,885,412.39 (Federal Share) to be awarded to the Puerto Rico Electric Power Authority (PREPA, Subrecipient) as a fixed cost estimate (FAASt FCE agreement) based on eligible work without detailed scopes of work to restore disaster-damaged facilities. Eligible work for the Transmission and Distribution (T&D) system included restoration of:

Broken structures due to high winds such as poles/towers (counted as broken when poles were inclined, bent, torn, and/or cracked); and other damages/broken components such as transformers, insulators, conductors, grounding system, jumpers, Gang Operated Air Breakers (GOABs), pole hardware, guy wires and anchors.

FEMA deferred the 406 Hazard Mitigation Proposal (HMP) fixed cost offer in the PREPA FAASt Project until the Subrecipient submits its actual recovery solutions. FEMA also issued a clarification letter regarding whether hazard mitigation funding under Section 404 or Section 406 of the Stafford Act may be made available for the execution of a one-time, island-wide vegetation clearing and removal operation intended to mitigate the threat to the existing vegetation, if unintended to, poses to Puerto Rico's electric T&D system. See FEMA's letter to COR3, document Signed Vegetation Management March 24 2023.pdf. The Subrecipient's actual recovery solution seeks a one-time Island-wide vegetation clearance and removal operation intended to mitigate the threat to the existing vegetation, if unintended to, poses to Puerto Rico's electric T&D system.

The actual recovery solution seeks to mitigate the Puerto Rico's electric T&D system, including areas without infrastructure repairs. The actual recovery solution (scope and cost) will be captured in multiple individual projects (hereinafter Vegetation clearance HMP Sub-FAAST projects) to provide flexibility and enable multiple programmatic reviews simultaneously. The Vegetation clearance HMP Sub-FAAST projects do not include infrastructure repair work.

This project captures a portion of the Island-wide actual recovery solution, specifically the one-time vegetation clearance and removal operation intended to mitigate the Line 4800 (38kV) – Toro Negro to Aibonito, Santa Isabel (see project note #1 and #2).

FEMA 406 Hazard Mitigation (HM) team will review this actual recovery solution and issue a FCE offer for the portion of the recovery solution that reduces risk of future similar damages. The Work to be Completed will be captured in the 406 HM scope section. To address the overlap between the incidental vegetation work needed to carry out the repairs and the mitigation work, the Vegetation clearance HMP Sub-FAAST projects will be adjusted as describe in FEMA-4339-DR-PR Public Assistance PREPA FAAST Post-Fixed Cost Estimate Obligation Vegetation HMP Approach: 38kV. See document 956343 DR4339PR FAASTVegetationHMPApproach_38kVTrans.pdf. The PA Scope of Work and Cost is limited to the incidental vegetation clearance. No permanent infrastructure repairs are included as part of this scope. WTBC Cost (PA) = \$15,738.29 per mile. Therefore, the total cost (PA) for this project will be \$183,092.65.

D#	PA Vegetation Clearance Overlap per mile	Total miles	WTBC - PA Cost with Subrecipient Management & General Conditions	A&E - PA	Total - PA
1716287	\$ 15,738.29	12.60	\$198,302.45	\$(15,209.80)	\$183,092.65

Work to be completed total: \$198,302.45

A&E Deduction (Global A&E FAAST 335168): -\$15,209.80

Project Total: \$183,092.65

Project Notes:

1. This is a Distribution-Vegetation clearance HMP Sub-FAAST project.
2. Vegetation clearance HMP Sub-FAAST projects will be written according to line type (Distribution: 13.2kV and down, and Transmission: 38 kV, 115kV, and 230 kV) because of the different ROWs and other characteristics. Multiple projects of each type will be submitted and reviewed for eligible PA 406 HM funding. Vegetation clearing work will only be submitted for those areas that vegetation represents strike potential (may cause future similar damage to the T&D system when subject to high winds). However, at times there is overlap between these lines (i.e., multiple distribution lines (13.2kV and down) coexist on the same pole infrastructure, transmission lines (38 KV and up) can be located above distribution lines within the same right of way, various lines may pass each other with overlapping right of ways, etc.). In the submittal of this project the Subrecipient's Authorized Representative attests that only the vegetation clearance submitted is to reduce strike potential and that the ROW for these lines has been, and will be, counted only once to avoid duplication within the vegetation clearance projects.
3. For more details of the requirements and conditions for the execution of a one-time, island-wide vegetation clearance and removal operation considered as an eligible Section 406 hazard mitigation proposal (HMP), please refer to document labeled: Attachment A - FEMA letter dated March 24 2023.pdf.
4. For details on the SOW, refer to filename [956343] FAAST [Ponce Region 6 Line 4800 (38kV) – Toro Negro to Aibonito, Santa Isabel] (Vegetation) DSOW Rev 2.
5. Vegetation clearance funds will not be allocated to SubFAAST projects
6. A&E cost included in this project will be reduced from this project and obligated under the FAAST Project #335168, A&E, as shown in the table above. The A&E project was obligated to track and account for costs associated with individual FAAST projects.
7. This project is part of Donor FAAST 136271 – MEPA078 Puerto Rico Electrical Power Authority (PREPA) Island Wide FAAST Project.

406 HMP Scope

Project number: 956343; FAASt [Ponce Region 6 Line 4800 (38kV) - Toro Negro to Aibonito, Santa Isabel (Vegetation)]

Damage #: 1716287; Ponce Region 6 Transmission Line 4800 – Toro Negro to Aibonito, Santa Isabel

Applicant: PR Electric Power Authority (000-UA2QU-00)

Location: Ponce, Puerto Rico

GPS Latitude/Longitude: Start: [REDACTED]; End: [REDACTED]

Introduction:

Puerto Rico's electrical grid infrastructure has been severely compromised by extreme weather events, particularly with Hurricane Maria in September 2017. The hurricane caused widespread disruptions to transmission and distribution systems, largely due to vegetation impacts that collapsed distribution and transmission lines. Substantial infrastructure was damaged when trees downed utility power lines and poles, causing most of the transmission/distribution system fail. Post-hurricane vegetation clearance to enable grid repair and restoration progressed slowly, considerably delaying overall electrical recovery. Remaining excess vegetation continues to cause operational outages, as ground faults occur when vegetation contacts power lines even during normal weather events. After the passage of Hurricane Maria, minimal cleaning work was carried out exclusively to clear the areas to carry out emergency repairs to the electrical system. These works were covered by Category B - Emergency Protective Measure, but excess vegetation on the electrical system remains an outstanding vulnerability.

The Puerto Rico's grid modernization and mitigation one time ROW clearance strategy will prioritize effective and proactive vegetation management protocols to prevent prolonged storm-related outages, thereby increasing the reliability of the electric system. These reliability and resiliency gaps are especially impactful to Puerto Rico which has been facing increasingly frequent natural hazards such as hurricanes. This project is part of the for Vegetation Reset Program which will impact the Transmission and Distribution systems for each of the 78 municipalities.

Hazard Mitigation Narrative:

In order to minimize damages in a future event, the Subrecipient's actual recovery solution seeks a one-time Islandwide vegetation remediation clearance for the above work included in the PREPA FAASt Project, as according to the Public Assistance Alternative Procedures (PAAP) (Section 428) Guide for Permanent Work FEMA-4339-DR-PR (hereinafter PR PAAP Guide) and FEMA's letter to COR3, document Signed Island-Wide Vegetation Clearance March 24, 2023. Section 406 hazard mitigation are funds that can be added to projects for the restoration of disaster damaged facilities and must prevent future damage to that caused by the declared event. Under DR-4339-PR, Section 406 hazard mitigation funds are based on eligible, technically feasible, and cost-effective mitigation activities proposed to reduce risk to the function of the disaster-damaged facilities. The portion of the recovery solution that reduces risk of future damages may be considered as eligible 406 mitigation.

The island-wide transmission and distribution grid was significantly damaged by the strong winds and heavy rainfall during the atmospheric event hurricane Maria. This resulted in many trees and other vegetation becoming a direct hazard to the electrical grid. A one-time 406 hazard mitigation island-wide vegetation clearance will benefit the reliability and resiliency of the Puerto Rico electrical grid, including the number and duration of customer outages during and after the work to complete the repairs to the electrical grid through other PREPA 428 FAASt Projects. The scope of the global 406 Hazard Mitigation (HM) projects includes vegetation clearing across the entire width of the easement, plus a radius of 12 to 25 feet from energized conductors to directly reduce the potential for future damage to the "transmission and/or distribution" (T&D) systems. Each 406 HM Vegetation Reset project is correlated with an eligible 428 T&D project, in association with PREPA's electrical grid. Different regional projects are developed to impact all lines of the electrical system, including distribution lines and high-voltage transmission lines. Also, projects are defined in terms of line type (distribution or transmission) and population density of the area (high or low) to simplify the evaluation by the Environmental and Historical Preservation team (EHP).

The global project was divided into the following regions:

- Region 1 – San Juan
- Region 2 – Arecibo
- Region 3 – Bayamón
- Region 4 – Caguas
- Region 5 – Mayagüez
- Region 6 – Ponce

For each Region of the island, there will be two types of projects to capture the Vegetation Clearing activities within scopes of work: (1) single transmission line projects based on LUMA's priority list, capturing the lines or segments of lines affected most by vegetation interference, and (2) Regional DSOWs divided into groups (Groups A– F), as follows:

- Region 1 – San Juan
- Region 2 – Arecibo
- Group A – High/Low Density Distribution Lines
- Group B – 38 kV Transmission.

- Group C – Overlapped Distribution and Transmission Lines
- Group D - 115 kV Facilities
- Group E - Substation and Telecommunication Facilities.
- Group F – 230 Kv Facilities (Non Region – Specific)

This 406 HM work is limited to what is necessary to directly reduce the potential of future damage to the T&D system assets, that exceeds what is necessary to clear vegetation for accessing facilities when carrying out repairs which are already established as eligible for FEMA funding utilizing the 428 FAAsT Grant. Each 406 HM will correlate to an eligible 428 Transmission and/or Distribution (T&D) project in association with the PREPA power grid. There will be 7 Regional DSOWs developed capturing planned actions within scopes of work formulated with an established criteria detailed for Distribution and Transmission lines/facility locations. The first DSOW is Group A-High Density areas with a low reflection of infrared light; the second DSOW is Group A Low Density locations where more vegetation density is present, which is determined by a higher level of reflection of infrared associated with Vegetation for 13.2kV and below locations; the third DSOW is Group B locations at 38kV level; the fourth DSOW is Group C - with known local environmental sensitivities at 38kV and below levels locations; the fifth DSOW is 115kV Facilities; and the sixth DSOW is Substation and Telecommunication Facilities. There will also be a 230 kV Facilities (these installations have a separate Vegetation Clearance project that is not region- specific).

Ponce Region 6 Transmission Line 4800 – Toro Negro to Aibonito, Santa Isabel

This is a project for 38kV transmission lines in Region 6 Ponce. The DSOW captures the scope of work and cost estimate for Vegetation Clearing intended to mitigate the threat that the existing vegetation, along 38kV lines within Ponce (if left untended to), poses to Puerto Rico’s electric grid.

This SOW is aligned with and leverages FEMA’s Island-Wide Benefits Cost Analysis (IWBCA), which was used for this purpose and fully support the mitigation measures employed within this project scope of work.

The Subrecipient’s authorized representative (LUMA) estimates that this 406 Hazard Mitigation proposal for island-wide vegetation clearance will have immediate and future widespread benefits, including:

- Mitigation of the hazards due to vegetation impacts and damages.
- 70% annual reduction of outages caused by vegetation.
- 35-45% annual reduction of customer interruptions.
- Faster restoration for impacted customers.
- Improved safety for utility workers and the public.
- Support the rebuilding of the grid and effective execution of large-scale construction projects.

The following terms, when used in this document, shall have the meaning described below.

Compatible Species – Compatible species are those that are congruent with the intended use of the site, and include small trees, shrubs and herbaceous vegetation that will never grow into conflict with overhead conductors.

Incompatible Species – Incompatible species are those that are not congruent with the intended use of the site and include tall growing trees and other plant forms (e.g., bamboo and palms) with the potential to conflict with overhead conductors.

Clearance - The minimum distance between two conductors, between conductors and their supports or other objects, or between conductors and the ground. The National Electrical Safety Code (NESC) and PREPA’s Technical Communication (See 12-02 attached) determine the minimum requirements regarding distances (vertical and horizontal) between an energized conductor or device and a structure, building or surface. Vegetation Clearing will be limited to clearing any vegetation affecting these clearances. This term is not synonymous with easement. Clearances can be met without being within an easement. Clearance requirements must be complied with either when the Authority builds its facilities, as well as when a third party builds a structure. Clearances, in both cases, must be complied with by regulation, regardless of whether an easement exists. regardless of whether an easement exists.

Easement - is a lien imposed on a property for the benefit of another belonging to a different owner. The property, in favor of which the easement is constituted, is called the dominant estate; the one who suffers it, servant property. An easement for electrical power lines provides PREPA and Luma as its agent various rights including: reasonable access to the electric infrastructure to provide maintenance, repair, expand, operate and is established on the strips or portions of land where facilities of the T & D system are located or will be located, such as: lines, poles, towers, equipment, and accessories. These acquired rights make it easier to carry out vegetation clearing work.

The PREPA distribution and transmission systems are populated with millions of plants but only some have the conditions, growth characteristics, and/or locations that make them compatible or incompatible with the safe and reliable energy delivery service. The Subrecipient’s authorized representative recognizes the diversity of species in tropical ecosystems, and the general remediation strategy is to control incompatible species while encouraging the growth of compatible species. Compatible species may, on occasion, need control if their height or density impedes the necessary line of sight for inspections or access to perform resilience work. Within Appendix A and B are lists of protected flora species and incompatible flora species expected to be encountered during scope performance.

(I) Proposed 428 Public Assistance Scope of Work (SOW):

This project includes Public Assistance (PA) works; however, PA Scope of Work and Cost is limited to the incidental vegetation clearance. No permanent infrastructure repairs are included as part of this scope, \$15,738.29 / mile calculation represents the PA Overlap.

PA incidental works will be deducted from the Section 406 Hazard Mitigation project costs to avoid duplication of works. To address the overlap between the incidental vegetation work needed to carry out the repairs and the mitigation work, the Vegetation clearance HMP Sub-FAAsT projects.

FEWA performed an analysis to the PREPA FAASt documents and determined that vegetation clearing on each mile of 38 kV line requiring repair was on average 8.34% related to the repair (428 PA) and 91.66% related to a mitigation measure (406 HM). The fixed-cost estimate for the PA scope is \$15,738.29 per 12.60 mile, with a total project cost of \$198,302.45. For further details, refer to the document "FAAStVegetationHMPApproach_38kV Sub-Transmission_05.15.2025.pdf"

(II) Hazard Mitigation Proposal (HMP) Scope of Work:

PN956343 FAASt [Ponce Region 6 Line 4800 (38kV) – Toro Negro to Aibonito, Santa Isabel (Vegetation)]

As a result of DR-4339-PR, vegetation surrounding T&D assets are falling onto these facilities and interfering with the safe and reliable operation of the assets. The vegetation at present is currently causing outages when vegetation is in contact with the T&D assets. To mitigate the future damage across T&D assets and protect the 428 repairs and replacement along these facilities, clearing vegetation materials will be required. This 406 Hazard Mitigation Scope of Work is to directly reduce the potential of future, damages to the T&D system by clearing vegetative materials that pose an immediate threat to the power distribution lines, and identification for corrective actions related to clearing vegetation (consisting of shrubs, branches, limbs, stumps, bamboo, and trees that are directly impacting the resilience and productivity of the power grid) applicable to the existing PREPA electrical grid within Region 6 Ponce TL of Puerto Rico.

The extent and execution of this scope includes performing verification of facilities, assets and condition assessments for determining the most appropriate remediation, preparing work orders for executing the necessary vegetation remediation, by ways of tree felling, vegetation remediation, mechanical vegetation remediation, vegetative debris disposal via chipping, mulching, hauling, and recycling where applicable in easement of the PREPA power Distribution lines. LUMA is not planning to construct access roads. If the work to be done is not adjacent to an existing road, our contractor tree crews will minimize environmental disturbance by utilizing vegetation crews hiking by foot in and out of our existing easement.

Parameters for Performing 406 Hazard Mitigation Vegetation Clearing

Regulation 7282 requires that only shrubs and plants (no trees) be planted within the easement under power lines. Climbing plants and vines, as well as bamboo, are prohibited from being planted within an easement. The branches of trees planted outside the easement must not obstruct free passage of the power lines. The National Electrical Safety Code (NESC) and PREPA's Technical Communication establish the minimum required distances, both vertical and horizontal, between an energized conductor or device and any structure, building, or surface. Vegetation clearing will be restricted to removing any vegetation that interferes with these clearances. For power distribution lines, NESC and Regulation 7282 defines the vertical distance from vegetation as 12-15 feet. By law, any trees, shrubs, or plants planted in violation of Regulation 7282 may be uprooted, removed, or cut down in accordance with the provisions of Regulation 7282 – for both compatible and incompatible species.

Industry standard practices will determine how the work will be performed. A healthy tree is less likely to fall over in a storm and damage overhead lines; therefore, vegetation will be pruned according to ANSI A300 (Part 1) – 2017 Tree, Shrub, and Other Woody Plant Management – Standard Practices (Pruning). Vegetation that is improperly pruned could become susceptible to disease and decay, resulting in a hazard to both the line and public safety. ANSI A300 is the tree care industry standard of care in the USA. It was developed by Tree Care Industry Association and maintained by a consensus of various industry stakeholders through periodically reviewing and updating the guidelines. These standards provide guidance on how and where to prune vegetation to achieve clearances and maintain a healthy plant. In all cases, Subrecipient's authorized representative's vegetation clearing contractors will be required to perform clearing activities in a manner consistent with ANSI A300, NESC, and Regulation 7282 alignment with Resolution 4987, Organic Law 83 (amended version), Communication 12-02, and PREPA's Comprehensive Vegetation Management Plan establishing standard Distribution easement widths. Easement Clearance widths for distribution lines are given in the table below:

Recommended Easement width for overhead Transmission & Sub-Transmission Lines (feet)				
Construction type	Area	Voltage(Kv)		
		38	115	230
Single Circuit	Urban	25 ft	30 ft	40 ft
	Rural	50 ft	100 ft	100 ft
Double Circuit, Same Structure	Urban	25 ft	40 ft	60 ft
	Rural	50 ft	100 ft	100 ft
Double Circuit, Different Structures	Rural	50 ft	100 ft	100 ft

Scope of Work Inside Easement – Incompatible Species

Incompatible species are those that are not congruent with the intended use of the site and include tall growing trees and other plant forms (e.g., bamboo and palms) with the potential to conflict with overhead conductors. For the power distribution lines, all Incompatible Species will be cleared from the full width of the easement. "Clearing" in this context includes the following activities: tree removal, severing of vines, cutting, vegetation mastication.

- **Tree removal:** Qualified line clearance crews work at ground level or on aerial platforms to remove the portion of the tree that is above ground, leaving the stump in place.
- **Severing of vines:** Vines will be severed at the base with an airgap created between the root system and the portion of the vine climbing on the structure. Vines are severed and treated by a qualified working at ground level. The upper portion of the vine remains attached and is not removed.
- **Cutting:** Cutting typically involves the removal of small diameter Incompatible Species by hand.
- **Vegetation mastication:** also known as mulching, slash-busting, or brush-cutting, involves technique for reducing the size of vegetation and downed material in forests. It involves grinding, shredding, or chopping vegetation into smaller pieces, which are then left on the site as mulch.

Scope of Work Inside Easement – Compatible Species:

Compatible vegetation species will be cleared consistent with the distances identified in Regulation 7282, which means that any species with the potential to encroach within 12 feet of the conductors at full size will be removed using the same methods discussed above. Even though the distances identified in Regulation 7282 are vertical clearances, Compatible Species encroaching on the conductors from any direction can pose a hazard to the distribution system, with the maximum edge of the conductors to be 12 feet wide centered on the pole. Therefore, the 12-foot clearance is being applied to both vertical and horizontal clearances. For areas with overhead distribution systems located in the backyard or side yard, the certified easement width from LUMA Land Records office will use for clearing.

In rare cases where Subrecipient's authorized representative encounters significant resistance from landowners or stakeholders to remediate vegetation, Subrecipient's authorized representative will work with landowners or stakeholders to determine if Incompatible and Compatible Species can be pruned to mitigate the hazard to the lines instead of being completely removed

Vegetation with the potential to encroach within 12 feet of conductor — Compatible or Incompatible.

Any vegetation species—whether Compatible or Incompatible—that have the potential (when at full size) to encroach within 20 feet of the conductor will be cleared using one of the methods discussed below:

- **Tree Removal:** Removing above-ground portions of trees while leaving stumps in place.
- **Severing of Vines:** Cutting vines at the base to create an air gap between the root system and the structure.
- **Cutting:** Hand removal of small-diameter incompatible species.
- **Vegetation Mastication:** also known as mulching, slash-busting, or brush-cutting, involves technique for reducing the size of vegetation and downed material in forests. It involves grinding, shredding, or chopping vegetation into smaller pieces, which are then left on the site as mulch. Using heavy equipment to reduce standing trees to woody debris.

All Other Incompatible Species within the Recommended Easement Width:

- All other Incompatible Species will be cleared from the full width of the recommended easement width. The clearing methods described above (tree removal, severing of vines, cutting, and vegetation mastication) will be utilized.

Scope of Work Outside Easement – Species Growing into the Easement

There is the potential for vegetation outside or along the boundary of the easement to interfere with the operation of power distribution lines. Appropriate clearances around the conductors must be achieved to protect the lines from future damage. For distribution lines, Subrecipient's authorized representative has established a minimum clearance distance of 12 feet from all conductors, with the maximum edge of the conductors to be 12 feet wide centered on the pole. This distance is consistent with the vertical distance established in Regulation 7282. If there are species encroaching on the 12-foot clearance outside or along the boundary of the easement, these species will be pruned to obtain at least 20 feet of clearance from the conductors at the time clearance work occurs. In cases where following ANSI A300 best practices require clearance beyond 12 feet, the maximum distance cleared will not exceed an additional 3 feet from set clearing distance. Diagrams illustrating these clearing distances are provided as attachments within Grants Portal. The following clearing methods will be provided as *Attachment B- "FAASTVegetationHMPApproach_38kV_Sub-Transmission_05.15.2025.pdf"*

- **Tree pruning:** Qualified personnel work from an aerial platform or while climbing within a crown of trees to prune the tree. All pruning work wounds the tree. Done poorly, pruning can result in an exaggerated regrowth response by adversely altering tree architecture and increasing exposure to decay organisms that can weaken the tree. These adverse consequences increase the likelihood of tree-initiated faults causing system interruptions and customer outages. Proper arboriculture techniques will be utilized.
- **Tree removal:** Qualified line clearance crews work at ground level or on aerial platforms to remove the portion of the tree that is above ground, leaving the stump in

place.

- Severing of vines: Vines will be severed at the base with an airgap created between the root system and the portion of the vine climbing on the structure. Vines are severed and treated by a qualified worker at ground level. The upper portion of the vine remains attached and is not removed.
- Cutting: Cutting typically involves the removal of small diameter species by hand.
- Vegetation mastication: also known as mulching, slash-busting, or brush-cutting, involves technique for reducing the size of vegetation and downed material in forests. It involves grinding, shredding, or chopping vegetation into smaller pieces, which are then left on the site as mulch.

FEMA 38kV Assessment & Methodology:

LUMA documentation claims a 100% clearance for the entire project segment based on the total length of the feeder. This analysis would not be considered as the method for validation purposes.

Consequently, FEMA perform a 100% evaluation of each feeder to determine the quantity of miles of vegetation non-compatible. The tools used for this analysis are Google Earth, that allows a street view evaluation where the HMs Specialist uses the imagery data for analyze the feeder lines adjacent to roads. Where the feeder is through mountains FEMA use top and 3D view maps that allows determine the elevations for mountains, forested areas (assess vegetation), and the topography of the land. When poles are at the top of mountains and lines run between mountains, only the vegetation around the poles will be considered. The total percentage of each line is the result of compiling all the sections analyzed. It is important to emphasize, that after work completed, the subrecipient can submit additional eligible vegetation clearance distance not included in this vegetation clearance percent analysis.

FEMA Analysis:

Calculated Vegetation FT:	66,515.15
Total Project Miles:	39.77
Vegetation Miles:	12.60
Per cent of Vegetation:	31.68%

Hazard Mitigation Proposal (HMP) Cost:

HM Vegetation Clearance Cost per Mile (Base Cost) =	\$179,651.72
Risk Factor approved by the DR4339-PR leadership (5%) =	\$8,982.59
HM Vegetation Clearance Cost per Mile (w/Soft Cost) =	\$188,634.31
PA Vegetation Clearance Overlap per Mile (Deduction) =	(\$15,738.29)
Hazard Mitigation Total Cost per Mile =	\$172,896.02
Project Total Miles with Vegetation:	12.60
Hazard Mitigation Total Cost =	\$2,178,4

Note:

The \$172,896.02 / mile calculation represents the total cost (base costs + soft costs – PA Overlap). For this project, breaking down that total cost further yields the approximate figures below. For additional information please see the attached document.³

Total Net Hazard Mitigation Cost (Base Cost) =	\$2,074
+ HM (Management & General Conditions Factors) =	\$103
Hazard Mitigation Total Cost =	\$2,178

(IV) Hazard Mitigation Proposal (HMP) Cost Distribution:

Architecture and Engineering (A&E) =	\$167
Remaining Vegetation Clearance Cost =	\$2,011
Hazard Mitigation Total Cost =	\$2,178

(V) HMP Cost-Effectiveness Calculations:

FEMA's Benefit-Cost Analysis (BCA), methodology evaluates expected risk reduction benefits of a hazard mitigation project and compares those benefits to the cost of the mitigation project. FEMA Public Assistance Program and Policy Guide (PAPPG) Chapter 2, Section VII, C, defines cost effective mitigation as: The HMP measure is cost effective through an acceptable Benefit Cost Analysis (BCA) with a resulting Benefit Cost Ratio equal to or greater than (1).

The Island Wide Benefit Cost Analysis (IWBCA) created for the PREPA infrastructure defines a maximum potential benefit using the incurred costs of the PREPA FEMA Accelerated Award Strategy (FAAST) fixed cost estimate, the mission assignments utilized for the reconnection effort, and the costs associated with loss of service. This maximum benefit has been developed to fund all mitigation projects from both Public Assistance Hazard Mitigation and the Hazard Mitigation Grant program.

It is the Subrecipient responsibility to maintain a record of approved IWBCA related projects to avoid running out of funds for their Mitigation portion projects. Please see attached IWBCA Package

The cost of the Hazard Mitigation Proposal (HMP) described herein corresponding to version 2 is \$2,178,489.85 (Hazard Mitigation Total Cost). The cost of this HMP combined with all other proposals (both PA and HMGP) does not exceed the maximum potential benefit and is therefore deemed cost effective per FEMA Public Assistance Program and Policy Guide (PAPPG) V3.1 April 2018, Chapter 2, VII., Section C, BCA Rule. This Hazard Mitigation Proposal meets eligible repair and restoration cost-effective requirements.

**See Mitigation Profile Documents Tab in Grants Manager for complete version of this HMP and supporting documents (HMP, HMP cost estimate, Supporting documents file).

(VI) Compliance and Assurance Requirements:

A) HMP GENERAL NOTES:

By agreeing to implement the hazard mitigation measures in this HMP, the Applicant/Sub-Applicant is bound by the specific guidelines listed within this document.

COSTS AND GENERAL CONDITIONS: The vegetation removal cost is established according to the average base cost of **\$179,651.72 / mile**. Additionally, the DR4339-PR leadership has approved the application of a 5% risk factor to the average cost per mile, resulting in **\$188,634.31 / mile**. After deducting Public Assistance (PA) \$15,738.29 amount (incidental work- refer to document FAASTVegetationHMPApproach_38kV Sub-Transmission_05.15.2025.pdf), the final total obligated amount through PA 406 is **\$172,896.02 / mile**.

DOCUMENTATION REQUIREMENTS: The subrecipient shall document all vegetation removal work, including but not limited to the following:

- Before and after photographs of the total distance included in the HMP Scope of work that clearly show the condition of the area before and after the vegetation clearance.
- A digital map in ArcGIS format showing all areas where vegetation removal was performed. Location information must be provided, including the physical address, GPS coordinates from start to finish of clearance work, and contact information for private property (when applicable).
- Work orders must account for the entire feeder length distance and include a description of the sections both with and without vegetation. Material disposal documentation must specify whether the material was chipped and removed, left on-site, or transported to a landfill.

Note: All vegetation clearance projects must include the above documentation to define the work completed prior to project closeout.

COST DISTRIBUTION: Recognizing that the established cost is an average per mile, it is understood that actual expenses for each feeder or area may deviate (either underrun or overrun) from the estimated project amount. The 406 HMP scope and cost agreement sets an average cost per mile for vegetation clearance, allowing the subrecipient to manage funds across the various projects that comprise the vegetation asset. The *Public Assistance Alternative Procedures (Section 428) Guide for Permanent Work FEMA-4339-DR-PR, January 1, 2022 (PR PAAP Guide)*, states that if funds for 406 Mitigation are included in the fixed-cost subaward, the subrecipient must complete the approved Scope of Work (SOW) of the Hazard Mitigation Proposal (HMP) in order to retain the 406 Mitigation funding. Consequently, only completed distance in the HM Scope of work, supported by the necessary back-up documentation (e.g., verified mitigated clearance distance), will be eligible for fund retention. Any uncompleted work from the HMSOW (e.g., miles not documented with mitigated clearance distance) will be de-obligated during the closeout process.

SCOPE OF WORK DEVELOPMENT OF HAZARD MITIGATION: FEMA will evaluate each mitigation opportunity to first determine what measures or portions of solutions could be funded through Section 406 mitigation. FEMA analyzes the proposed mitigation measures for cost-effectiveness, technical feasibility, and compliance with EHP laws, regulations, and Eos. FEMA, the Applicant, Recipient, and Sub-recipients will develop and agree to scopes of work (SOW) and cost estimates to repair, restore, or replace eligible facilities including 406 Hazard Mitigation" (Page 6).

COMPLETION OF HAZARD MITIGATION SCOPE OF WORK: If this HMP is approved and the mitigation is not performed, the Applicant must apply for a change in the Scope of Work and a de-obligation of the HMP funding. Failure to complete the work of the HMP may limit future FEMA funding of repairs at the site in the event that a similar disaster event results in similar damage at the site.

CHANGES TO THE HAZARD MITIGATION SCOPE OF WORK FOR LARGE PROJECTS:

Per PAAP PA Process (Section 428), Guide for Permanent Work, February 10, 2020, "A Subrecipient may alter the 406-hazard mitigation SOW (HMP) after FEMA, the Recipient, and Subrecipient agree on the cost estimate for the initial proposal. After the project is obligated, the SOW for the HMP can be changed only once and the timeline for this change will be established based on a facility-by-facility basis. The proposed change will require evaluation by FEMA for eligibility and EHP. As part of the eligibility review, FEMA will evaluate the SOW, technical feasibility, the level of protection, the revised cost estimate, and cost effectiveness of the new hazard mitigation proposal, and, if approved, will adjust the scope and cost estimate accordingly." (Page 14)

HAZARD MITIGATION DESIGN: This HMP is for estimating purposes only and not to be construed as a project design. If the site's final placement and configuration are different than the preliminary estimate, the Applicant should submit a change in scope request. This HMP is subject to further review prior to award.

HAZARD MITIGATION CONSTRUCTION: The Applicant must provide & maintain competent & adequate engineering design & supervision during the construction phase to ensure that the completed work conforms to the approved plans & specifications & all applicable material & construction standards.

As a condition of the FEMA mitigation grant, the Applicant is responsible for the determination of and compliance with all applicable requirements, codes, standards and specifications in connection with the project, including but not limited to the Puerto Rico Building Code of 2018 (2018 PRBC), IBC, IRBC, NFIP Floodplain Management Regulations outlined in 44 C.F.R 60.3, ASCE 24, ASCE 7, and receiving all applicable permits & approvals prior to construction.

MAINTENANCE OF HAZARD MITIGATION: The Applicant shall ensure proper maintenance of the installed mitigation measures, per manufacturer and designer specifications. Any adaptations or installations not approved or that renders the hazard mitigation measure ineffective shall be removed by the Applicant. Examples include, but are not limited to, improper installation of roof-mounted equipment or installation of window-mounted air-conditioning units.

ENVIRONMENTAL AND HISTORIC PRESERVATION: Eligibility and funding for the mitigation at this site on this project will be subject to the compliance of all environmental laws, regulations, and executive orders applicable to the site. This project will undergo a EHP compliance review, after obligation any changes to the SOW will likely trigger an additional EHP compliance review of the revised SOW.

ATTACHMENTS:

Please refer the following documents.

1. "Island-Wide Vegetation Clearance - FEMA letter dated March 24, 2023.pdf"
2. "FAASTVegetationHMPApproach_38kV_Sub-Transmission_05.15.2025.pdf"
3. "Appendix A and B - Protected Flora and Incompatible Flora Species.pdf"
4. "IWBCA HMP Package.pdf"
5. "PN956343-TL4800-Report-20251021-JIIR.pdf"
6. "PN956343-38KV-TL4800.kmz"
7. "PN956343-DR4339PR-HMCE-20251029-JIIR.xlsx"

Cost

Code	Quantity	Unit	Total Cost	Section
9001	1	Lump Sum	\$198,302.45	Uncompleted
3510	1	Lump Sum	(\$15,209.80)	Uncompleted

CRC Gross Cost	\$183,092.65
Total 406 HMP Cost	\$2,178,489.85
Total Insurance Reductions	\$0.00
<hr/>	
CRC Net Cost	\$2,361,582.50
Federal Share (90.00%)	\$2,125,424.25
Non-Federal Share (10.00%)	\$236,158.25

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.
- 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.
- 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.
- 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.
- 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.

Insurance

Additional Information

11/3/2025

GENERAL INFORMATION

Event: DR4339-PR

Project: SP 956343

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

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: No

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) #1716287:

Ponce Region 6 Transmission Line 4800 – Toro Negro to Aibonito, Santa Isabel

Location Description: Transmission Line 4800 – Toro Negro to Aibonito, Santa Isabel.

GPS Coordinates: [REDACTED]

Cause of Loss: Wind / Wind Driven Rain

SOV / Schedule #: Not Insured

SOV / Schedule Amount: \$0.00

Applicable Deductible Amount: \$0.00

Damage Inventory Amount: \$2,361,582.50 (CRC Gross Cost \$183,092.65 + HMP Cost \$2,178,489.85)

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:

No Obtain & Maintain Requirement is being mandated for Ponce Region 6 Transmission Line 4800 – Toro Negro to Aibonito, Santa Isabel because facility does not meet the definition of building, equipment, contents, or vehicle.

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).
- ...
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.

Jorge Parrilla, PA Insurance Specialist

CRC Atlantic, Guaynabo, PR

O&M Requirements

There are no Obtain and Maintain Requirements on **FAAST [Ponce Region 6 Line 4800 (38kV) – Toro Negro to Aibonito, Santa Isabel] (Vegetation)**.

406 Mitigation

There is no additional mitigation information on **FAASt [Ponce Region 6 Line 4800 (38kV) – Toro Negro to Aibonito, Santa Isabel] (Vegetation)**.

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.

EHP Additional Info

There is no additional environmental historical preservation on **FAASt [Ponce Region 6 Line 4800 (38kV) – Toro Negro to Aibonito, Santa Isabel] (Vegetation)**.

Final Reviews

Final Review

Reviewed By LEFRANC-GARCIA, CARLOS L.

Reviewed On 11/24/2025 12:47 PM PDT

Review Comments

The PA Scope of Work and Cost is limited to the incidental vegetation clearance. No permanent infrastructure repairs are included as part of this scope. Therefore, the total cost (PA) for this project will be \$183,092.65. This 406 HM work is limited to what is necessary to directly reduce the potential of future damage to the T&D system assets, that exceeds what is necessary to clear vegetation for accessing facilities when carrying out repairs which are already established as eligible for FEMA funding utilizing the 428 FAASt Grant. Reviewed, found eligible and reasonable. - CLG 11/24/25

Recipient Review

Reviewed By Mulero, Noel

Reviewed On 12/01/2025 2:49 PM PDT

Review Comments

Recipient review completed. Applicant must ensure to compliance with all regulatory requirements, Record of Environmental Consideration (REC) Special Conditions and PA policy. Project is ready for applicant review.

Project Signatures

Award Information

Version Information

Version #	Eligibility Status	Current Location	Bundle Number	Project Amount	Cost Share	Federal Share Obligated	Date Obligated
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Drawdown History

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

Obligation History

Version #	Date Obligated	Obligated Cost	Cost Share	IFMIS Status	IFMIS Obligation #
0	6/29/2026	\$2,125,424.25	90%	Accepted	4339DRPRP01081541