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Agustín Carbó-Lugo
Director
Puerto Rico Grid Modernization and Recovery Team
U.S. Department of Energy

Vía email: agustin.carbo@hq.doe.gov

Dear Mr. Carbó-Lugo

As expressed in our telephone conversation, we are very excited about your designation as Director of Puerto Rico Grid Modernization and Recovery Team for the Department of Energy (DOE). We trust that your experience and knowledge of the Puerto Rican context and the groups that have been working continuously to promote a sustainable and resilient grid, will bring a qualitative change to the way the reconstruction of the grid is currently taking.

As agreed, we present this proposal for a “Puerto Rico Grid Modernization Task Force” as a viable alternative to empower your task and assist in making the mission of an effective grid modernization possible for Puerto Rico. As you know, there has been plenty of challenges to transparent, accountable, equitable, and effective use of federal funds in Puerto Rico. We believe it is essential for you to team-up with the Puerto Rican people to help direct the reconstruction of our electric systems, and as an essential part of the oversight and coordination of federal spending in grid modernization.

We want you to be successful at your mission and are ready to help you achieve it.

Justification for the creation of a Puerto Rico Grid Modernization Task Force

To date, the federal and island disaster recovery and reconstruction response has not taken advantage of the local historical and institutional knowledge in the modernization of the grid. As a result, centralized electrical grid powered by fossil fuel left everyone in Puerto Rico without power after Hurricane Fiona, a category one hurricane that hit us five years after the María and Irma’s destruction. Once again, Puerto Rico’s entire population and the hospitals were without electricity, and many vulnerable communities continue without a stable supply of electric service. Meanwhile, hundreds of millions of dollars of federal funds have been wasted in highly questionable contracts to companies such as Whitefish and COBRA, scandals that produced several arrests and were denounced by the Department of Homeland Security’s Office of Inspector General. The urgency for a transparent, effective, and decentralized power grid lies in how it implies life or death to many people in our islands.

The challenge to Puerto Rico’s grid modernization is not caused by the bureaucratic or regulatory hurdles that are constantly denounced by local officials, or our “incapacity” as mainly denounced by FEMA. Even with diverse mandates for transition to renewables in Puerto Rico, starting with Puerto Rico Energy Public Policy Act and Climate Change Mitigation, Adaptation, and Resiliency Act, which set out a goal of 100% renewable energy by 2050, and the approved Puerto Rico Integrated Resources Plan (IRP), requiring maximizing solar power within a mix of generation resources, the reconstruction process has been directed by local government and FEMA mainly



to the construction of fossil-fuel based infrastructure. The Puerto Rico Electric Power Authority (PREPA) and LUMA Energy (LUMA) insist on using FEMA funds to rebuild a centralized methane gas system. What is being spent in solar-based microgrids are “drops in a bucket”, as our environmental lawyers and activist, Ruth Santiago, explained to President Biden’s in his visit to Ponce.

These inconsistencies are evidenced in the 10-year-plan for reconstruction of the grid and in a recent order by the Puerto Rico Energy Bureau (PREB) to PREPA and LUMA to prepare a Request for Proposal for a new gas plant. Furthermore, at least 16 out of 18 industrial photovoltaic renewable energy projects approved last summer by the PREB and the Fiscal Oversight and Management Board (FOMB), are in protected agricultural land; some are even in flood and earthquake zones. Although a photovoltaic renewable energy system is the most resilient and clean generation of power, if its distribution is centralized and located in protected agricultural land and in floods and earthquake zone, Puerto Rico’s population will continue to suffer.

These actions and plans not only contradict local knowledge and scientifically supported proposals for civil society groups, but also go against several of President Biden’s executive orders, as the one on Catalyzing Clean Energy Industries and Jobs Through Federal Sustainability and the Justice 40 Initiative. Furthermore, it is important to emphasize that this type of centralized fossil fuel power system also failed Louisiana after Hurricane Ida. We believe that your designation, as a result of President’s Biden directive to the DOE, brings a wonderful opportunity to change the mistaken course taken by the main institution that administer federal funds.

Federally funded electric grid recovery work should not be centralized. To help ensure truly transparent, accountable, equitable, and effective reconstruction of the grid, the DOE should promote the participation of civil society leaders that have clearly presented what the real challenges are and effective solutions to the problems faced. A working group of knowledgeable and capable local stakeholders, who have been at the forefront of helping those most affected by the disaster, can help you move forward grid modernization in Puerto Rico, and also become an essential mechanism of transparency and accountability.

What is the Puerto Rico Grid Modernization Task Force (GMTF)?

The task force proposed would be a group of five (5) Puerto Rico civil society leaders working with you, federal and local agencies that play a role in Puerto Rico’s electrical grid recovery and modernization. In doing so, this working group would:

- Advise federal efforts, identifying improper and ineffective spending, ensuring the compliance with law and policies, and a focus on equitable resiliency throughout the reconstruction of the electric grid.
- Oversee the existence of effective processes, prioritizing participation processes during the planning and implementation phases.
- Oversee and require actions to ensure transparency and accountability for the Federal government and the people of Puerto Rico.
- Serve as a link between your office and the groups that they represent, maintain gender parity as a priority, and ensure that the voices of women, elders, and the disabled are heard.

These five advisors would report to you as members of a Puerto Rico’s Grid Modernization Task Force (GMTF), would be proposed by Puerto Rico’s civil society, and have the duties and authority



as explained below. Each one of the members will have the full-time responsibility to work at the GMTF and concentrate their efforts in overseeing the work done by federal agencies involved in grid reconstruction (FEMA, HUD) and the local agencies in Puerto Rico (COR3, PREPA, PRHD).

The members appointed to the GMTF would be proposed to you by civil society in Puerto Rico, and their designation may be revoked by the process established by your office in consultation with the groups. It will produce a report every six months that will be public and should describe the methods and results in accomplishing its duties. Results should measure effectiveness not only through quantity, but also with an in-depth consideration of the quality of the processes achieved.

The GMTF will execute their duties under your supervision, assisting you in following the flow of funds, the implementation of projects, challenges, roadblocks and successes, and progress towards grid modernization. Of course, all reports will have to be produced in both English and Spanish and shall be submitted to all the agencies involved in recovery.

Duties of the GMTF

For the GMTF to serve to ensure participation, optimization, accountability, and transparency of the grid modernization process, it shall:

- a) Help you promote the collaboration between the central government of Puerto Rico, local municipal governments, nonprofit organizations, local businesses and other civil society groups involved in the recovery processes. They will help you instruct regional collaborative actions for effective mitigation, adaptation and reconstruction of a resilient grid, and oversee that agencies and institutions undertake proper stakeholder analysis to ensure effective public participation.
- b) Help you to review, assess and oversee the grid reconstruction projects approved to be constructed with federal funds to ensure that policies and recovery and development project prioritization and implementation achieve equitable and resilient outcomes that help the people most in need, and that they include the necessary participatory mechanisms that warrant responsiveness to underserved populations and vulnerable groups, utilize local knowledge and apply innovative and sustainable solutions.
- c) Help you identify, propose, and oversee ways in which the canalization of federal funds can be agile and at the same time, identify problems of accountability and transparency that should be solved by the agencies.
- d) Help you to review the data used and produced by grid reconstruction initiatives and make sure it is made public, providing information about the progress of grid modernization projects.
- e) Help you identify duplication, and propose solutions to onerous requirements, and other problems that cause backlogs.
- f) Help you monitor that recovery actions and programs do not violate human rights of the most vulnerable populations and ensure the creation of policy and guidelines that protect against discrimination, displacement and guarantee the right essential service of electricity and other lifelines to low-, moderate-income and vulnerable communities.



g) Help you oversee that agencies and institutions establish processes to guarantee that grid recovery federal spending will benefit local organizations and businesses by eliminating current challenges to their participation in the solicitation, including spending in capacity building and promoting creative ways of financing.

h) Help you produce the required.

Authorities and capacities of the GMTF

To carry out the duties described above, the GMTF will have to share with you the following authorities and capacities:

a) Petition information from agencies. Present information requests before other public entities, including local and federal government.

b) Order monitoring and auditing processes.

c) Have primary jurisdiction to intervene, have knowledge of, and conduct, on the initiative of your office and the DOE, any investigation on any matter or dispute relating to the principles and duties outlined above.

e) Request specific actions from agency directors relating to the GMTF duties and have primary jurisdiction to undertake administrative or judicial review processes as needed.

We understand that in order to have some of these authorities and capacities, you may need to propose actions by the Secretary of the DOE. We are available to help you work on those proposals and assist in any way we can.

Membership

The GMTF members should be from Puerto Rico's civil society:

- 1) One representing academia
- 2) One representing renewable entrepreneurship
- 3) One representing the Puerto Rican electric power employees and/or labor groups
- 4) One representing energy and environmental non-profit sector
- 5) One representing low- and moderate-income communities

We recommend that members should have demonstrated expertise and/or advanced academic preparation in areas of renewable energy projects and policy, resilient planning, socio-economic development, and/or environmental justice, including basic understanding of geospatial data.

Puerto Rican civil society shall have no more than 30 days to provide your office with names of candidates for each category in the GMTF. Your office would then recruit the members of the GMTF from the nominations presented. As you analyze the candidates and make the selection, you should strive for gender parity. These terms will also apply when any member stops serving or the position revoked by the process established by your office in consultation with the groups.



Execution of their responsibilities

To carry out their duties, you will have to work with the GMTF to:

- a) Adopt internal policies and regulations for the proper operations and execution of their obligations.
- b) Designate and hire the necessary number of regular personnel needed to carry out their duties. The personnel should be duly qualified, and any conflict of interest must be avoided. Outside consultants and firms may be hired, yet we recommend that all the documentation regarding their hiring, compensation and evaluation is made publicly available online at the DOE portal. Local firms and professionals should be given priority and the economic impact they have in Puerto Rico's economy will be a positive factor in their evaluation. Hiring of non-local firms, defined as any with less than 5 full time employees in the island, should be explained in detail.
- c) Review and operate an annual budget and develop an operational plan. The DOE will have to provide you and the GMTF sufficient funds to carry out the duties as outlined above, including funds to pay fair compensation to members and staff of the GMTF, based on the annual budget prepared for the DOE by your office and the GMTF.
- d) Request, when appropriate, the technical support from any public institution, including the University of Puerto Rico, or other organizations that can help with their duties.
- e) Access the information necessary to discharge their duties. If agencies do not comply with the term of 30 days to deliver the information, the DOE may promote judicial intervention.

This proposal is based on the work done by a numerous group of civil society leaders that worked collaboratively during 2019-2020 in a proposal for the creation of a civil society task force in Puerto Rico. The model is therefore supported in its principles and basic structure. We are available to support you on the promotion of this model and assist you in any way we can. It is imperative, as stated above, to empower your office with an effective mechanism of Puerto Rican local knowledge that will help you push a transparent, equitable and resilient modernization of the grid.

If you want to discuss or have any questions, please let us know.

Best regards,

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