



FEMA

July 17, 2018

The Honorable Peter DeFazio
Ranking Member
Committee on Transportation and Infrastructure
U.S. House of Representatives
Washington, DC 20515

Dear Ranking Member DeFazio:

This letter is in response to your correspondence dated June 13, 2018 regarding the mission assignment for the U.S. Army Corps of Engineers (USACE). Power restoration has been and continues to be a top priority for FEMA and the Commonwealth of Puerto Rico.

On Sept. 28, 2017, FEMA tasked USACE to provide emergency assistance to the Commonwealth and PREPA with emergency power generation (temporary generators) and interim repairs to segments of the electrical grid to allow temporary power restoration until full electrical grid restoration could occur. In late March, at the request of the Commonwealth the mission assignment for USACE was extended until May 18.

On April 29, 2018 the Commonwealth asked FEMA to extend the USACE mission assignment for an additional 180 days.

On May 17, 2018 FEMA approved the extension of the USACE mission assignment for emergency power restoration as follows:

- Lease, Operation and Maintenance for the three mega generators until PREPA completes the purchase of those three generators. Once the purchase is complete, the lease and maintenance will terminate;
- Logistics and materials management for power grid stabilization – PREPA is in the process of procuring a logistics management team and will transition with USACE to the new team; and
- Temporary Power Generators for approximately 700 critical facilities and infrastructure locations.

As of May 18, 2018, USACE no longer provides line restoration work for PREPA per the direction provided by the Energy Unified Command Group and confirmed by the PREPA Chief Executive Officer.

As of July 4, 2018, power restoration is at 99.87 percent with 0.13 percent of, or 1,942 customers, remaining without power. The remaining work is ongoing in some of the hardest-hit, remote, and mountainous areas.

You requested response on three specific inquiries, which follow below.

- 1. On May 17, 2018, a letter from FEMA Federal Coordinating Officer Michael Byrne to Omar J. Marrero, executive director of the Puerto Rico Public-Private Partnerships Authority, stated that "PREPA is in the process of procuring a logistics management team and will transition with USACE to the new team." Please explain what the transition will entail. What steps will FEMA and USACE take to ensure that there is sufficient material available on island in preparation for the 2018 hurricane season?**

As of July 5, 2018, PREPA is in the process of procuring its logistics capability. As such, FEMA intends to extend the USACE mission assignment as needed to support logistics and materials management until PREPA demonstrates its ability to properly manage materials procurement, movement and accountability. On June 16, FEMA learned that PREPA issued an amendment to its Request for Proposal (RFP) to remove Testing & Evaluations from its logistics RFP and only seek services for warehousing. The Commonwealth is seeking clarification on the reasoning for this change, since the expectation is that PREPA and its contractors will have a comprehensive capability to manage materials.

For the 2018 hurricane season, FEMA is working with PREPA and USACE to replace any storm stock that was used for emergency restoration following Hurricane Maria. PREPA is working internally, with help from its consultants, to determine what stock is needed for the 2018 hurricane season. PREPA will be responsible to pay any operations and maintenance costs and will need to prioritize existing funds to make those purchases.

- 2. In the May 17 letter, FEMA requests that PREPA "provide a plan describing how PREPA will support current and future temporary power needs."**

- a. How does FEMA define "temporary power needs?"**

Temporary power needs are addressed by generators, microgrids, and any associated equipment/materials needed to provide power for structures until those structures can be connected to the grid or determined they would have some other source of power.

- b. Does this plan apply to the placement of temporary generators, or does it consider broader service challenges affecting PREPA?**

PREPA will determine the scope of the plan based on its assessment and requirements leading up to permanent work.

- c. Will this plan incorporate a strategy to restore power to the remaining citizens that are still without power?**

Should PREPA determine that some of those remaining customers will not be connected to the grid, PREPA will need to provide a plan for those customers.

- d. Please provide copies of all plans PREPA has submitted to FEMA pursuant to the May 17 letter that describe PREPA's plans to support current and future power needs.**

As of July 5, PREPA has not provided any such plans.

3. Per the May 17 letter, FEMA approved extending USACE's mission for emergency power by continuing to lease, operate and maintain three "mega generators" until PREPA purchases the generators.

a. How much of Puerto Rico's electricity demand can these generators deliver?

The historic peak load for the island is approximately 2,600 MW. These generators provide 75 MW and also support a black start, which is the process of restoring an electric power station or a part of an electric grid to operate without relying on the external transmission network for power if the island or a portion thereof goes dark.

b. Did PREPA request to purchase these generators, or how was the agreement determined?

The Puerto Rico Electric Power Authority was unable to reach an agreement to purchase the mega-generators from their owners, and on June 16 reported it was no longer pursuing this option.

The Puerto Rico Electric Power Authority then determined when it would end the mega-generators' service based on the current state of generation and transmission. The following requests were submitted to the U.S. Army Corps of Engineers:

- Demobilize the mega-generator at the Yabucoa Substation on July 18; and
- Demobilize the two mega-generators at the Palo Seco Power Plant on Aug. 18.

FEMA and the U.S. Army Corps of Engineers are aware the Governor of Puerto Rico recently indicated he will request the mega-generators continue to be leased until the means can be found to purchase them. FEMA will take any such request under careful consideration.

c. What is the projected remaining life of these generators?

The units were new when they were installed. The generators require different levels of maintenance. They are water washed every 1,000 hours (basic maintenance). They just underwent semi-annual maintenance, which is a more in-depth maintenance routine (72-hour process). As long as these units are properly maintained, there's no definite timeframe. Some have been operating for 20-30 years.

d. Please explain the terms and cost details of the leasing and operation and maintenance agreement, and the purchase agreement.

PREPA was asked to provide a plan and has not done so yet.

e. Please explain the process in place to ensure there are an adequate number of trained workers to operate and maintain the units once USACE transitions the generators to PREPA.

PREPA has a sufficient number of trained operators for these mega-generators. USACE is currently operating them because they are leased generators and according to the lease agreement only USACE or their contractors are permitted to operate them.

- f. How will the expenses from the generators affect the Federal funding available to PREPA for permanent work or long-term remediation of the electric power system?**

The purchasing of the generators does not affect permanent work.

- g. Once the generator purchase is complete, the lease and maintenance will terminate. What are the plans for maintaining the generators after the maintenance period is over? What is the transition plan from sale to equipment release?**

PREPA will assume all operations and maintenance of the power plant generation equipment similar to how they provide operation and maintenance of their current power plant generation units. PREPA currently operates their power plants and the transition will occur upon sale.

Power restoration is a top priority for FEMA and the Commonwealth - and has been a priority since hurricanes Irma and Maria struck the island. Recovery calls for a unity of effort at every level: local, state, territorial, and federal. It is going to be a long process, but FEMA will be there every step of the way. Like you, we are fully committed to providing help and support to the people of Puerto Rico and will continue to do so as we move through the recovery process.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brock Long', with a stylized flourish extending to the right.

Brock Long
Administrator