

## PRESS RELEASE

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### CIVIL SOCIETY ORGANIZATIONS CALL LUMA CONTRACT A DANGEROUS MISUSE OF PUBLIC FUNDS: HUMAN RIGHTS AND THE ENVIRONMENT TO SUFFER

SAN JUAN, Puerto Rico – More than 100 organizations from Puerto Rico and the States have signed [a letter calling on President Joseph R. Biden](#) to take immediate action to avoid the “human-made disaster” and the danger of wasteful use of federal funds that will result from the recent contract between the Puerto Rican government and private energy company LUMA, owned by its parents companies Quanta Services, Inc. and Canadian Utilities Limited.

In June 2020, Puerto Rico’s public utility, the Puerto Rico Electric Power Authority (PREPA), and the Puerto Rico Public-Private Partnership Authority (P3A), a government-owned company, entered into an agreement with newly formed LUMA. The 15-year contract, which is highly favorable to LUMA, was negotiated behind closed doors with no input from citizens. It is now poised to lock in a climate and cost nightmare for Puerto Rico. “It is imperative that the Federal Government heeds the calling of civil society organizations that have been denouncing the terrible negotiation that has taken place in this contract. As it stands, federal funds have become a pawn of private interests that will not attend to our basic necessities in Puerto Rico of a resilient electrical grid and a healthy environment” said Dr. Adi Martínez-Román, Director of Operations of the UPR Resiliency Law Center.

The Biden Administration has a stake in these dealings because PREPA will pay LUMA to reconstruct Puerto Rico’s grid using billions in federal disaster-relief funds. “The federal funds allocated to PREPA should be invested in a solar power system and batteries installed in PREPA’s subscribers rooftop. We should not allow LUMA and its affiliates to appropriate said funds to rebuild the same power system that keeps us hostages of the fossil fuels power system pollution”, said Ruth Santiago, attorney for Comité de Diálogo Ambiental.

According to the terms of the agreement, LUMA will take on nearly all the functions of the Puerto Rican public utility with essentially no oversight and little accountability. Moreover, the groups denounce that the rates people will pay for electricity are set to rise substantially on an island where an estimated 57% of children live in poverty. “This contract, which privatizes Puerto Rico’s electricity system, will make a bad situation much worse. The Biden administration has an opportunity to undo an environmental, labor, and economic injustice in Puerto Rico. The shady deal violates President Biden’s Executive Orders tackling the climate crisis and protecting the rights of workers. The Trump administration refused to consider the impacts of this bad plan on environmental justice and how it would hurt workers and frontline communities most vulnerable to the impacts of disasters”, said Laura Beatriz Arroyo, Senior Attorney for Earthjustice.

While recognizing Biden’s commitment to providing federal funds to support the recovery of Puerto Rico in the aftermath of Hurricane María and other disasters, the organizations pointed out the vast human, environmental, and economic costs that would result from the current agreement. These include a baffling failure to foreground solar energy and other sources of sustainable power in a place where solar and wind power are abundant and cost-effective, along with a massive rollback of worker protections. “The signing organizations should be congratulated for this petition to the President because Puerto Rico has the right to a resilient, citizen -based and environmentally sound electricity system and because the risks of the LUMA contract for abusive and windfall profits at the costs of taxpayers monies must be avoided”, said Professor Pedro Saadé, head of the Environmental Law Clinic at the University of Puerto Rico’s School of Law.

The groups are asking Biden to intervene to stop a bad deal for Puerto Rico in favor of social and environmental justice for the people of Puerto Rico. They are also asking more organizations and individuals to support their petitions by signing the letter in the following link: <https://forms.gle/v2Rzh6vr8X78a3j98>.