

Public Comments – Electrical Enhancements Action Plan

Preface

All public comments, in English and Spanish, regarding the Electrical Enhancements Action Plan (herein, Action Plan) draft, in their totality and in the language and format that they were submitted, are available at www.cdbg-dr.pr.gov and in Appendix A of the Electrical Enhancements Action Plan.

For the readers' benefit, we have summarized the comments submitted in English and Spanish in this document. The comments cited in this document may have been rephrased from the original as a result of the translation process or for brevity purposes. The personal identification information in the comments has been removed to protect the privacy of the person providing the comment. Consult the text of the comments submitted to obtain additional information.

You can contact the Puerto Rico Department of Housing (PRDOH) to request the complete translation of some comments or the alternate ways or formats of access to the public comments and the responses by PRDOH. The requests can be made:

- By phone: 1-833-234-CDBG or 1-833-234-2324
- By email: infoCDBG@vivienda.pr.gov
- Online at: <http://www.cdbg-dr.pr.gov/contact/>
<http://www.cdbgdr.pr.gov/contacto/>
- By postal mail: Puerto Rico CDBG-DR Program
P.O. Box 21365
San Juan, PR 00928-1365

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Comment ID: Jasmin Rivera

"I am proud of Puerto Rico and its poverty population. It is necessary and of great importance to help us, as individuals, to help the environment, and although not apparent, the government of Puerto Rico as well. It would be of great economic and environmental quality relief."

PRDOH Response:

PRDOH thanks you for your participation. In accordance with one of CDBG's national objectives, the allocated funds are intended to attend the unmet needs of low to moderate income (LMI) individuals, as established by the parameters set in HUD's adjusted gross income limits for Puerto Rico. As established in the Electrical Power System Enhancements Action Plan, the Energy Grid Rehabilitation and Reconstruction Program (ER1) and the Electrical Power Reliability and Resilience Program (ER2) must meet the LMI National Objective.

PRDOH acknowledges the importance of utilizing CDBG funds to attend the needs of this demographic and recognizes the multifaceted benefits that would arise as byproducts of this assistance. The CDBG-DR Action Plan for Hurricanes Irma and María, as well as the Action Plan for Electrical Power System Enhancements elaborate on these impacts, and are publicly available in the PRDOH CDBG-DR website at: <https://cdbg-dr.pr.gov/en/> (English), and <https://cdbg-dr.pr.gov/> (Spanish).

Comment ID: Anthony Martínez

"Greetings"

- 1. We need a multi-sector committee with innovative an environmental inclination.*
- 2. Evaluate three (3) countries and proposals that are applicable to the tropics, with a twenty (20) or thirty (30) year plan that all political parties are committed to and responsible for. Transform it into an untouchable law, perhaps establishing an independent authority agency but with the cooperation of all political parties and sectors.*
- 3. A country with our economic challenges needs capital. Families need substantial benefits (grants or subsidies) for each family to independently invest in renewable energy or other. That is new, politically correct, and moral capital for the economy.*
- 4. Put economists and others who have demonstrated values of service to the community as the communitarian*

PRDOH Response:

PRDOH acknowledges the need to administer these funds based on the reality and unique needs of Puerto Rico. As part of the requirements established in the federal register (86 FR 32681), PRDOH consults with the federal members of the Technical

Coordination Team led by the U.S. Department of Energy, as well as with affected citizens, stakeholders, and local agencies to identify unmet critical needs for the improvement of the electrical grid system.

Private corporations, as well as entities from other sectors are invited to submit proposals to develop eligible electrical energy enhancement projects and activities. This distribution system would aid in the effective and timely distribution of these funds, while helping to achieve the Action Plan goals.

Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. Additionally, PRDOH currently operates the Community Energy and Water Resilience Installation (CEWRI) Program, which provides single-family homeowners energy and water efficiency improvements to promote resilience by installing Photovoltaic (PV) systems with battery backup for critical loads and water storage systems.

The program guidelines for the CEWRI Program are available in the PRDOH CDBG-DR website at: <https://cdbg-dr.pr.gov/en/download/community-energy-and-water-resilience-installations-program/> (English) or <https://cdbg-dr.pr.gov/download/instalaciones-comunitarias-para-la-resiliencia-energetica-y-de-abastecimiento-de-agua> (Spanish).

The Electrical Power System Enhancements Action Plan is also available in PRDOH's CDBG-DR website at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Candida Lozada

"For me, it is a very good project and I recommend it."

PRDOH Response:

PRDOH thanks you for your optimism in response to the Action Plan for Electrical Power Systems Enhancements. To stay up-to-date on any information or updates related to this Action Plan, please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Isabel Nieves

"Greetings, I've attached information about areas with the greatest problems in the town of Aguadilla, and a subterranean project that is still pending finalization. If you require additional information, do not hesitate to contact me."

Areas with the most energy problems in Aguadilla

Neighborhood	Community/Sector	Situation
Pueblo (City Center)	Calle Progreso	A subterranean electricity system was created and it has yet to be activated.
	Cuesta Vieja	Relies on a fragile system that has frequent interruptions. During Hurricane Maria, this was one of the communities that spent more than 6 months without electrical service.
	Cerros en el casco urbano	Location with weak infrastructure which experiences frequent interruptions.
Camaseyes	Urb. El Verde	Location with weak infrastructure which experiences frequent interruptions.
	Paseos de Jaicoa	Frequent interruptions
Barrio Borinquen	Sector Playuela	Location with weak infrastructure which experiences frequent interruptions.
	Marbella	Location with weak infrastructure which experiences frequent interruptions.
Montaña	San Antonio	Location with weak infrastructure which experiences frequent interruptions.
	Urb. Paseos Reales	Frequent interruptions
Corrales	Vista Verde	Frequent interruptions
Caimital Alto	Anexo Carr#2 KM 123.4	Frequent interruptions
Maleza Alta	Base Ramey	Frequent interruptions"

PRDOH Response:

Thank you for your insightful comment. PRDOH recognizes the importance of attending all affected regions in Puerto Rico, and Aguadilla is no exception. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids in order to improve the sustainability and stability of electrical services across the Island, as well as projects proposing the recovery of existing systems.

To stay up-to-date on any information or updates related to this Action Plan, please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Haydee M. Castro

"I have known through other people that the implantation of the Electrical grid has been a success and many Puerto Rican households have benefited from this. I have not had the chance to enjoy from these benefits and in 2020, I filed a complaint to the AEE, #wrss729143 because of a problem that I have with electrical service on a post, I feel that my life and my family are in danger, constant electricity interruptions, damages to

utensils I am afraid that my house will ignite due to a power outage. I hope that this implantation reaches the households that need it. Att. Haydee M Castro."

PRDOH Response:

PRDOH laments your situation and recognizes the urgency of attending the unmet needs of all Puerto Rican families. Currently, PRDOH is administering the Community Energy and Water Resilience Program (CEWRI) under the CDBG-MIT Program, which collaborates with other CDBG-DR Programs to directly provide homeowners, businesses, and public installations with improvements in the efficiency of the energy and water systems to promote resiliency by installing photovoltaic (PV) systems with a reserve battery. PRDOH believes that this Program may be of interest and invites you to read further by accessing the CEWRI Program Guidelines, available in PRDOH's CDBG-DR webpage at: <https://cdbg-dr.pr.gov/en/> (English) or <https://cdbg-dr.pr.gov/> (Spanish).

Comment ID: Julio Nieves

"Hurricane Maria Funds"

PRDOH Response:

PRDOH acknowledges your participation in this public comment phase for the Electrical Power System Enhancements Action Plan. The newly allocated funds for this Action Plan are intended for the revitalization of Puerto Rico's electrical grid. It is estimated that Hurricanes Irma and María devastated around eighty percent (80%) of the electrical energy system in Puerto Rico.

PRDOH also manages another Action Plan relying on CDBG-DR funds for recovery of disasters cause by Hurricanes Irma and/or Maria. For more information about this Action Plan, please visit the following links: <https://cdbg-dr.pr.gov/en/download/action-plan-amendment-7-substantial-effective-on-november-5-2021/> (English) <https://cdbg-dr.pr.gov/download/7ma-enmienda-al-plan-de-accion-sustancial-efectiva-el-5-de-noviembre-de-2021/> (Spanish).

Comment ID: Ametza I. Delgado

"Greetings. Please send documentation on the approved Green Energy Decree. Thank you. At your service!!!"

PRDOH Response:

Thank you for your participation in the public comment period in response to the Action Plan for Electrical Power Systems Enhancements. In the Action Plan the Green Energy

Incentives Act of Puerto Rico (Act 83-2010) was included as part of several laws and mechanisms established by the Puerto Rico Legislature to improve the energy system. PRDOH recognizes the importance of complying with this law and will ensure that all projects and activities executed in the plan are carried out according to local and federal policies and regulations.

To learn more about the federal and local laws applicable to the Electrical Power System Enhancements Action Plan, visit PRDOH's CDBG-DR website at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Janelys Rodriguez

“000”

PRDOH Response:

Thank you for your comment. If you wish to obtain more information about the Action Plan for Electrical Power System Enhancements or have any other inquiries related to PRDOH's management of CDBG-DR and CDBG-MIT funds, please visit the following website, available in English and Spanish at: <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/>, respectively.

Comment ID: Mariangelly Jusino Rodriguez

“I would like to purchase my first home”

PRDOH Response:

PRDOH appreciates your submission during this public comment period. We are glad to inform you that PRDOH is currently managing a Homebuyer Assistance Program (HBA) under the CDBG-DR Action Plan for the recovery of the disaster caused by Hurricanes Irma and/or María. The HBA Program is intended to assist eligible first-time homebuyers with the process of acquiring their first property.

Moreover, a recent amendment to the HBA Program made more flexible the requirements needed to qualify as a ‘first-time homebuyer’, allowing a greater number of Applicants to be deemed eligible for assistance.

To obtain more information about the CDBG-DR Homebuyer Assistance Program and its eligibility requirements, you may refer to the Program Guidelines, available in English and Spanish at: <https://cdbg-dr.pr.gov/en/download/homebuyer-assistance-program-2/> and <https://cdbg-dr.pr.gov/download/programa-de-asistencia-directa-al-comprador-2/>, respectively.

Comment ID: Triana P. Vázquez

“Request for assistance to purchase first home.”

PRDOH Response:

PRDOH appreciates your submission during this public comment period. We are glad to inform you that PRDOH is currently managing a Homebuyer Assistance Program (HBA) Program under the CDBG-DR Action Plan for the recovery of the disaster caused by Hurricanes Irma and/or María. The HBA Program is intended to assist eligible first-time homebuyers with the process of acquiring their first property.

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Comment ID: Giankarlo Luna Padilla

“Request for assistance to purchase first home.”

PRDOH Response:

PRDOH appreciates your submission during this public comment period. We are glad to inform you that PRDOH is currently managing a Homebuyer Assistance Program (HBA) Program under the CDBG-DR Action Plan for the recovery of the disaster caused by Hurricanes Irma and/or María. The HBA Program is intended to assist eligible first-time homebuyers with the process of acquiring their first property.

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To obtain more information about the CDBG-DR Homebuyer Assistance Program and its eligibility requirements, you may refer to the Program Guidelines, available in English and Spanish at: <https://cdbg-dr.pr.gov/en/download/homebuyer-assistance-program-2/> and <https://cdbg-dr.pr.gov/download/programa-de-asistencia-directa-al-comprador-2/>, respectively.

Comment ID: Gerardo Sánchez Piñeiro

"Greetings,

It would be wise to analyze the viability of incentivizing the purchase of green energy (solar panels) for Puerto Rican families, as utilizing this incentive would allow families to purchase this equipment and the excess energy could be reutilized to provide support to the Electrical Energy Authority, achieving greater energy and monetary stability.

In a second phase, the impact of incentivizing renewable batteries to achieve greater stability for electrical energy and Puerto Rican families."

PRDOH Response:

Thank you, Gerardo Sánchez, for your participation during this public comment period. Projects to be awarded assistance under this Action Plan are still under evaluation, but PRDOH will consider all project proposals that comply with HUD's regulations, as well as applicable laws.

It is worth noting that there is a subprogram under the CDBG-MIT funds, which seeks to attend energy and water resiliency needs for community installations. PRDOH invites you to visit the CDBG-MIT webpage, which is available in PRDOH's CDBG-DR website, to read about the Community Energy and Water Resilience Program (CEWRI). This program is now commencing, presenting a good opportunity for you to explore the Program's information and register for Program-related notifications: <https://cdbg-dr.pr.gov/en/community-energy-and-water-resilience-installations-program/> (English) or <https://cdbg-dr.pr.gov/programa-instalaciones-comunitarias-para-la-resiliencia-energetica-y-de-abastecimiento-de-agua/> (Spanish).

Comment ID: Sugerencia Agilizar Procesos (Lisa Spickers)

"Currently, the procedure for electrical contractors to be able to present ELECTRICAL CERTIFICATIONS to the operators of the Electrical Grid, AEE/LUMA or any other that may surge, is not efficient and obsolete.

The electrical certifications developed by electrical contractors (Electrical Experts and/or Engineers) are ruled by the Regulations for Electrical Certifications. This official document is an essential part of the procedures necessary for providing services to the electrical grid's clients, mainly those services concerning the interaction with the electrical grid.

Since many years back, this process has turned complicated, tedious and generally slow, to attend the problems that clients confront regarding their electrical service.

A very useful tool is to create a mobile application to quicken the communication and interaction between the electrical contractors (electrical experts and/or engineers) with the electrical grid operating personnel.

The mobile application, other than being the link between the electrical contractor and the electrical grid operator will serve for data recollection.

The data compiled during this process will help us have realistic metrics regarding the quantity of Electrical Certifications by region, by city, and even by feeder.”

PRDOH Response:

PRDOH thanks you for your participation during this public comment period for the Electrical Power System Enhancements Action Plan. Your proposal has been recorded and will be taken into consideration during the development phase of this Action Plan. The funds under this Action Plan are intended to be used for eligible activities relevant to improvements for Puerto Rico's energy grid. If you wish to obtain more information about the Action Plan for Electrical Power System Enhancements or have any other inquiries related to PRDOH's management of CDBG-DR and CDBG-MIT funds, please visit the following website at: <https://cdbg-dr.pr.gov/en/> (English) and <https://cdbg-dr.pr.gov/> (Spanish).

Comment ID: Nicolas Billeaud

“With the technology available today and the proper setup, microgrids for the communities have become a real option.

CDBG must be engaged with these communities, from the bottom-up, and through a transparent, coordinated model.

It starts with centralizing the development of the infrastructure and the deployment of generation and storage assets at the local level, through businesses, manufacturers, associations and municipalities. It happens with a software based application that models the microgrid development, coordinating all participants through the same interface.

Onboarding users and ensuring electricity operations is made possible also at the software level for flexibility, security and accessibility of all services and opportunities.

DexGrid is a local company that enables and coordinates this bottom up approach.

Both the private and public sectors have an important role to play in providing reliable and accessible electricity to the communities.

<https://dexgrid.io/en/index.html>”

PRDOH Response:

PRDOH thanks you for your time and participation during this public comment period. It is PRDOH's responsibility to comply with what is established in 86 FR 32681, which requires

consistent, periodic consultations with the Technical Coordination Team, composed of various federal agencies.

Through public hearings and public comment periods, PRDOH ensures that citizens can voice their interests, concerns, and recommendations pertinent to this Action Plan, and will consider these when selecting and developing Projects under said Plan. As such, your proposal has been recorded and will be taken into consideration during the development phase of this Action Plan.

Comment ID: [Jessenia Rivera Vázquez](#)

“APPLYING FOR THE PURCHASE OF MY FIRST PROPERTY.”

PRDOH Response:

Thank you for your participation during this public comment period in response to the Electrical Power System Enhancements Action Plan. The funds under this Action Plan are intended to be used for eligible activities relevant to improvements of Puerto Rico's energy grid.

Nonetheless, PRDOH is currently managing the Homebuyer Assistance Program (HBA) Program under the CDBG-DR Action Plan for the recovery of the disaster caused by Hurricanes Irma and María. The HBA Program is intended to assist eligible homebuyers with the process of acquiring a primary residence.

A recent amendment to the HBA Program made more flexible the requirements needed to qualify as a ‘first-time homebuyer’, allowing a greater number of Applicants to be deemed eligible for assistance.

To obtain more information about the CDBG-DR Homebuyer Assistance Program and its eligibility requirements, you may refer to the Program Guidelines, available in English and Spanish at: <https://cdbg-dr.pr.gov/en/download/homebuyer-assistance-program-2/> and <https://cdbg-dr.pr.gov/download/programa-de-asistencia-directa-al-comprador-2/>.

Comment ID: [Ingrid Vila](#)

“To Whom It May Concern:

CAMBIO PR appreciates the opportunity to provide comments on the Puerto Rico Disaster Recovery Action Plan for the Use of CDBG-DR Funds for Electrical Power System Enhancements and Improvements. As noted in the plan, the Puerto Rico Department of Housing has a unique opportunity to use \$1.9 billion in federal funds for the benefit of low-income Puerto Ricans by funding electrical system resiliency needs that would otherwise go unmet.

CAMBIO reiterates the importance and value of rooftop solar and storage systems in providing resiliency to households. Earlier this year, CAMBIO released the results of detailed grid modeling studies analyzing the technical feasibility of supplying 75% of the island's electrical needs with distributed renewable energy and battery storage by 2035, including equipping all homes on the island with small-scale solar and storage systems, specifically 2.7 kW solar paired with 12.6 kWh storage. (See Appendix: "We Want Sun and We Want More", March 2021). The modeling showed that this decentralized and resilient system could be achieved with modest upgrades to the distribution system. If adopted, this approach would reduce and stabilize electric rates by reducing the island's dependence on imported fossil fuels, while radically transforming the resiliency situation for Puerto Rico residents within fifteen years.

CAMBIO estimates that the use of \$1.9 billion in CDBG-DR funds to bulk purchase standardized, small-scale rooftop solar and storage systems that could meet household critical needs during a grid emergency could result in the installation of approximately 140,000 systems by a combination of PREPA, municipalities and/or community organizations. This would radically transform the resiliency situation for more than 10% of households on the island and should be done in a manner that prioritizes low-income communities that experienced the longest delays in service restoration after Hurricane Maria. CAMBIO urges Vivienda to allocate all, or a substantial fraction, of the available CDBG-DR funds towards such an initiative.

Specifically, CAMBIO offers the following comments on the draft Action Plan's "Electric Power Reliability and Resilience Program" and "Energy Grid Rehabilitation and Reconstruction Cost Share Program":

Electric Power Reliability and Resilience Program

- 1. Eligible Applicants:** CAMBIO urges that community organizations be eligible to apply for funds under the program. As written, the plan directs "organizations seeking to implement community-based installations of energy production and storage as subrecipients" to the CDBG-MIT program. Given the billions of dollars of unmet need for household level resiliency (see p. 73 of the Action Plan), the rationale for excluding organizations from accessing these CDBG-DR funds is unclear.

CAMBIO also urges that LUMA Energy not be considered eligible for funding under the program. Given the many past scandals in the use of federal funds for the electrical system (notably Whitefish and Cobra), the management of federal funds requires a high degree of transparency to restore public faith in the process. Since LUMA took over operations of the electrical system, the company has repeatedly failed to deal in a transparent manner with the public, municipalities or the legislature, culminating in the recent arrest order for CEO Wayne Stensby. LUMA's performance in Puerto Rico does not reflect the level of competency or transparency needed to manage billions of dollars of federal funds.

- 2. Eligible Activities:** CAMBIO urges that the program guidelines be clarified as to the

type of project that will be considered. While the guidelines for what is considered an “eligible activity” are broad, the Plan only specifically discusses “Co-generation & Large Project Microgrids”, “Small Project Microgrids”, “Centro Medico [microgrid]”, and “[other] Generation”. In particular,

- a. The “Generation” category broadly contemplates “innovative generation solutions that will propel the Island forward in terms of resiliency, sustainability, and efficiency.” Given that Puerto Rico still generates more than 95% of its electricity from fossil fuels, CAMBIO urges Vivienda to only consider generation solutions that meet Law 82-2010’s definition of “Sustainable Renewable Energy” and/or “renewable microgrids” as defined by Puerto Rico Energy Bureau regulation 9028. Vivienda should not fund generation projects that would require modifications to PREPA’s Integrated Resource Plan (as contemplated at p. 120), which calls for the integration of greater quantities of renewable energy and storage.
- b. Rooftop solar and storage are a proven resiliency solution. They are also less expensive and can be deployed more rapidly than the microgrid solutions that the draft Action Plan appears to favor. CAMBIO urges Vivienda to clarify that community or municipal programs for the bulk purchase of residential rooftop solar and storage installations will be considered for funding.
- c. CAMBIO urges Vivienda to clarify that diesel-based microgrids will not be eligible. We note that LUMA has identified the Culebra and Vieques microgrids as possible unmet needs (p. 58) and that these are diesel-based projects.

3. **Minimum award:** CAMBIO urges Vivienda to lower the minimum award amount significantly below \$10 million. In order for community groups to effectively participate, the minimum award should be closer to \$250,000. We also note that many of the small microgrids identified by Sandia National Laboratory in their comprehensive microgrid analysis cited in the draft Action Plan would be ineligible for funding under the current proposal, despite serving critical loads, because they are estimated to cost under \$10 million.

Energy Grid Rehabilitation and Reconstruction Cost Share Program:

CAMBIO does not support the use of \$1.06 billion of the CDBG-DR allocation as matching funds for electrical system FEMA 428 funds, as proposed in the Action Plan. We believe that the use of these funds for matching is inconsistent with the purposes of the CDBG-DR allocation outlined in the June 22, 2021 Federal Register notice, for the following reasons:

- According to the Federal Register notice of the allocation of funds, “Grantees must describe how they will integrate the electrical power system improvements into on-going and planned rebuilding, recovery, and mitigation activities, and the extent to which the proposed electrical power system improvement activities are consistent with the objectives outlined in other CDBG-DR or CDBG-MIT action plans”. The CDBG-MIT action plan identifies several key electrical system vulnerabilities, including: a centralized system highly dependent on long-distance transmission; the high and increasing cost of imported fossil fuels; and the difficulty

of fuel deliveries during emergencies.³ However, the 10-Year Infrastructure Plan that PREPA and LUMA are using for the deployment of the FEMA 428 funds proposes to rebuild the same centralized system that failed during hurricane Maria and not to spend any of the FEMA funds on renewable energy or storage. This is not consistent with addressing the key vulnerabilities identified in the CDBG-MIT Action Plan.

- Similarly, the fund allocation notice states that, “Grantees must describe how the electrical power system improvements will be designed and implemented to address the impacts of climate change, including any nature-based solutions and other improvements that will enhance the ability of the grantee to implement renewable and clean energy sources and strategies, and align with long-term goals for decarbonizing the electricity sector.” Using CDBG-DR funds to support the projects described in the 10-Year Infrastructure Plan would be incompatible with this requirement, given that the 10-Year Infrastructure Plan directs zero dollars towards renewable energy and storage, and thereby does not further the implementation of renewable energy or the decarbonization of the grid.
- Finally, the fund allocation notice states that “At least 70 percent of the entire CDBG-DR grant must be used for activities that benefit low- and moderate-income persons.” The 10- Year Infrastructure Plan, which is largely a plan for reinforcing the existing transmission and distribution system, does not specifically benefit low- and moderate-income persons. In fact, by not using federal funds to promote access to resiliency for low and moderate- income households and leaving it to the private market to provide rooftop solar and storage solutions, the use of FEMA funds proposed in the 10-Year Infrastructure Plan leaves low- income households behind.

For these reasons, CAMBIO urges Vivienda to eliminate the Energy Grid Rehabilitation and Reconstruction Cost Share Program as inconsistent with the renewable energy, decarbonization and low-income requirements of the CDBG-DR funding allocation. Instead, we urge Vivienda to deploy funding towards low-income household resiliency by funding community and governmental programs to bulk purchase and install small-scale residential rooftop solar and storage systems.

Thank you for this opportunity to provide comments.”

PRDOH Response:

PRDOH thanks CAMBIO for sharing its insightful comments on this Action Plan draft for Electrical Power System Enhancements. Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

For-profit businesses and not-for-profit entities that meet capacity and experience requirements will be considered eligible applicants under the ER2 Program. All eligible applicants must meet long-term capacity requirements, such as administrative, technical, and financial requirements to conduct the projects.

More specific requirements for projects under the Action Plan programs and details of the process to apply for funding will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals. All eligible applicants will undergo an extensive evaluation process prior to receiving any funds. PRDOH's monitoring process, in accordance with HUD regulations, will provide measures to follow-up on the recipient's performance and use of the allocated funds for a timely detection and prevention of fraud, waste, and abuse of funds.

Regarding the \$10,000,000 minimum award for the ER2 Program, after consideration of the public comments received on the Action Plan draft, PRDOH has decided to consider awards below this threshold on a case-by-case basis, considering criteria that the project aligns with larger energy grid development activities or projects underway and that the proposal meets other program requirements.

For those organizations seeking to implement smaller-scale community-based installations of energy production and storage as subrecipients, PRDOH offers funding opportunities as part of the CEWRI Program in the CDBG-MIT Action Plan. Units of general local government/ Local and Municipal Governments, Community-Based Development Organizations, private not-for-profits, and Non-governmental organizations are eligible applicants under the CDBG-MIT CEWRI Program and are encouraged to evaluate the program as described in the CDBG-MIT Action Plan. The CDBG-MIT Action Plan may be found at: <https://cdbg-dr.pr.gov/en/cdbg-mit/> (English) and <https://cdbg-dr.pr.gov/cdbg-mit/> (Spanish).

As it is established in the Action Plan draft, CDBG-DR funds for electrical power system improvements may be used to meet a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity permitted by 86 FR 32681. When using CDBG-DR funds to match, "grantees are further advised that the Appropriations Act prohibits the use of CDBG-DR funds for any activity that is reimbursable by, or for which funds are also made available by FEMA or the USACE." This way, PRDOH ensures that the funds utilized do not duplicate efforts or benefits and validates that the financed project is within the parameters of the permissible use of funds.

Furthermore, after the consideration of the comments received during the public comment period, monies allocated or intended to be used under the ER1 Program as matching funds have been reduced to \$500,000,000, allowing the rest of the funds to be reallocated to the ER2 Program to cover more projects, including those with renewable energy measures.

PRDOH appreciates CAMBIO's participation throughout the stakeholder engagement process for the development of this Action Plan.

Comment ID: Yvette Mercado Zambrana

"I am requesting information on how to apply for a voucher under the Act 20/22. I cannot find any information within the information systems on how to request housing [.] It is my right to request this information through Act 20/22.

PRDOH Response:

PRDOH thanks your participation during this public comment phase for the Electrical Power System Enhancements Action Plan. Your comment has been recorded as part of the citizen input for this Action Plan. The funds under this Action Plan are intended to be used for eligible activities relevant to improvements for Puerto Rico's energy grid. If you wish to obtain more information about the Action Plan for Electrical Power System Enhancements or have any other inquiries related to PRDOH's management of CDBG-DR and CDBG-MIT funds, please visit the following website, available in English and Spanish at: <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/>, respectively.

Comment: Ing. Jose F. Ortiz

With my background of having prepared the Fiscal Plan for PREPA, the Integrated Resources Plan for the NEPR, PREPA's Ten-year Plan, having being part of the committees for the drafting of Acts 120-2018 and 17-2019, the negotiation of the Public Assistance (FEMA 428) funds, and having participated in meetings with HUD and Congress leading to the better use of CDBG-DR funds for the Electrical System; I humbly submit the following comments to the Action Plan its better alignment with the accumulation of initiatives in the energy sector carried out across the island.

I. Advanced Metering Infrastructure – Project which, to a large extent, depends on having the information receiver (substations) in operation. The vast majority of these (>300) are in the improvement plan and will take more than six (6) years to be fully operational. I recommend a reduced budget of \$250MM for what can actually be used over that period of time.

II. Vieques and Culebra Microgrids – Good resilience projects

III. Vieques and Culebra Submarine Cables – Totally unnecessary. The cables to Vieques and Culebra were tested for conductivity in 2018 with very positive results. The resiliency project for both islands is the microgrid on each island included in this program. The islands also have emergency generators to operate fully in case the microgrid or submarine cable fails.

IV. Replacement of the Energy Control Center -Key project to improve the electrical service

Energy Grid Rehabilitation and Reconstruction Cost Share Program (ER1)

With the Program closing date in six (6) years and a LUMA capital works program that will only be able to develop about \$4,000 million in that same period, I recommend cutting this program allocation to about \$400 million. After six (6) years, matching can be achieved through private capital or bond issues. When LUMA was chosen for this work, consideration was given to its ability to provide funding for these purposes.

Electrical Power Reliability and Resilience Program (ER2)

To establish the type of Microgrids around the Island, the Microgrids Regulation approved in 2018 by the Puerto Rico Energy Bureau (PREB) must be followed. It contemplates the standards for Renewable, CHPs and Hybrids Microgrids.

Knowing the costs of construction and operation and the positive effect of connecting these stable and inexpensive sources to the grid, we recommend that the program subsidize an eligible subrecipient with an average of 40% of the cost of development. This will promote private leverage to extend services to more communities surrounding the base project.

I also recommend increasing the funds to a minimum of \$1,000MM since it would represent the distributed stability of electricity generation that is sought to be achieved with Law 17 of 2019 on Public Energy Policy. The elimination of several old plants such as Costa Sur and Aguirre, as well as AES before 2028, will bring a serious generation deficit in the face of current demand, without including the demand to be produced by aggressive policies for the insertion of electric vehicles.

This law seeks to enable people of low and moderate resources to have access to electric service with an aspirational cost of 20 cents per kW hour. At the moment, the costs of renewable energy with batteries, added to the costs of transmission, distribution, debt service and retirement contribution, would be close to 30 cents. Microgrids that can be extended to these sectors would be the best way to provide economic resilience to these sectors of society. The accelerated development of technologies to access hydrogen as a clean fuel will replace natural gas as a renewable combustion medium in about three (3) years. The metropolitan area and the industrial sectors of the eastern area demand 70% of electricity production. The CHPs microgrid systems would have the least impact because land is scarce. This is not the case in the south and west of the Island, where there is sufficient land for the development of renewable or hybrid microgrids."

PRDOH Response:

PRDOH is pleased with your participation during this public comment phase for the Electrical Power System Enhancements Action Plan. The newly allocated funds for this Action Plan are intended for the revitalization of Puerto Rico's electrical grid.

Projects included in the Action Plan draft are examples of the unmet energy needs identified in the development of this Action Plan. However, projects to be funded under this Plan have not yet been selected since the program design is still under development. More specific details of the process to apply for funding will be outlined in the Program Guidelines once the Action Plan is approved by HUD and the program design is completed. Projects to be awarded for assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals. All eligible applicants will undergo an extensive evaluation process prior to receiving any funds.

In order to leverage these funds with FEMA's ongoing scopes of work and mitigation projects which may well exceed the 6-year grant term, PRDOH recently requested an extension of the grant term to expire at the same time as the CDBG-MIT grant agreement in 2033. This request is under HUD consideration. Permitting and environmental review processes, including any necessary regulatory adjustments needed for the projects to be funded would also warrant the addition of several years to the projects' timeline.

Furthermore, after the consideration of the comments received during the public comment period, monies allocated or intended to be used under ER1 as matching funds have been reduced to \$500,000,000, allowing the rest of the funds to be reallocated to ER2 to cover more projects, including those with renewable energy measures.

Comment: Pedro J. Saade Llorens

"Dear Mr. Rodriguez:

These Comments to the CDBG-DR Action Plan for the Optimization of the Electric System ("Action Plan Draft") are submitted on behalf of Attorney Pedro J. Saadé of the Legal Aid Clinic of the University of Puerto Rico School of Law.

According to the Action Plan Draft, the majority of the funds for the electrical system would be allocated to the Cost Sharing Program for the Rehabilitation and Reconstruction of the Electric Grid (ER1) with a budget of \$1,055,811,031 that would go to rebuild the poles , towers, cables and other components of the centralized electric power transmission and distribution system that connects the large fossil fuel-fired power generation plants fuels, mainly located in southern Puerto Rico, with the subscribers. Other funds would go to the Electric Power Reliability and Resiliency Program (ER2) to which \$760,595,149 would be allocated for projects that are allegedly not expected to be funded by other federal or local sources.

The Action Plan Draft suffers from nine main flaws ; 1.- denies the ability of renewable energy, especially rooftop or near-site solar systems and energy storage systems (batteries) to provide reliable, resilient and cost-effective electrical service and delays the use of these options, 2.- perpetuates the transmission and distribution system that maintains long-term dependence on fossil fuel-fired power generation , 3.-fails to comply with the Integrated Resource Plan ("PIR") issued by the Puerto Rico Energy Bureau (PREB)

4.-does not contribute significantly to achieving the mandated percentages of renewable energy established by law required in 2022 and 2025, 5.- wrongly assumes that FEMA funds cannot be used for distributed renewable energy (rooftop solar and battery systems), 6.- missed the opportunity to achieve social and environmental justice through access of low- and moderate-income communities to distributed renewable energy (rooftop solar and battery systems), 7.- does not comply with environmental climate change and flood control regulations, 8.- creates pressure to increase electricity rates , 9.- is vague, ambiguous and imprecise and fails to inform the public about key aspects of the plan, which denies effective public participation.

The historical amount of HUD and FEMA funds allocated for Puerto Rico's electrical system should be invested in rooftop or near-site solar systems and similar alternatives to provide to energy resilience to low- and moderate-income sectors that will save lives and contribute to achieving environmental and climate justice. Social justice requires that energy resilience not be limited to high-income individuals who can afford this equipment. The future viability of Puerto Rico depends on these funds being used to promote local economic development."

PRDOH Response:

PRDOH is thankful for the time taken to express your recommendations. Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

As stated in Federal Register 86 FR 321, at least 70% of the CDBG–DR grant for electrical power system enhancements and improvements must be used for activities that benefit LMI persons. This requirement is met by (1) providing at least 51% of LMI residents with either a subsidized rate for electricity below that charged to other residential ratepayers or a lower rate for electricity than was charged prior to complete implementation of the CDBG–DR funding for electrical power system improvements; or by (2) measurably improving the reliability of the electrical power system in LMI areas that are primarily residential. However, residents who do not meet the LMI eligibility criteria may also reap the benefits of implementing this Action Plan and its Programs.

More specific details of the process to apply for funding will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals. All eligible applicants will undergo an extensive evaluation process prior to receiving any funds. PRDOH's monitoring process, in accordance with HUD regulations, will provide measures to follow-up on the recipient's performance and

use of the allocated funds for a timely detection and prevention of fraud, waste, and abuse of funds.

Regarding the \$10,000,000 minimum award for ER2, after consideration of the public comments received on the Action Plan draft, PRDOH has decided to consider awards below this threshold on a case-by-case basis, considering criteria that the project aligns with larger energy grid development activities or projects underway and that the proposal meets other program requirements.

PRDOH conducted two public hearings, the first hearing was held prior to the publication of the Action Plan, while the second hearing was executed a month after its publication. The purpose of these events was to continue gathering information on critical unmet energy needs, as well as to improve the Action Plan to guarantee the enhancement of the electrical grid. PRDOH also held various meetings with different stakeholders such as municipalities, academic institutions, non-profits, among others, to continue identifying the unmet energy needs of the low-to-moderate income communities. A landing page was published to maintain citizens up to date on any information or updates related to this Action Plan, which is available at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Therefore, the Citizen Participation Plan presents an opportunity for Puerto Rico's residents and stakeholders to provide feedback and ensure transparency with all information regarding the CDBG-DR Electrical Power System Enhancement Programs.

Comment ID: Juan Carlos Martinez

"Greetings. We need the funds for renewable energy to be available for those who work as well, not only for the vulnerable population, we all want relative equality, even though it may not be of the same proportions. I would also like a renewable energy system."

PRDOH Response:

Thank you for expressing your concerns during this public comment period in response to the Action Plan draft for Electrical Power System Enhancements. As stated in Federal Register 86 FR 321, at least 70% of the CDBG-DR grant for electrical power system enhancements and improvements must be used for activities that benefit LMI persons. This requirement is met by (1) providing at least 51% of LMI residents with either a subsidized rate for electricity below that charged to other residential ratepayers or a lower rate for electricity than was charged prior to complete implementation of the CDBG-DR funding for electrical power system improvements; or by (2) measurably improving the reliability of the electrical power system in LMI areas that are primarily residential. However, residents who do not meet the LMI eligibility criteria may also reap the benefits implementing this Action Plan and its Programs.

To stay up-to-date on any information or updates related to this Action Plan, please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Luis A. Muriel Castro

"I believe that the plan that you are presenting is the correct route for the future of energy of the island, offering vulnerable communities the system and/or contributing to those who can pay 70/80% of the cost according to their needs, considering that the funds allocated by the Federal government and the study conducted by you is enough for the installation in all homes in Puerto Rico. Thank you for your efforts in favor of the people".

PRDOH Response:

PRDOH is glad receive your positive feedback regarding the Action Plan draft for Electrical Power System Enhancements. Your comment will be archived and published in the CDBG-DR webpage. To view other public comments and/or to stay informed in regards to any future developments under this Plan, please visit the following links, available in English and Spanish: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> and <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/>, respectively.

Comment ID: Puerto Rico Manufacturers Association (Yandia Pérez)

"Dear Secretary,

I am writing to you as executive vice president of the Puerto Rico Manufacturers Association and on behalf of its board of directors, in response to the draft Puerto Rico Electrical Power System Enhancement and Improvements Action Plan (the "Plan").

The Puerto Rico Manufacturers Association (PRMA) is a private non-profit organization established in 1928, composed of about 1,000 members in the manufacturing and service industries in Puerto Rico dedicated to the strengthening and development of our local industry through advancement of the competitiveness of our members. We also pride ourselves on working with the local and federal government to develop programs that sustainably improve our local economy promoting a climate for industrial development.

The island's energy markets traditionally lack good public governance, well regulated investment and competitive infrastructure. Neither local nor federal agencies have been able to convince investors that require affordable and reliable electricity there is a PREPA/LUMA credible plan to lower energy costs that will not be affected by the ongoing fiscal and economic crisis, future natural disasters, or the painstakingly slow, conflicted and costly FEMA PREPA reconstruction fund management.

For the draft Action Plan to enable affordable, resilient, reliable energy that also brings back manufacturing and competitive business investment it must comply with the Public

Energy Policy of Puerto Rico. Act 17 and PREB proceedings guarantee a public participation and programs that leverage much needed distributed energy efficiency and resiliency to both the customers and the overall grid. To achieve a real long-term transformation, Vivienda and HUD must include a public participation process coordinated with ongoing PREB proceedings that brings together the best knowledge and resources of the private sector, with the energy programming and regulatory capacity of local authorities PREB and DDEC. Ensuring in this manner compliance with established local energy policies, and agency programming – we insure private sector resources, consultants and trained personnel are included in the Plan for the best use of private and public available funds, in lowering energy costs and improving resiliency for underserved communities and all of Puerto Rico.

In this context, we advocate for and endorse the statements of actual draft Plan noncompliance and recommendations made by the Energy Justice movement for community development and the action plan of the Disaster Recovery Fund (CDBG-DR) be considered and implemented by the Puerto Rico Department of Housing.

We make ourselves available to work hand in hand in this and any other initiative that promotes the sustainable development of Puerto Rico. We trust that the PRDOH leadership will accept these PRMA and Energy Justice for Puerto Rico (EJPR) recommendations for Plan compliance with our energy policy. The importance and seriousness of these whole-community energy market transformation matters cannot be overlooked given the historic opportunity for HUD and PRDOH to truly build back better.

PRMA is convinced we can build back better with Plan and guidelines for short and long-term lowering of cost and disaster mitigation risk, if we get the participation and best use of private and government resources right. Coherently completing the Plan for guidelines that both transforms blight and hopelessness along with PREB approved programs for all of Puerto Rico communities is an opportunity to rebuild economic well-being for all with leading Environmental and Social Governance resources the PRMA, EJPR, and our members can bring to the table.

Regards."

PRDOH Response:

Thank you for your participation during the public comment period for the CDBG-DR Electrical Power System Enhancements and Improvements Action Plan. Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

As stated in Federal Register 86 FR 321, at least 70% of the CDBG-DR grant for electrical power system enhancements and improvements must be used for activities that benefit LMI persons. This requirement is met by (1) providing at least 51% of LMI residents with either a subsidized rate for electricity below that charged to other residential ratepayers

or a lower rate for electricity than was charged prior to complete implementation of the CDBG-DR funding for electrical power system improvements; or by (2) measurably improving the reliability of the electrical power system in LMI areas that are primarily residential. However, residents that do not meet the LMI eligibility criteria may also reap the benefits of the implementation of this Action Plan and its Programs.

More specific details of the process to apply for funding and the selection of projects will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals. All eligible applicants will undergo an extensive evaluation process prior to receiving any funds. PRDOH's monitoring process, in accordance with HUD regulations, will provide measures to follow-up on the recipient's performance and use of the allocated funds for a timely detection and prevention of fraud, waste, and abuse of funds.

Regarding the \$10,000,000 minimum award for ER2, after consideration of the public comments received on the Action Plan draft, PRDOH has decided to consider awards below this threshold on a case-by-case basis, considering criteria that the project aligns with larger energy grid development activities or projects underway and that the proposal meets other program requirements.

In order to leverage these funds with FEMA's ongoing scopes of work and mitigation projects which may well exceed the 6-year grant term, PRDOH recently requested an extension of the grant term to expire at the same time as the CDBG-MIT grant agreement in 2033. Permitting and environmental review processes, including any necessary regulatory adjustments needed for the projects to be funded would also warrant the addition of several years to the projects' timeline.

Furthermore, after the consideration of the comments received during the public comment period, monies allocated or intended to be used under ER1 as matching funds have been reduced to \$500,000,000, allowing the rest of the funds to be reallocated to ER2 to cover more projects, including those with renewable energy measures.

As part of the requirements established in the federal register (86 FR 32681), PRDOH consulted with the federal members of the Technical Coordination Team led by the U.S. Department of Energy, as well as with affected citizens, stakeholders and local agencies, including the Puerto Rico Energy Bureau (PREB), to identify the unmet critical needs for the improvement of the electrical grid system.

Additionally, PRDOH conducted two public hearings; the first hearing was held prior to the publication of the Action Plan, while the second hearing was executed a month after its publication. The purpose of these events was to continue gathering information on critical unmet energy needs, as well as to improve the Action Plan to guarantee the enhancement of the electrical grid. PRDOH also held various meetings with different stakeholders such as municipalities, academic institutions, non-profits, among others, to continue identifying urgent and unmet energy needs of the low-to-moderate income

communities. A landing page was also published to maintain citizens up to date on any information or updates related to this Action Plan, which is available at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Therefore, the Citizen Participation Plan presents an opportunity for Puerto Rico's residents and stakeholders, including the PREB, to provide feedback and ensure transparency with all information regarding the CDBG-DR Electrical Power System Enhancement Programs.

Comment ID: Ayuda Legal (Ariadna M. Godreau Aubert)

"Receive a cordial greeting from the Ayuda Legal Puerto Rico team. As you are aware, we are a community-based legal support organization working on education and advocacy efforts around the post-disaster recovery process. We hereby submit our comments to the November 8, 2021 Action Plan Draft for the Use of CDBG-DR funds for the Optimization of the Electric System.

Our comments respond to our commitment to community participation and enjoyment of the human rights of those people and communities that have historically been most vulnerable in our society.

[...]

I. Equitable access to funds

[...]

Required action:

- Eligible activities as generation projects must adhere to the definition of sustainable renewable energy established in the Public Policy Act for Energy Diversification through Alternative and Sustainable Renewable Energy in Puerto Rico, Act 82-2010.*
- Prioritize solutions that meet critical community or household needs, such as microgrids or other small solar power systems with batteries for storage.*
- Amend the plan to allow smaller-scale projects by businesses and community organization to be eligible for the ER2 Program.*
- Reduce the minimum award to one million dollars for community projects.*
- Expressly prohibit projects located directly on agricultural land in the action plan.*
- Make funds available so that communities and individuals who may benefit from assistance can access independent technical-scientific assistance in order to access funds and meet program requirements, should they need it.*

II. The Action Plan draft does not include a displacement minimization plan.

[...]

Required action:

- *Adopt a human rights-based displacement minimization policy, including the right to remain and return to their homes. When this is not possible, return to the same geographical space should be guaranteed, thus protecting the community's social system.*
- *Ensure the voluntary nature of any displacement through the dissemination of alternatives to displacement, real and effective participation in the decision-making process, the use of incentives, and the provision of real and concrete housing alternatives.*
- *Adopt a relocation plan based on human rights.*
- *Create, publish, and distribute an inventory of available and eligible housing for relocation to those who voluntarily agree to be relocated.*
- *Take concrete measures to avoid impacts on the remaining community, including minimizing the checkerboard effect.*

III. Real and effective participation

[...]

Required action:

- *Make available a Spanish translation of the allocation notice.*
- *Maintain a live updated record that allows for monitoring citizen participation, groups or communities that are represented.*
- *Establish simple and agile measures so that citizens can observe and monitor private contracting and the performance of contractors that benefit from these funds.*

We reiterate our desire and interest in joining efforts to open the channels of participation and transparency and to ensure that the use of these funds is done in an equitable and fair manner for our communities. The Island, starting with those most affected, has the right to a fair recovery."

PRDOH Response:

PRDOH is pleased with Ayuda Legal's participation during this public comment phase for the Electrical Power System Enhancements Action Plan. Your proposal has been recorded and will be taken into consideration during the development phase of this Action Plan.

Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems. PRDOH understands the importance of proper land-use, so projects proposed as solar farms may only be allowed

in accordance with permissible land-use, permits and applicable zoning regulations. PRDOH will seek opportunities to utilize brownfields as per EPA guidance and recommendations.

For-profit businesses and not-for-profit entities that meet capacity and experience requirements will be considered eligible applicants under ER2. All eligible applicants must meet long-term capacity requirements, such as administrative, technical, and financial requirements to conduct the projects.

More specific details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals. All eligible applicants will undergo an extensive evaluation process prior to receiving any funds. PRDOH's monitoring process, in accordance with HUD regulations, will provide measures to follow-up on the recipient's performance and proper use of the allocated funds.

Regarding the \$10,000,000 minimum award for ER2, after consideration of the public comments received on the Action Plan draft, PRDOH has decided to consider awards below this threshold on a case-by-case basis, considering criteria that the project aligns with larger energy grid development activities or projects underway and that the proposal meets other program requirements.

For those organizations seeking to implement smaller-scale community-based installations of energy production and storage as subrecipients, PRDOH offers funding opportunities as part of the CEWRI Program in the CDBG-MIT Action Plan. Units of general local government/ Local and Municipal Governments, Community-Based Development Organizations and private not-for-profits, and Non-governmental organizations are eligible applicants under the CDBG-MIT CEWRI Program and are encouraged to evaluate the program as described in the CDBG-MIT Action Plan. The CDBG-MIT Action Plan may be found at: <https://cdbg-dr.pr.gov/en/cdbg-mit/> (English) and <https://cdbg-dr.pr.gov/cdbg-mit/> (Spanish).

The CDBG-DR Electrical Power System Enhancement and Improvements Programs, as well as the rest of the programs in Puerto Rico's CDBG-DR portfolio, are meant to build stronger and more resilient communities. Furthermore, as part of the Action Plan submittal for HUD's approval, PRDOH certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan in connection with any activity assisted with funding under the CDBG-DR Program. Additionally, as part of PRDOH's transparency efforts, all signed agreements for each of the CDBG-DR programs are duly uploaded to and can be found on PRDOH's website at: <https://cdbg-dr.pr.gov/en/written-agreement/> (English) or <https://cdbg-dr.pr.gov/acuerdos/> (Spanish).

A Spanish translation of the Federal Register Notice Allocating funds for Electrical Power System Enhancements in Puerto Rico and the U.S. Virgin Islands (86 FR 32681) is available

on HUD's website at: https://www.hud.gov/program_offices/comm_planning/cdbg-dr/regulations.

PRDOH appreciates Ayuda Legal's participation in this development phase of this Action Plan.

Comment ID: Pontificia Universidad Católica de Puerto Rico (Jorge Iván Vélez Arocho)

"Dear Secretary Rodríguez Rodríguez:

The Pontifical Catholic University of Puerto Rico, an institution created in 1948, with campuses in the cities of Ponce, Mayagüez and Arecibo, is committed to its institutional mission with the conservation of our essential resources and the protection of our common home. This includes efficiency in the production and management of energy services. As Pope Francis points out in his encyclical letter Laudato si:

"... it has become urgent and imperative to develop public policies so that in the coming years the emission of carbon dioxide and other highly polluting gases is drastically reduced, for example, by replacing the use of fossil fuels and developing renewable energy sources. In the world there is a meager level of access to clean and renewable energy. Adequate accumulation technologies still need to be developed. (...) There have also been some investments in forms of production and transportation that consume less energy and require fewer raw materials, as well as in forms of construction or renovation of buildings to improve their energy efficiency. (No. 26)."

With these principles as a guide, we support that the CDBG funds destined for the recovery of Puerto Rico's energy resilience be used, mainly, for distributed energy projects, following the public policy parameters established in Law 17 of 2019 and in the plan of integrated resources (IRP) proposed by the Energy Bureau. In general, these Law 17 mandates, regulated in participatory processes in the Organization, include the need for the best use of the federal, state, and private resources to achieve a resilient, reliable electric system, at fair costs accessible with energy and prosumers interconnected in an open and transparently regulated grid with fairness, equity and solidarity.

This is also consistent with the federal government's guidelines for adding resilience at the level closest to consumers to reduce the risks to the system. Returning to the guidelines of Pope Francis on this subject, it is pertinent to point out his endorsement of this type of initiative:

"In some places cooperatives are being developed for the exploitation of renewable energies that allow local self-sufficiency and even the sales of surpluses. This simple example indicates that, as long as the existing world order is powerless to take responsibility, the local authority can make a difference. For it is there that we can generate greater responsibility, a strong sense of community, a

special capacity for care and a more generous creativity, an endearing love for the land itself, as well as thinking about what is left to children and grandchildren.”
(No. 179)

To our knowledge the US Department of Housing and Urban Development (HUD) has determined that funding for post-Maria energy upgrades is a critical component of recovery and systemic resilience to the likelihood of future events. This includes the possibility of programs that promote projects of high public interest throughout the archipelago, located in public and private spaces, optimally leveraging services and private resources. Similarly, those that reduce costs through energy efficiency and bring production and consumption closer to places, entities, and communities that generate less dependence on centralized systems, remote distribution and cables exposed to inclement weather, should be preferred because they are, indeed, more sustainable, and resilient. Therefore, we understand that entities such as the University should be considered for this type of project. The University, in itself, is an ecosystem of its own for educational and social coexistence, including housing, provision of direct services to the internal and external community support, as an intermediate entity, for management between the government and individuals at different levels. The recovery after the hurricanes, earthquakes, and the pandemic has shown how essential these environments are, not only for their value in the educational process, but also as a service entity. We understand that this is feasible within the broad definition that HUD has made of improvements to the system and that this should be understood for us and other entities and communities with similar characteristics.

We urge you to take into consideration the elements outlined here and that the parameters outlined in Law 17 of 2019 and the resource use plan be followed in the allocation of CDBG-DR fund, in harmony with the principles of energy efficiency and sustainability, that as a matter of social justice and integral ecology in the care of each other and of adequate coexistence with the common home we inhabit, has been proposed by Pope Francis.

We remain at your service and trust your prompt action on this matter.”

PRDOH Response:

Thank you for your commitment to assist with the improvement of the CDBG-DR Electrical System Enhancements Action Plan. Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

For-profit businesses and not-for-profit entities that meet capacity and experience requirements will be considered eligible applicants under ER2. All eligible applicants must meet long-term capacity requirements, such as administrative, technical, and financial

requirements to conduct the projects. Details of the process to apply for funding will be outlined in the Program Guidelines.

To stay up-to-date on any information or updates related to this Action Plan, please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Alianza Comunitaria Ambiental del Sureste (Timmy Boyle)

"Dear Mr. Rodríguez,

These comments to the CDBG-DR Action Plan for the Electrical Systems Enhancements (Draft Action Plan) are submitted on behalf of Alianza Comunitaria Ambiental del Sureste (ACASE for its Spanish acronym).

According to the Draft Action Plan, the majority of the funds for the Electrical System Enhancements would be allocated to the Cost Sharing Program for the Rehabilitation and the Reconstruction of the Electric Grid (ER1) with a budget of \$1,055,811,031 that would go to rebuild the poles, towers, cables and other components of the centralized electric power transmission and distribution system that connects the large power generation plants based on the burning of fossil fuels, mainly located in the south of Puerto Rico with the subscribers. Other funds would go to the Electric Power Reliability and Resiliency Program (ER2) to which \$760,595,149 would be allocated for projects that are allegedly not anticipated to be funded by other federal or local sources.

The Draft Action Plan suffers from nine main flaws; 1.-denies the ability of renewable energy, especially solar systems located on roofs or near the place of consumption and energy storage systems (batteries) to provide reliable, resilient, and cost-effective electrical service and delays the use of these options, 2.-perpetuates the transmission and distribution system that maintains long-term dependence on power generation plants based on the burning of fossil fuels, 3.-fails to comply with the Integrated Resource Plan ("PIR") issued by the Energy Bureau, 4.-does not contribute significantly to achieving the mandates of percentages of renewable energy established by law required in 2022 and 2025, 5.-wrongly assumes that FEMA funds cannot be used for distributed renewable energy (solar systems located on roofs and batteries), 7.-does not comply with environmental regulations, on climate change and flood control, 8.-creates pressure to increase electricity rates, 9.-it is vague, ambiguous and imprecise and does not inform the public about key aspects of the plan, which denies effective public participation.

The historical amount of HUD and FEMA funds allocated for Puerto Rico's electrical system should be invested in rooftop or near-consumption solar systems and similar alternatives to provide low- and middle-income sectors access to energy resilience that will save lives and contribute to achieving environmental and climate justice. Social justice requires that energy resilience is not limited to high income individuals who can afford this equipment. The future viability of Puerto Rico depends on these funds being used to promote endogenous economic development."

PRDOH Response:

Thank you for your participation during this public comment period on the Action Plan draft for Electrical Power System Enhancements. Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

As stated in Federal Register 86 FR 321, at least 70% of the CDBG–DR grant for electrical power system enhancements and improvements must be used for activities that benefit LMI persons. This requirement is met by (1) providing at least 51% of LMI residents with either a subsidized rate for electricity below that charged to other residential ratepayers or a lower rate for electricity than was charged prior to complete implementation of the CDBG–DR funding for electrical power system improvements; or by (2) measurably improving the reliability of the electrical power system in LMI areas that are primarily residential. However, residents who do not meet the LMI eligibility criteria may also reap the benefits of implementing this Action Plan and its Programs.

More specific details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals. All eligible applicants will undergo an extensive evaluation process prior to receiving any funds. PRDOH's monitoring process, in accordance with HUD regulations, will provide measures to follow-up on the recipient's performance and use of the allocated funds for a timely detection and prevention of fraud, waste, and abuse of funds.

Regarding the \$10,000,000 minimum award for ER2, after consideration of the public comments received on the Action Plan draft, PRDOH has decided to consider awards below this threshold on a case-by-case basis, considering criteria that the project aligns with larger energy grid development activities or projects underway and that the proposal meets other program requirements.

PRDOH conducted two public hearings, the first hearing was held prior to the publication of the Action Plan, while the second hearing was executed a month after its publication. The purpose of these events was to continue gathering information on critical unmet energy needs, as well as to improve the Action Plan to guarantee the enhancement of the electrical grid. PRDOH also held various meetings with different stakeholders such as municipalities, academic institutions, non-profits, among others, to continue identifying urgent and unmet energy needs of the low-to-moderate income communities. A landing page was published to maintain citizens up to date on any information or updates related to this Action Plan, which is available at: <https://cdbg-dr.pr.gov/en/power-grid->

[action-plan/](#) (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Therefore, the Citizen Participation Plan presents an opportunity for Puerto Rico's residents and stakeholders to provide feedback and ensure transparency with all information regarding the CDBG-DR Electrical Power System Enhancement Programs.

Comment ID: Mariana

"I do not know the Plan in detail. But you should begin to utilize and promote renewable energy for businesses as well as individuals. You should optimize the system to avoid damages when receiving renewable energy surplus. Moreover, should utilize natural gas energy, amongst others. Avoid the dependency on petroleum."

PRDOH Response:

PRDOH is thankful for the time taken to express your recommendation. As stated in the Action Plan: "Replacing old generation units with high-efficiency ones and introducing systems that do not require conventional fuels to produce electrical energy, such as renewable energy electric plants, is a crucial step to improve the efficiency of the electrical power system."

Once again, PRDOH expresses its gratitude for your participation during this public comment period.

Comment ID: Nestor Rivera

"Dear Secretary Rodríguez:

This letter addresses a private citizen's assessment of certain aspects, mostly of the technical nature, assessed from the general purview of PRDOH's most recent CDBG-DR Electrical Systems Enhancements & Improvements Action Plan ("Plan") as published in its website¹ dated November 08th, 2021. After careful reading of said Plan two major items, one succinct and one not-so, garner considerable concern:

1. The Plan invests in a lot of "TED talk®" specific to Microgrid's ("MG") their use and intended investments, but:

- a. *an inescapable lack of detail on which Party -be it the utility or operator or central government or the impacted community- is truly chartered to propose or trace the physical boundaries or limits of an MG, keep in stride that inevitably many MG's will transcend municipal boundaries, comingle local and federal beneficiary's and even interconnect to other MG(s),*

b. Law 17 clearly states that MG's are subject to the ultimate scrutiny of the PREB, however:

- i. under the guise of "clearing up" "FEMA vs HUD funding overlaps", the Plan enumerates a series of terms initially classified as "functional" but afterwards renames² as "component groups" thus
- ii. appearing to integrate but then artificially segregating and distancing fundamental elements integral to MG's (T&D, substations, other sources of power, enabling tech, etc.) but then
- iii. singlehandedly establishes PRDOH set "a threshold for fungibility between (said) components"

Clarity is direly needed and requested. The above creates unnecessary confusion and false parallels between what clearly are policy issues, funding topics and technical matters, all of which the PREB is equipped to quickly identify and address in ordinary proceedings.

Confusion serves no MG project, its beneficiaries nor PRDOH for that matter: the sole party to gain from a lack of clarity is the Island's longstanding utility and its subrogated T&D operator, with all that entails.

2. When Table 12's Metering Infrastructure Project is segregated, a clear and overwhelming capital inclination in favor of the Vieques and Culebra municipalities is clearly evidenced:

- a. These two jurisdictions, comprising 1.8% of the total acreage of the Territory are allocated at least 400% more capital per square kilometer than the remaining 98.2% of the Territory,
- b. If population instead of land mass is taken into consideration, that cost/impact ratio climbs to 2,200% in favor of 0.3% of the population,

Fellow citizens could perhaps construe as if hoteliers and luxury property developers lead the charge on a spend of over \$24,000 of public funds for each one of the 10,611 registered residents of those two municipalities [versus] the \$1,094 allocated for the other 3,183,339 residents of the other seventy-six municipalities:

Municipality	Municipality Area (Sq-km)	Table 12, Page 72 Capital Allocation	Capital Allocation per Sq km
Vieques	135 Sq-km	\$ 256,870,000	\$1,556,788/Sq-km
Culebra	30 Sq-km		
Big Island (76 Municipalities)	9,104 Sq-km	\$ 3,485,000,000	\$382,799/Sq-km

	PREPA Clients	Table 12, Page 72 Capital Allocation	Capex per Client
Metering Project	1,500,000 Clients	\$ 569,400,000	\$380/client

However, in my more reserved and optimistic opinion, Table 12 is precisely the main reason why the PRDOH Energy Plan needs to be deeply revised: The Plan lacks an objective cost/benefit analysis providing Taxpayers or Beneficiaries an upfront, proportionately rationalized or "per unit" view of energy-related resiliency funding allocations, hence true impact goals cannot be properly measured or assessed.

In summary, this revision of the energy related portion of PRDOH's Plan reveals succinct but detrimental energy policy confusion or misalignments as well as evidently dislocated planning lacking rational cost-vs-impact "benefit" analysis. Confusion, dislocation and skewed outlays undercut what is otherwise intended as PRDOH's measured, equitable and impactful recovery and resiliency CDBG-DR investment allocations.

Above stated, as part of a broader deep-dive assessment, I also support and endorse Puerto Rico Energy Justice Collaborative Public Comments on PRDOH Proposed CDBG-DR "Puerto Rico Electrical Power System Enhancement and Improvements Action Plan" previously submitted to your attention on December 15th, 2021."

PRDOH Response:

PRDOH thanks you for your time and participation in this public comment period. It is PRDOH's responsibility to comply with that established in 86 FR 32681, which requires consistent, periodic consultations with the Technical Coordination Team, composed of various federal agencies.

Through public hearings and public comment periods, PRDOH ensures that citizens can voice their interests, concerns, and recommendations pertinent to this Action Plan, and will consider these when selecting and developing Projects under said Plan. As such, your proposal has been recorded and will be taken into consideration during the development phase of this Action Plan.

Projects included in the Action Plan draft are examples of the unmet energy needs identified in the development of this Action Plan. However, projects to be funded under this Plan have not yet been selected since the program design is still under development. More specific details of the process to apply for funding will be outlined in the Program Guidelines once the Action Plan is approved by HUD and the program design is completed. As stated in Federal Register 86 FR 321, at least 70% of the CDBG-DR grant for electrical power system enhancements and improvements must be used for activities that benefit LMI persons. This requirement is met by (1) providing at least 51% of LMI

residents with either a subsidized rate for electricity below that charged to other residential ratepayers or a lower rate for electricity than was charged prior to complete implementation of the CDBG–DR funding for electrical power system improvements; or by (2) measurably improving the reliability of the electrical power system in LMI areas that are primarily residential. However, residents who do not meet the LMI eligibility criteria may also reap the benefits of implementing this Action Plan and its Programs.

Comment ID: [The Food Marketing, Industry and Distribution Chamber \(MIDA\) \(Lcdo. Manuel Reyes Alfonso\)](#)

“Dear Secretary,

I am writing to you as executive vice president of The Food Marketing, Industry and Distribution Chamber (MIDA) and on behalf of its board of directors, in response to the draft Puerto Rico Electrical Power System Enhancement and Improvements Action Plan (the "Plan").

MIDA is a private non-profit organization, composed of over 250 members in the food industry supply chain in Puerto Rico, from agro-industrial production to retail. For our members, as well as for every consumer, the availability of an efficient, resilient and cost-effective energy service is paramount.

Unfortunately, the island's energy market has historically lacked good public governance, well-regulated investment and competitive infrastructure. Potential investors that require affordable and reliable electricity are unconvinced there is a PREPA/LUMA credible plan to lower energy costs that will not be affected by the ongoing fiscal and economic crisis, future natural disasters, or the painstakingly slow, conflicted and costly FEMA/PREPA reconstruction fund management.

For the draft Action Plan to enable affordable, resilient and reliable energy that also brings back competitive business investments to Puerto Rico it must comply with the Public Energy Policy of Puerto Rico. Act 17-2019 and the Puerto Rico Energy Board (PREB) regulations require public participation and programs that leverage much needed distributed energy efficiency and resiliency to both the customers and the overall grid. To achieve a real long-term transformation, Puerto Rico Department of Housing (PRDOH) and HUD must include a public participation process coordinated with ongoing PREB proceedings that brings together the best knowledge and resources of the private sector, with the energy programing and regulatory capacity of local authorities. By complying with established local energy policies and agency programming we can make sure that private sector resources, consultants and trained personnel are included in the development of the Plan for the best use of private and public available funds, for lowering energy costs and improving resiliency for underserved communities in all of Puerto Rico.

Therefore, we concur with the statements of noncompliance of the current draft Plan and the recommendations made on December 15th by the Energy Justice movement for community development and request open public participation in its development process.

We are confident the PRDOH will accept these MIDA and Energy Justice for Puerto Rico (EJPR) recommendations for Plan compliance with our energy policy. The importance and seriousness of these whole-community energy market transformation matters cannot be overlooked given the historic opportunity for HUD and PRDOH to truly build back better.

MIDA is convinced we can build back better with a Plan and guidelines for the short and long-term lowering of cost and disaster mitigation risks, if we allow public participation and properly use the private and government resources. Coherently completing the Plan with guidelines that comply with PREB approved programs is an opportunity to rebuild economic well-being for all with leading environmental and social governance resources that the EJPR and our members can bring to the table."

PRDOH Response:

Thank you for your participation during the public comment period for the CDBG-DR Electrical Power System Enhancements and Improvements Action Plan. Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

As stated in Federal Register 86 FR 321, at least 70% of the CDBG-DR grant for electrical power system enhancements and improvements must be used for activities that benefit LMI persons. This requirement is met by (1) providing at least 51% of LMI residents with either a subsidized rate for electricity below that charged to other residential ratepayers or a lower rate for electricity than was charged prior to complete implementation of the CDBG-DR funding for electrical power system improvements; or by (2) measurably improving the reliability of the electrical power system in LMI areas that are primarily residential. However, residents that do not meet the LMI eligibility criteria may also reap the benefits of implementing this Action Plan and its Programs.

More specific details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals. All eligible applicants will undergo an extensive evaluation process prior to receiving any funds.

As part of the requirements established in the federal register (86 FR 32681), PRDOH consulted with the federal members of the Technical Coordination Team led by the U.S. Department of Energy, as well as with affected citizens, stakeholders and local agencies, including the Puerto Rico Energy Bureau (PREB), to identify the unmet critical needs for the improvement of the electrical grid system.

Additionally, PRDOH conducted two public hearings; the first hearing was held prior to the publication of the Action Plan, while the second hearing was executed a month after its publication. The purpose of these events was to continue gathering information on critical unmet energy needs, as well as to improve the Action Plan to guarantee the enhancement of the electrical grid. PRDOH also held various meetings with different stakeholders such as municipalities, academic institutions, non-profits, among others, to continue identifying urgent and unmet energy needs of the low-to-moderate income communities. A landing page was also published to maintain citizens up to date on any information or updates related to this Action Plan, which is available at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Therefore, the Citizen Participation Plan presents an opportunity for Puerto Rico's residents and stakeholders, including the PREB, to provide feedback and ensure transparency with all information regarding the CDBG-DR Electrical Power System Enhancement Programs.

Comment ID: Center for a New Economy (Sergio M. Marxuach)

"Dear Secretary Rodriguez:

I am writing on behalf of the Center for a New Economy ("CNE"), Puerto Rico's only non-partisan, non-profit think tank, to endorse the comments submitted by the Puerto Rico Energy Justice collaborative ("PREJ") regarding the proposed "Puerto Rico Electrical Power System Enhancement and Improvements Action Plan" ("Action Plan") and to submit a few comments of our own.

CNE has been analyzing and studying the Puerto Rico electric system since 2005. Since then we have published numerous research papers and policy briefs about Puerto Rico's electric system, have testified in various public hearings before the U.S. Congress and the Puerto Rico Legislative Assembly, and have actively participated in the search for innovative solutions to our energy problems.

The congressional appropriation of approximately \$2 billion in Community Development Block Grant – Disaster Recovery ("CDBG-DR") funds for the modernization of Puerto Rico's electric system presents a once in a generation opportunity to improve the island's aging energy infrastructure. Specifically, Puerto Rico has an opportunity to engage in what the economic development literature is called "leapfrogging" by integrating world-class, cutting-edge technology into our electric system.

In addition to endorsing the comments submitted by PREJ, we also believe the current draft of the Action Plan could be improved in the following areas:

- The Action Plan Should Focus on Grid Flexibility – According to a 2018 report from the U.S. Department of Energy: “To better enable system recovery and/or black start restoration, there might be operational benefits for segmenting the transmission system into smaller portions. While this would be done out of necessity following a large-scale event, there could be some advantages to pre-selecting which segments are likely able to survive a future event, and proactively plan for segmenting the transmission system accordingly. These portions of the system would be identified to include a mix of generating assets, including black-start capable units, along with appropriately sized load, so that when the distribution system is undergoing restoration activities, and enough load would be present to constitute minimum generation capabilities, stable portions of the system could be energized and maintained prior to the longer transmission lines being repaired and energized. These portions of the system could then be re-energized with each other later in the restoration process.”¹ We recommend the Action Plan be amended to include this “pre-segmentation” strategy.
- Maximize Distributed Energy Generation from Renewable Sources – In terms of generation, the designers of the new electricity system should consider that large centralized generation facilities with investment recovery cycles of more than thirty years are increasingly a thing of the past. Today, there are renewable generation solutions with storage technologies to provide some base load, reserves, other auxiliary services, and additional load at peak hours at very competitive costs. The Action Plan should be amended to encourage new investment in distributed energy generation from renewable sources.
- Include All Social Costs When Evaluating Traditional Fossil Fuel Generation – It is important to point out that when comparing the cost of traditional generation alternatives with the cost of renewable energy solutions, it is imperative to include the “all-in” costs associated with traditional generation — which are not just the cost of the fossil fuel but also the social costs as well: the cost of environmental pollution, the cost of medical treatment for asthma, other respiratory problems, eye and skin diseases, and the cost of premature deaths caused by cancer and other diseases directly or indirectly caused by emissions of pollutants.

We recommend the Action Plan be amended to include this full cost-benefit analysis when considering funding for new traditional fossil fuel generation facilities. We appreciate the opportunity to take part in this important public process and we are available to answer any question that you or the members of your staff may have with regard to this important matter.”

PRDOH Response:

Thank you for your participation during the public comment period for the CDBG-DR Electrical Power System Enhancements and Improvements Action Plan. Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems. Furthermore, after the consideration of the comments received during the public comment period, monies allocated or intended to be used under ER1 as matching funds have been reduced to \$500,000,000, allowing the rest of the funds to be reallocated to ER2 to cover more projects, including those with renewable energy measures.

As stated in Federal Register 86 FR 321, at least 70% of the CDBG-DR grant for electrical power system enhancements and improvements must be used for activities that benefit LMI persons. This requirement is met by (1) providing at least 51% of LMI residents with either a subsidized rate for electricity below that charged to other residential ratepayers or a lower rate for electricity than was charged prior to complete implementation of the CDBG-DR funding for electrical power system improvements; or by (2) measurably improving the reliability of the electrical power system in LMI areas that are primarily residential. However, residents that do not meet the LMI eligibility criteria may also reap the benefits of the implementation of this Action Plan and its Programs.

As part of the requirements established in the federal register (86 FR 32681), PRDOH consulted with the federal members of the Technical Coordination Team led by the U.S. Department of Energy, as well as with affected citizens, stakeholders and local agencies, including the Puerto Rico Energy Bureau (PREB), to identify the unmet critical needs for the improvement of the electrical grid system.

PRDOH appreciates CNE's valuable recommendations and will take them into consideration.

Comment ID: Cindy Ivelisse Montes Rivera

"Let's see if the aid for electricity and water continues"

PRDOH Response:

PRDOH thanks you for your comment. By directing these funds for improvements to the electricity grid, we hope to strengthen and improve the infrastructure and efficiency of these energy systems, which could produce more affordable electricity service rates for the island's citizens.

Currently, we have the Community Energy and Water Resilience Installations (CEWRI) Program under CDBG-MIT, which collaborates with other CDBG-DR Programs to provide

energy and water system efficiency improvements directly to communities, businesses, and/or public facilities, to promote resilience by installing battery-backed photovoltaic (PV) systems for critical loads and water storage system.

For more information about this Program, please visit the PRDOH CDBG-DR website at: <https://cdbg-dr.pr.gov/en/> (English) or <https://cdbg-dr.pr.gov/> (Spanish).

Comment ID: Kelly Perez Martinez

"Good afternoon, I still don't know how much I am entitled to from the housing funds and now I saw that they were going to give a grant of \$60,000 more than what was previously left, my cell phone number is (787)213-0509 so that you can contact me and give me more information about it, thank you in advance."

PRDOH Response:

Thank you for your participation during this public comment period for the Electrical Power System Enhancements Action Plan. The funds under this Action Plan are intended to be used for eligible activities relevant to improvements for Puerto Rico's energy grid. If you wish to obtain more information about the housing programs under CDBG-DR or CDBG-MIT, please visit the following website, available in English and Spanish at: <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/>, respectively.

Comment ID: Mariano

"Thank you for your help"

PRDOH Response:

PRDOH is pleased with your support of the Action Plan for Electrical Power System Enhancements. To stay up to date on any information or updates related to this Action Plan please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Ernesto Torres

"Well, in El Tuque neighborhood there are many poles that need to be straighten, I think the improvement plan is very good."

PRDOH Response:

PRDOH is pleased with your positive feedback in response to the Action Plan for Electrical Power System Enhancements. PRDOH recognizes the importance of attending all affected regions in Puerto Rico and will work towards enhancing Puerto Rico's energy system across the island. To stay up to date on any information or updates related to this

Action Plan please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: PIRAMID-ALL (Ing. Dario Rolando Martin)

" I offer you my PIRAMID-ALL House project"

Basically, it is a pyramidal house, highly resistant to earthquakes and hurricanes, efficient, intelligent (home automation) and self-supplied with renewable energy (solar + wind + solar thermal)-

It also has an energy charger for electric vehicles, which are coming soon to the market.

This house is ideal for: self-sustainable urban residential developments, social housing, eco-villages, isolated or grid-connected areas, mountain areas, rural, semi-urban, islands, cabins, rural hotels and others.-

It is very useful for Distributed Generation and new Prosumers.-

It can produce energy and be on off the grid, either way, it will be collaborating with the Optimization of the Puerto Rico Electricity Grid since it can contribute energy to the ON GRID or decongest it OFF GRID.

This project is patented and approved in the United States and other countries. If you are interested, please do not hesitate to contact me.

I would like to collaborate with Puerto Rico

[...]"

PRDOH Response:

PRDOH is pleased with your participation during this public comment phase for the Electrical Power System Enhancements Action Plan. Your proposal has been recorded and will be taken into consideration during the development phase of this Action Plan. The funds under this Action Plan are intended to be used for eligible activities relevant to improvements for Puerto Rico's energy grid. If you wish to obtain more information about the Action Plan for Electrical Power System Enhancements or have any other inquiries related to PRDOH's management of CDBG-DR and CDBG-MIT funds, please visit the following website, available in English and Spanish at: <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/>, respectively.

Comment ID: Luis Aviles Valentin

“SAVING, there are several ways to save and have money left over. 1- we have hundreds of accounts receivable. 2- a lot of energy is wasted in light bulbs lit daily, in buildings, highways. 3- no to subsidies, let everyone pay as a “good neighbor son”.4- and lastly, the theft of electricity, how to stop it, why are we going to wait for those people who steal electricity day by day and nothing is done, let's work, let the government do its part. 5- let's build an internet network through electric energy and sell it at a cheaper price than the competition. Finally, let's have the government impose a tax on calls to the telephones that are used so much. We solve two problems in one.”

PRDOH Response:

Thank you for your participation during this public comment phase for the Electrical Power System Enhancements Action Plan. Your proposal has been recorded and will be taken into consideration during the development phase of this Action Plan. The funds under this Action Plan are intended to be used for eligible activities relevant to improvements for Puerto Rico's energy grid. If you wish to obtain more information about the Action Plan for Electrical Power System Enhancements or have any other inquiries related to PRDOH's management of CDBG-DR and CDBG-MIT funds, please visit the following website, available in English and Spanish at: <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/>, respectively.

Comment ID: Dept. de la Familia (Ricardo Tirado Maysonet)

“IMPROVE THE NETWORK OR ELECTRICAL SYSTEM P.R.”

PRDOH Response:

Thank you for your comment. PRDOH recognizes the importance of enhancing Puerto Rico's energy system. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids in order to improve the sustainability and stability of electrical service across the island, as well as projects proposing the recovery of existing systems.

If you wish to obtain more information about the Action Plan for Electrical Power System Enhancements or have any other inquiries related to PRDOH's management of CDBG-DR and CDBG-MIT funds, please visit the following website, available in English and Spanish at: <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/>, respectively.

Comment ID: Antonio L. Ramirez

"The best thing to do is to find a way to provide solar power, at least a basic system, so that when the power goes out, they have at least a backup system, while you fix it and restore power, but not everyone will be able to get renewable energy."

PRDOH Response:

Thank you for your comment. Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. Additionally, PRDOH currently operates the Community Energy and Water Resilience Installation (CEWRI) Program, which collaborates with other CDBG-DR Programs to provide energy and water system efficiency improvements directly to single-family homeowners, businesses, and/or public facilities, to promote resilience by installing battery-backed photovoltaic (PV) systems for critical loads and water storage system.

For more information about this Program, please refer to the CEWRI Program Guidelines available in English and Spanish on the PRDOH CDBG-DR website at: <https://cdbg-dr.pr.gov/en/download/community-energy-and-water-resilience-installations-program/> and <https://cdbg-dr.pr.gov/download/instalaciones-comunitarias-para-la-resiliencia-energetica-y-de-abastecimiento-de-agua/>.

To stay up-to-date on any information or updates related to this Action Plan, please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Jasmin L. Rivera

"The investment is of importance, but it is of great use to every household that can get the action plan. I, disabled, with various health conditions and medical equipment, would be fortunate to make a dream come true. I wish you success and may you be of great help and viability in this project".

PRDOH Response:

PRDOH is pleased with your support of the Action Plan for Electrical Power System Enhancements. PRDOH recognizes the importance of attending all affected regions in Puerto Rico and will work towards enhancing Puerto Rico's energy system across the island. To stay up to date on any information or updates related to this Action Plan please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Energy Justice for Puerto Rico, Inc. (Waleska Rivera)

"The Puerto Rico Department of Housing (PRDOH) has made a good effort in drafting the CDBG-DR "Puerto Rico Electrical Power System Enhancement and Improvements Action Plan" (Action Plan). However, the failure of the PRDOH to fully include the Puerto Rico Energy Bureau (PREB) in the drafting process generated an Action Plan that does not comply with the 2020 Integrated Resource Plan (IRP) and Puerto Rico's energy policy, as set forth in Act 17- 2019. [...] For this reason, the current Action Plan must be significantly amended to further the achievement of Puerto Rico's immediate and long-term goals for the energy sector, and economic renewal opportunities for 3.2 million [sic] Americans:

- (i) Providing reliable, accessible, and affordable electricity to all consumers; and
- (ii) Supporting Puerto Rico's longer-term march toward transforming its centralized electricity grid into a sustainable, resilient, and distributed energy system.

[...] The objectives of Energy Justice for Puerto Rico (EJPR) are to enhance the draft Plan so that it complies with local statutory and regulatory requirements and to help Puerto Rico become a model of environmental and social governance in building back better at the national and global levels.

[...]

Recommendations for Improving the Action Plan

1. Compliance with Act 17-2019:
2. Prioritizing Short Term Solutions that Support Long Term Transformation: [...]
 - Utilizing 55% of Action Plan Budget on Centralized Utility Infrastructure is a Wasted Opportunity: [...]
 - Focus on Lowering Energy Bills & Increasing Energy System Reliability: [...]
 - Emphasize End Users: [...]
 - Prioritize Underserved, Disadvantaged and Low- & Moderate- Income Communities: [...]
 - A Distributed Energy Model Can Lower Cost and Increase Sustainability & Resilience: [...]
3. Public Participation Process:
 - Fund Substantive Public Participation: [...]
 - Incorporate the PREB's Stakeholder Engagement Process: [...]
 - Pursue a Bottom-Up Planning Process: [...]
4. Fully Leverage Private Sector Short and Long-Term Capacity: [...]
 - Revolving Loan Funds: [...]
 - Involve Private Financial Institutions: [...]
 - Green Energy Funds, Competitive Microgrid Auctions, Municipal/COOP Energy Efficiency lending: [...]
5. Expertise & Staff for Effective Program Management: [...]

Mitigating Risks with a Transformative Vision

The recommended adjustments to the Action Plan presented here are essential to mitigate the risk of overreliance on the central generation-transmission-distribution model of the fragile and costly PREPA/LUMA grid, whose improvement is a longer-term project. [...]

Conclusion

Finally, the Action Plan can be a call to robust citizens and private entities to seek short and long-term solutions for disaster risk mitigation – an example of best Environmental and Social Governance practices. A joining of forces to eradicate energy poverty across the islands, is the first step to rebuilding a sustainable livelihood. PREB public proceedings, in Spanish, with expert technical help that elicits citizen participation with accessible language, is the best locally available process to complete the approval of the Action Plan pursuant to Act 17.

[...]

To make that possible the PRDOH must include the PREB as both the principal expert stakeholder in the Action Plan approval process, as well as the critical non-partisan authority in the development and implementation of guidelines to ensure its alignment with Act 17 and the 2020 IRP. The PREB public policy implementation leadership, and ongoing distributed energy program proceedings make it the best possible convener for public participation to ensure the Action Plan's implementation of Puerto Rico's energy transformation takes into account and protects the broad interests of all consumers and prosumers.

With these proposed PREB/Act 17 inputs, the PRDOH, the U.S. Department of Housing and Urban Development, and the government of Puerto Rico will assure the Action Plan includes optimal investment of private sector resources in alignment with the public interest."

PRDOH Response:

Thank you for your comments and for your participation in this public process. As part of our inter-agency stakeholder engagement process, PRDOH invited the PREB to participate in several discussions regarding Action Plan design, including at least one in-person session to coordinate on regulatory requirements and best practices. PRDOH values their participation in the process.

Regarding the Energy Justice recommendation to incorporate the PREB stakeholder engagement process, please note that project activity types not currently approved by the PREB for which PREB review is required will go through the regulatory agency's associated stakeholder engagement process. PRDOH appreciates the importance of PREB's role as a regulatory entity in service to the implementation of public policy set forth by the Government of Puerto Rico.

We strongly agree with the need to prioritize Underserved, Disadvantaged and Low- & Moderate-Income Communities and have created a priority category to ensure projects address these populations. We also agree that it is vital to encourage private sector financial participation and have made leverage requirements an integral part of the ER2 Program approach.

Additionally, in consideration of public comment, we have amended the funds distribution between the ER1 (Cost Share) and ER2 program and substantially increased the amount of funding available under ER2. This will lead to, as Energy Justice states, a “paradigm shift” in the future of energy system improvements on the Island. The resulting allocation will contribute significantly to a distributed, renewable, leveraged model aimed to serve the communities in greatest need.

Comment ID: Adalberto Verges Hernandez

“To improve every day in a more effective and faster service”

PRDOH Response:

Thank you for your comment. PRDOH recognizes the importance of enhancing Puerto Rico's energy system. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids in order to improve the sustainability and stability of electrical service across the island, as well as projects proposing the recovery of existing systems. To stay up to date on any information or updates related to this Action Plan please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Jacqueline Rivera Morales

“They should offer assistance for acquiring a home or land for low-income and elderly people like me”

PRDOH Response:

PRDOH appreciates your comment. PRDOH is currently managing a Homebuyer Assistance Program (HBA) Program under the CDBG-DR Action Plan for the recovery of the disaster caused by Hurricanes Irma and María. The HBA Program is intended to assist eligible first-time homebuyers with the process of acquiring their first property.

Moreover, a recent amendment to the HBA Program made more flexible the requirements needed to qualify as a 'first-time homebuyer', allowing a greater number of Applicants to be deemed eligible for assistance.

To obtain more information about the CDBG-DR Homebuyer Assistance Program and its eligibility requirements, you may refer to the HBA Program Guidelines, available in English and Spanish on the PRDOH CDBG-DR website at: <https://cdbg-dr.pr.gov/en/download/homebuyer-assistance-program-2/> and <https://cdbg-dr.pr.gov/download/programa-de-asistencia-directa-al-comprador-2/>.

Comment ID: Dolly Rios Ortiz

"Look for initiatives that can help the electrical grid of Puerto Rico"

PRDOH Response:

Thank you for your comment. PRDOH recognizes the importance of developing activities that promote the enhancement of Puerto Rico's energy grid. The funds allocated under this Action Plan are intended to be used for eligible activities relevant to improvements for Puerto Rico's energy grid. To stay up to date on any information or updates related to this Action Plan please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Maritza Mercado

"Request attached documents"

PRDOH Response:

Thank you for your participation during this public comment period for the Electrical Power System Enhancements Action Plan. The funds under this Action Plan are intended to be used for eligible activities relevant to improvements for Puerto Rico's energy grid. If you wish to obtain more information about the Action Plan for Electrical Power System Enhancements or have any other inquiries related to PRDOH's management of CDBG-DR and CDBG-MIT funds, please visit the following website, available in English and Spanish at: <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/>, respectively.

Comment ID: Mary Ann Rios Huertas

"They should give more maintenance to the light system"

PRDOH Response:

Energy grid maintenance is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH recognizes the importance of developing activities

that promote the enhancement and maintenance of Puerto Rico's energy grid. The funds allocated under this Action Plan are intended to be used for eligible activities relevant to Puerto Rico's energy grid. To stay up to date on any information or updates related to this Action Plan please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Hispanic Federation (Maritere Padilla Rodriguez)

"[...]

"The Action Plan for the optimization of the Electrical System presented by the Department of Housing recognizes the urgent need for resilience that exists in our communities. After presenting an x-ray of Puerto Rico's electrical system, we can only raise the need to build something different from what we had at the time of Hurricane Maria, since that old, obsolete, and centralized fossil energy, claimed the lives of thousands of people in the archipelago. This is why we present the following recommendations to achieve the resilience that our communities are longing for:

- o The Action Plan must ensure access to resilient and affordable solar energy for the most vulnerable and low-income families and communities in accordance with the federal national objective that governs the allocation of funds*
- o The Department of Housing should not automatically accept a funding match to PREPA's proposed Ten-Year Plan. As proposed, PREPA's Ten-Year Plan lacks specific renewable energy generation projects to achieve the goal of integrating 40% renewable energy into the electrical grid by 2025, as required by Act 17-2019, the Puerto Rico Energy Public Policy Act. Therefore, PREPA's ten-year plan is in clear non-compliance with the law. Given this non-compliance, the Department of Housing must condition any matching of funds to a plan that includes specific projects to achieve the integration of 40% renewable energy on the island by 2025.*
- o The Action Plan should prioritize the integration of solar energy systems with rooftop storage, decentralized and protecting agricultural and ecologically valuable land.*
- o The ER2 program should lower the minimum award to \$10,000,000 and clarify who will own these projects once they are developed. We understand that the projects must respond to the public interest.*
- o Non-profit and community entities should be allowed to apply for ER2 funds.*
- o The Energy Technical Advisory Team should be expanded to include professionals in the area of renewable energy project development, rooftop solar projects, environmentalists, representation of citizens, the academy, among others.*
- o The Puerto Rico Department of Housing should enable the CAC to advise and raise the voices of the most vulnerable communities in the development of the programs and guidelines of this Action Plan."*

PRDOH Response:

PRDOH appreciates the continued support from Hispanic Federation for the recovery of Puerto Rico. Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

PRDOH understands the importance of proper land-use, so projects proposed as solar farms may only be allowed in accordance with permissible land-use, permits and applicable zoning regulations. PRDOH will seek opportunities to utilize brownfields as per EPA guidance and recommendations.

For-profit businesses and not-for-profit entities that meet capacity and experience requirements will be considered eligible applicants under ER2. All eligible applicants must meet long-term capacity requirements, such as administrative, technical, and financial requirements to conduct the projects.

More specific details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals. All eligible applicants will undergo an extensive evaluation process prior to receiving any funds.

Regarding the \$10,000,000 minimum award for ER2, after consideration of the public comments received on the Action Plan draft, PRDOH has decided to consider awards below this threshold on a case-by-case basis, considering criteria that the project aligns with larger energy grid development activities or projects underway and that the proposal meets other program requirements.

For those organizations seeking to implement smaller-scale community-based installations of energy production and storage as subrecipients, PRDOH offers funding opportunities as part of the CEWRI Program in the CDBG-MIT Action Plan. Units of general local government/ Local and Municipal Governments, Community-Based Development Organizations and private not-for-profits, and Non-governmental organizations are eligible applicants under the CDBG-MIT CEWRI Program and are encouraged to evaluate the program as described in the CDBG-MIT Action Plan. The CDBG-MIT Action Plan may be found at: <https://cdbg-dr.pr.gov/en/cdbg-mit/> (English) and <https://cdbg-dr.pr.gov/cdbg-mit/> (Spanish).

As it is established in the Action Plan draft, CDBG-DR funds for electrical power system improvements may be used to meet a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity permitted by 86 FR 32681. When using CDBG-DR funds to match, "grantees are further

advised that the Appropriations Act prohibits the use of CDBG–DR funds for any activity that is reimbursable by, or for which funds are also made available by FEMA or the USACE." This way, PRDOH ensures that the funds utilized do not duplicate efforts or benefits and validates that the financed activity is within the parameters of the permissible use of funds.

Furthermore, after the consideration of the comments received during the public comment period, monies allocated or intended to be used under ER1 as matching funds have been reduced to \$500,000,000, allowing the rest of the funds to be reallocated to ER2 to cover more projects, including those with renewable energy measures.

Comment ID: Med Centro, Inc. (Allan Cintron Salichs)

"Not for profit healthcare organizations that are part of the emergency response system of Puerto Rico should be accounted for and prioritized in the plan."

PRDOH Response:

PRDOH thanks you for your comment. The Action Plan currently establishes that Eligible Applicants for the Electric Power Reliability and Resilience Program (ER2) including, Government Agencies, authorities, trusts and boards, units of general, local, municipal and state governments, for profit businesses and public hospital and healthcare systems will be prioritized. To stay up to date on any information or updates related to this Action Plan please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Pagan construction Corp. (Noel Pagan Vega)

"We need a robust electrical system and electrical panels for our business"

PRDOH Response:

Thank you for your comment. PRDOH recognizes that the local business sector was drastically affected by Hurricanes Irma and/or María. As established in the Action Plan, the funds allocated under this Plan are directed towards improvements to the electric grid, which could help businesses obtain a more resilient electric service. This would help reduce the vulnerability of the business to future natural disasters, as well as the opportunity to provide its services in an area where the electric service is continuous and reliable.

However, we wish to inform you that we currently have the Small Business Financing Program (SBF) in operation, which provides financial assistance to those small businesses in Puerto Rico that were affected by Hurricanes Irma and/or María. To obtain more information about the CDBG-DR SBF Program and its eligibility requirements, you may refer to the SBF Program Guidelines, available in English and Spanish on the PRDOH

CDBG-DR website at: <https://cdbg-dr.pr.gov/en/download/small-business-financing-program/> and <https://cdbg-dr.pr.gov/download/programa-de-financiamiento-para-pequenas-empresas/>.

Comment ID: Taller Industrial para Personas con Impedimentos de Coamo, Inc. (Wanda Morales)

"I understand that it is already necessary to reevaluate the electrical grid of our Island. But not only thinking about those who live in the urban area but also those in the rural area, who in occasions live in places where only on disaster occasions think how to repair or improve. If improving the reality for the rural area your electrical grid plan could work."

PRDOH Response:

Thank you for your comment. PRDOH recognizes the importance of attending all affected regions in Puerto Rico. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids in order to improve the sustainability and stability of electrical service across the Island, especially in those hard-to-reach areas, as well as projects proposing the recovery of existing systems.

To stay up to date on any information or updates related to this Action Plan please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Productora Angeles-del-fin, Inc. (PADF) (Carlos Gonzalez Hernandez)

The optimization of Puerto Rico's electrical grid is a priority of the utmost urgency due to the extreme difficulties we faced with the passage of hurricanes, the high costs of service and the constant interruptions and vulnerability of the system. These situations, in turn, cause other very difficult circumstances that could have culminated in tragedies, loss of life and socio-economic stagnation. We firmly believe that community-based non-profit organizations are capable of managing, supervising, and overseeing the maintenance and continuity of this benefit for all citizens. Of course, with the help of government entities and the support of the private Enterprise. We are PADF, (Community-based Creative industry with prevention, training, rehabilitation, and empowerment projects, with theatrical arts, audiovisual, music, folklore, and interactive workshops as impact modalities). This optimization will have a multiplier effect on vulnerable communities. Projects can be established for social justice, telecommunications, technology, shelter, food distribution, efforts to solve basic needs, vocational and job training, academic, health, nutritional and creative services, as well as self-management for entrepreneurship and collective empowerment. The space we present can be the basis to function as a

hub for micro-networks in the region. In terms of mobilization, it is also necessary to have electric vehicles and all possible alternatives to minimize the impact of pollution and increase the possibilities of individual and collective recovery. Many blessings to all the work team. For Puerto Rico and for our people.

PRDOH Response:

PRDOH is pleased with your participation during this public comment phase for the Electrical Power System Enhancements Action Plan. Your proposal has been recorded and will be taken into consideration during the development phase of this Action Plan. As a result of the public comments received, PRDOH has included not-for-profit entities as eligible applicants under the ER2 Program. All eligible applicants should meet long-term capacity requirements, such as administrative, technical, and financial requirements to conduct the projects. Details of the process to apply for funding will be outlined in the Program Guidelines. Furthermore, PRDOH has decided to consider awards below \$10,000,000 minimum award for ER2, on a case-by-case basis, considering criteria that the project aligns with larger energy grid development activities or projects underway and that the proposal meets other program requirements.

It is worth noting that there is a subprogram under the CDBG-MIT funds, which seeks to attend energy and water resiliency needs for community installations. PRDOH invites you to visit the CDBG-MIT webpage, which is available in the PRDOH's CDBG-DR website, to read about the Community Energy and Water Resilience Program (CEWRI). This program is now commencing, presenting a good opportunity for you to explore the Program's information and register for Program-related notifications: <https://cdbg-dr.pr.gov/en/community-energy-and-water-resilience-installations-program/> (English) or <https://cdbg-dr.pr.gov/programa-instalaciones-comunitarias-para-la-resiliencia-energetica-y-de-abastecimiento-de-agua/> (Spanish).

Comment ID: Francisco Rivera

"The money should be spent on solar panels instead of fixing what is no longer useful. Apart from the fact that it is damaging to the environment".

PRDOH Response:

Thank you for your comment. Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids with renewable energy, to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

To stay up-to-date on any information or updates related to this Action Plan, please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Nelson Agosto

"Greetings

I don't know if this is about the power grid, but my comment is about energy production. I understand that the government should supply the [solar] panels to the homes and sell us the energy at an affordable price for the population.

The problem is that they let the special interest groups leave the people with no access to clean, cost-effective energy. As they sold the energy from the fuel combustion through PREPA, they should do it through solar panels. Install plate farms to reinforce the service. Also, in the Coamo Hot Springs, it is possible to study the possibility of converting this thermal energy into electric energy like Switzerland or Sweden does.

Thank you, Nelson Agosto"

PRDOH Response:

Thank you for your comment. Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop renewable energy microgrids, to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

Additionally, for those organizations seeking to implement smaller-scale community-based installations of energy production and storage as subrecipients, PRDOH offers funding opportunities as part of the CEWRI Program in the CDBG-MIT Action Plan. Units of general local government/ Local and Municipal Governments, Community-Based Development Organizations and private not-for-profits, and Non-governmental organizations are eligible applicants under the CDBG-MIT CEWRI Program and are encouraged to evaluate the program as described in the CDBG-MIT Action Plan. The CDBG-MIT Action Plan may be found at: <https://cdbg-dr.pr.gov/en/cdbg-mit/> (English) and <https://cdbg-dr.pr.gov/cdbg-mit/> (Spanish).

To stay up-to-date on any information or updates related to this Action Plan, please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Jacqueline Rivera

“Comments on the action plan for CDBG funds. I need for them to offer grants for seniors like me and who have no income.”

PRDOH Response:

Thank you for your comment. In accordance with one of CDBG's national objectives, the allocated funds are intended to address the unmet needs of low to moderate income (LMI) individuals, as established in the parameters set in HUD's adjusted gross income limits for Puerto Rico. As stated in the Action Plan, the Electrical Power System Enhancements Action Plan, the Energy Grid Rehabilitation and Reconstruction Program (ER1), as well as the Electrical Power Reliability and Resilience Program (ER2) will jointly meet the LMI National Objective.

PRDOH acknowledges the importance of utilizing CDBG-DR funds to attend the needs of this demographic and recognizes the multifaceted benefits that would arise from this assistance. The CDBG-DR Action Plan for Hurricanes Irma and María, as well as the Action Plan for Electrical Power System Enhancements, elaborate on this overall benefit to LMI population. Both are publicly available in the CDBG-DR website at: <https://cdbg-dr.pr.gov/en/> (English), and <https://cdbg-dr.pr.gov/> (Spanish).

Comment ID: Sherley E. Figueroa

“Hello, I believe that the optimization of the electrical grid should start with the communities of people over 60 years old between streets and houses, for example where I live the power goes out for too many hours. I would love you to take my comment into consideration

Att Sherley E Figueroa”

PRDOH Response:

Thank you for your participation during the public comment period of the Action Plan for Electrical Power System Enhancements. PRDOH understands the need to prioritize underserved, disadvantaged, and Low- & Moderate-Income Communities. For this reason, a priority category has been created to ensure projects awarded under the Action Plan address these populations.

To stay up-to-date on any information or updates related to this Action Plan, please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Liga de Cooperativas de Puerto Rico (Juan R. Luna Otero/Mildred Santiago Ortiz)

"[...]

The League not only promoted an Energy Policy, but has also involved itself directly, through alliances and collaborations with local cooperatives, community leaders, and a non-profit entity, in the promotion of energy transition models self-managed by the communities themselves. The League has a compelling interest that our most vulnerable communities have access to energy security as quickly as possible to meet their critical loads. This does not arise only from cooperative principles. After Hurricane María, tens of thousands of our members were left without electricity for months.

The Action Plan is a very elaborate document, and it includes issues that the League will not address in these comments. Our comments are directed to address three (3) fundamental issues:

- 1. The socioeconomic context of Puerto Rico and the state of vulnerability of certain sectors of the population.*
- 2. The description and analysis of the effects of Hurricane María over Puerto Rico, specifically on the electrical system, and the consequences of these effects on the populations.*
- 3. If the manner in which projects are defined as eligible or not eligible; and the minimum scale (defined by the cost of the project) are the best use of public funds to address what were the worst effects of the hurricane while providing, at the same time, resiliency to the citizens.*

Socioeconomic context and the vulnerability of some sectors in Puerto Rico

The Plan contains valuable information on the socioeconomic context and the vulnerability of sectors in Puerto Rico in the face of natural events like hurricanes. [...]

[...]

The Cooperative Movement of Puerto Rico, and the League as its representative, know firsthand the vulnerable state of a large part of our population. It is the same population that makes up the majority of the membership of our cooperatives. Those were the thousands of families who faced a system that completely collapsed in the face of Hurricane María's impact, especially the almost total blackout that followed in the subsequent months.

Therefore, the League has an interest in that these vulnerable sectors have energy security as quickly as possible.

Description and analysis of the effects of Hurricane María on Puerto Rico

The document also has a good description and analysis of the effects of the hurricanes and the consequences on the citizens and the electric system.

[...]

The reason for which we are reviewing and analyzing the statements made in the Plan about the devastating consequences of the absence of electricity over a very prolonged period of time, in the case of the more remote communities, is because this analysis should, perform, prevail in the design and the selection of solutions that arise.

[...]

Plan Goals, allocation of funds, and characterization of eligible and ineligible projects.

In various places throughout the document, references are made as to which are the Plan's goals and the objectives.

[...]

The Department of Housing proposes the distribution of funds between two programs. In the first, the Programa de Distribución de Costos para la Rehabilitación y Reconstrucción de la Red Eléctrica (ER1), \$1,055,811,031 (55%) would be used to fundamentally provide the matching in order to be able to receive funds assigned by FEMA for the rehabilitation and modernizing of the electrical system.

Considering the difficulty of raising the matching funds with local money, we think it is a reasonable way to ensure that we can receive the FEMA funds.

Additionally, it is proposed to create a second fund of de \$760,595,149 para el Programa de Confiabilidad y Resiliencia Energética. This would be the program through which non-profit entities, communities, Municipalities, business can apply to promote projects. Of those, \$532,416,604 must be used to meet the needs of low- and moderate-income residents.

In relation to that program, we have several concerns. First, it states that the projects that will be accepted will be large-scale projects. The minimum cost of the project that would be eligible would be of 10 million dollars. Evidently, none of the projects that we are supporting in different municipalities would qualify.

[...]

We specifically propose that:

1. Redefine individual projects and accept that the projects that we promote are community projects that should be eligible to receive funds from this allocation.
2. Set aside at least 350 million for the type of project we propose. This would allow for the installation of between 50 and 70 thousand systems that will provide energy security for at least 200 thousand people.
3. Reduce the minimum cost of each individual project to \$250,000 so that community groups, and the entities that collaborate with them, can really have an opportunity to provide themselves the energy security that provides them with the peace and tranquility that they lose every time a new hurricane season is announced, and in the process, it would create more sustainable and resilient communities.

We respectfully submit these comments that we hope are useful in strengthening the Plan that the Puerto Rico Department of Housing has prepared ."

PRDOH Response:

PRDOH is pleased with your support of the Action Plan for Electrical Power System Enhancements. As stated in Federal Register 86 FR 321, at least 70% of the CDBG–DR grant for electrical power system enhancements and improvements must be used for activities that benefit LMI persons. This requirement is met by (1) providing at least 51% of LMI residents with either a subsidized rate for electricity below that charged to other residential ratepayers or a lower rate for electricity than was charged prior to complete implementation of the CDBG–DR funding for electrical power system improvements; or by (2) measurably improving the reliability of the electrical power system in LMI areas that are primarily residential. However, residents that do not meet the LMI eligibility criteria may also reap the benefits of the implementation of this Action Plan and its Programs.

For-profit businesses and not-for-profit entities that meet capacity and experience requirements will be considered eligible applicants under ER2. All eligible applicants must meet long-term capacity requirements, such as administrative, technical, and financial requirements to conduct the projects. More details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals. All eligible applicants will undergo a comprehensive extensive evaluation process prior to receiving any funds.

Regarding the \$10,000,000 minimum award for ER2, after consideration of the public comments received on the Action Plan draft, PRDOH has decided to consider awards below this threshold on a case-by-case basis, considering criteria that the project aligns with larger energy grid development activities or projects underway and that the proposal meets other program requirements.

For those organizations seeking to implement smaller-scale community-based installations of energy production and storage as subrecipients, PRDOH offers funding opportunities as part of the CEWRI Program in the CDBG-MIT Action Plan. Units of general local government/ Local and Municipal Governments, Community-Based Development Organizations and private not-for-profits, and Non-governmental organizations are eligible applicants under the CDBG-MIT CEWRI Program and are encouraged to evaluate the program as described in the CDBG-MIT Action Plan. The CDBG-MIT Action Plan may be found at: <https://cdbg-dr.pr.gov/en/cdbg-mit/> (English) and <https://cdbg-dr.pr.gov/cdbg-mit/> (Spanish).

Comment ID: Glenda Viera

“[...]

We have lost the opportunity to once again be pioneers at a global level, in making Puerto Rico the first island with 100% solar production. However, we still have time to achieve this. The alternative is quite simple, we are going to certify electricians and linemen from LUMA to be installers of solar services. The economic and credit processes of solar companies are arbitrary and not all comply with these to make the change of service. On the other hand, many are disreputable and have adverse legal proceedings in the courts and other state agencies such as DACO. We also have to consider that the costs are extremely onerous. So, why not offer the system to PREPA-LUMA's own clients and turn them into partners of the system? The agency already has all the client's data; it could establish a long-term payment agreement (10, 15, 20 or 25 years) and thus ensure that this income remains in its account for a long time. Time that will be used to reduce the administrative part and increase the service and maintenance part. This idea could start in all urbanizations with access controls and those that are more defined in terms of infrastructure. Each interested resident must submit a copy of the property deeds, as the only requirement to make the change. PREPA-LUMA can include other extras such as batteries, insurance, and preventive maintenance every six (6) months, to the package chosen by the client. All would be with net metering and would continue to be active clients, contributing to the system. My 2nd group to work would be merchants and shopping malls. It is common knowledge that energy costs have strangled merchants, many of whom have had to go out of business due to the absurd fluctuation in energy costs. Having a stable electric system, both in its service – production, and in its monthly payment, makes economic projection, growth, and development more optimal. The 3rd group to work with should be hotels and inns. Puerto Rico is quite attractive touristically. However, if we compare ourselves with other countries in the Caribbean archipelago, we do not have the famous attraction of hotels with “all inclusive” offers. Again, an important factor for this not to happen is the energy cost, among others that are manageable. With these 3 large groups sheltered under the same solar system, Puerto Rico would have about 75% of solar consumption. In this way it would be easier to stabilize electricity production and tackle other services and needs. This should be the vision for the future that we should be seeking collectively.

Other aspects to be worked on would be the elimination of all subsidies for the payment of electric service. A new application and evaluation process must be initiated for claimants of this privilege. It should be conditioned only to certain health conditions and should be widely documented. We should eliminate standardized rates in all public housing developments and make the change to remote meters in those places. If the resident does not pay, they are simply logged out remotely. All those who remain in the PREPA-LUMA service should be granted a period of two (2) months prior to receiving a payment suspension alert. Any payment plan should be established with a minimum of 25% of the total debt and include a minimum monthly charge for being in it. Cases of system theft should also be addressed. We know of invaded communities that have that service. We should all comply with applicable laws and regulations. It does not make

sense to invade and have a service without having property deeds that certify ownership. I understand that these last issues are sensitive and take away votes from the masses. But we must have people, in all spheres of government, with the will to do the right thing.

In addition, we should consider switching from fossil fuel systems to cleaner energy sources. Puerto Rico is fertile for thermal energy, as well as wind energy. We should go back to using reservoirs to generate electricity. Changing and updating generation plants should be a priority, both government and privately owned. I am aware that LUMA will be upgrading the substations and transmission and distribution lines. The resilience and optimization of these concepts of the energy process should be a national priority. For this, both FEMA and COR3 should become facilitators and not monitors of the proposals that will be presented. Making it more agile (don't confuse agile with easy) getting these projects done should be a priority for everyone, including state and federal regulatory permitting agencies and all components involved.

[...]"

PRDOH Response:

PRDOH is pleased with your participation during this public comment phase for the Electrical Power System Enhancements Action Plan. Your proposal has been recorded and will be taken into consideration during the development phase of this Action Plan. The funds under this Action Plan are intended to be used for eligible activities relevant to improvements for Puerto Rico's energy grid. PRDOH will ensure that the activities conducted under this Action Plan are in accordance with renewable energy and decarbonization goals, as well as in compliance with a CDBG-DR National Objective.

If you wish to obtain more information about the Action Plan for Electrical Power System Enhancements or have any other inquiries related to PRDOH's management of CDBG-DR and CDBG-MIT funds, please visit the following website, available in English and Spanish at: <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/>, respectively.

Comment ID: Zulaika

"Excellent work and you are helping every member of P.R. as is necessary. The same should be done with solar panels for those with low resources. Thank you very much. God bless you a lot.. 🙏🙏"

PRDOH Response:

PRDOH appreciates your positive feedback for the Action Plan for Electrical Power Systems Enhancements. By directing these funds for improvements to the electricity grid,

we aim to strengthen and improve the infrastructure and efficiency of Puerto Rico's electric grid across the island.

Currently, we have the Community Energy and Water Resilience Installations (CEWRI) Program in operation, which collaborates with other CDBG-DR Programs to provide energy and water system efficiency improvements directly to single-family homeowners, to promote resilience by installing battery-backed photovoltaic (PV) systems for critical loads and water storage system. Additionally, under the CDBG-MIT funds there is the Community Energy and Water Resilience Program (CEWRI) program which seeks to address energy and water resiliency needs for community installations. PRDOH invites you to visit the CDBG-MIT webpage, which is available in the PRDOH's CDBG-DR website, at: <https://cdbg-dr.pr.gov/en/> (English) or <https://cdbg-dr.pr.gov> (Spanish).

To stay up-to-date on any information or updates related to this Action Plan, please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Berky Rodríguez

"Working middle class homeowners. We need help and guidance to pay mortgages. Electricity and water services continue to increase. It is money that is increasingly impossible to pay. We need the opportunity of 0% loans to finally pay off mortgages. Thanks."

Thank you."

PRDOH Response:

PRDOH appreciates your submission during this public comment period. We are glad to inform you that PRDOH is currently managing a Homebuyer Assistance Program (HBA) Program under the CDBG-DR Action Plan for the recovery of the disaster caused by Hurricanes Irma and María. The HBA Program is intended to assist eligible homebuyers with the process of acquiring their home.

Moreover, a recent amendment to the HBA Program Guidelines made more flexible the requirements needed to qualify as a 'first-time homebuyer', allowing a greater number of Applicants to be deemed eligible for assistance.

To obtain more information about the CDBG-DR Homebuyer Assistance Program and its eligibility requirements, you may refer to the Program Guidelines, available in English and Spanish at: <https://cdbg-dr.pr.gov/en/download/homebuyer-assistance-program-2/> and <https://cdbg-dr.pr.gov/download/programa-de-asistencia-directa-al-comprador-2/>, respectively.

Comment ID: Iván A. Gómez-Blassino

"I would like a subsidy for the purchase of a solar panel system. Thanks."

PRDOH Response:

Thank you for your comment. Currently, we have the Community Energy and Water Resilience Installations (CEWRI) Program under the CDBG-MIT Action Plan. This Program aims to finance community-based installations of energy production and storage. Entities like units of general local government/ Local and Municipal Governments, Community-Based Development Organizations and private not-for-profits, and Non-governmental organizations are eligible applicants under the CDBG-MIT CEWRI Program and are encouraged to evaluate the program as described in the CDBG-MIT Action Plan. The CDBG-MIT Action Plan may be found at: <https://cdbg-dr.pr.gov/en/cdbg-mit/> (English) and <https://cdbg-dr.pr.gov/cdbg-mit/> (Spanish).

Comment ID: The Hato Rey Financial District Redevelopment Corporation (Hector Santiago)

"The Hato Rey Financial District Redevelopment Corporation (known by its Spanish language acronym "CODEFIN") is a not-for-profit 501(c)3 certified organization founded in 1990 with the mission of promoting, amongst other things, the economic, urban, social, and cultural development of the Hato Rey Financial District. Its membership includes commercial building owners within the District and collaborators like universities, local businesses, residential communities, and other community activist organizations. The community within Hato Rey worked hard to keep Puerto Rico operational to recover after Hurricane Marfa. Therefore, we are interested in sharing comments related to the Community Development Block Grant - Disaster Recovery (CDBG-DR) Energy System Enhancement Action Plan.

Our review and comments to the Action Plan are as follows:

- 1) *The Action Plan should delineate clear, practical, and legal parameters for communities and proponents to recommend projects that can impact areas with diverse attributes; different levels of economic activity, mixed low- and middle-income residential areas, and other elements.*
- 2) *A methodology for communities to identify, select and propose their own sustainability goals of their microgrid proposals and how they impact activities and services provided within the proposed area while contributing to the main network's ability to recover.*
- 3) *To harmonize the CDBG-DR Action Plan with existing public policies as it appears in the following documents:*
 - a. *The Central Office for Recovery, Reconstruction and Resilience (COR3) "Grid Modernization Plan for Puerto Rico";*

- b. The PREPA-commissioned "Transmission & Distribution Roadmap" written by Sargent & Lundy LLC;
- c. The US Department of Energy's Office of Scientific and Technical Information (OSTI) report written by Sandia National Laboratories.

The above documents identify vital elements to appropriately design microgrids to provide our Island's electrical system's resiliency. They objectively quantify the positive impact on community resilience and provide a toolset to measure the social burden imposed on different communities. CODEFIN requests that these three documents become part of the final version of a Plan that bedrocks community-defined energy resiliency initiatives.

Evidently, objective and transparent methods exist to determine project effectiveness and scrutinize their medium- and long-term goals. In contrast, while the CDBG-DR Action Plan does pursue a reformed distributed grid, it lacks an explicit commitment to qualify one or a sum of "microgrids". CODEFIN requests that such commitment be added to the Action Plan, specifically "Ward-sized" microgrid applications that community proponents should easily seek and develop.

CODEFIN, its members, consultants, and our community collaborators remain committed to improve Hato Rey's resiliency and post-disaster capacity to provide continuous, uninterrupted services to the entire Island. The goal is to restore its vibrant, active, socially, and economically diverse environment in which residents, visitors, and businesses thrive and support the Island pre- and post-disaster as it has done so historically.

All improvements and investments made and to be made within the CODEFIN District directly impact the surrounding neighborhoods and are beneficial to Puerto Rico's business and social continuity. Our group is available to discuss these comments with you and/or your CDBG-DR team at your earliest convenience."

PRDOH Response:

Thank you for expressing your recommendations during this public comment period in response to the Action Plan draft for Electrical Power System Enhancements.

As stated in Federal Register 86 FR 321, at least 70% of the CDBG-DR grant for electrical power system enhancements and improvements must be used for activities that benefit LMI persons. This requirement is met by (1) providing at least 51% of LMI residents with either a subsidized rate for electricity below that charged to other residential ratepayers or a lower rate for electricity than was charged prior to complete implementation of the CDBG-DR funding for electrical power system improvements; or by (2) measurably improving the reliability of the electrical power system in LMI areas that are primarily residential. However, residents that do not meet the LMI eligibility criteria may also reap the benefits of implementing this Action Plan and its Programs.

For-profit businesses and not-for-profit entities that meet capacity and experience requirements will be considered eligible applicants under ER2. All eligible applicants must

meet long-term capacity requirements, such as administrative, technical, and financial requirements to conduct the projects. More specific details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Once available, the Program Guidelines will be published on the CDBG-DR website. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals. All eligible applicants will undergo an extensive evaluation process prior to receiving any funds.

PRDOH encourages your organization and its members to stay up-to-date on any information or updates related to this Action Plan by visiting the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Haydee

"I hope that this project is variable to the consumer [sic] and the objective [sic] of reducing losses to homes with the voltage problem in the houses of our communities can be achieved."

PRDOH Response:

Thank you for your comment. PRDOH recognizes the urgency of addressing the unmet energy needs of all Puerto Rican families. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids in order to improve the reliability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

To stay up-to-date on any information or updates related to this Action Plan, please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Municipality of Ciales (Suheily Gonzalez Lozada)

"The Initiative consists of creating a renewable energy based microgrid where (1) all the critical facilities, businesses and NGOs located in the downtown area of Ciales can be connected to an efficient system through (by) underground electric power lines, and (2) creating community-based renewable energy microgrids in all wards to cover all household units in Ciales. This Project has been included in the approved 2021 Mitigation Plan for the Municipality of Ciales.

[...]

After the collapse of the PREPA electric system after the impact of Hurricane María on September 20, 2017, Ciales had to wait 9 months for full power restoration. A small

percentage of the population had personal power generators, but the majority did not. While power generators were brought for critical facilities such equipment highly polluted the environment and impacted the health of the residents of Ciales. This caused widespread losses of life, property, and escalated business costs due to long operational interruptions, with some businesses and NGOs closing altogether. [...]

Renewable energy (RE) microgrids (solar photovoltaics [PV] and battery storage) can provide more resilient power and increase survivability to minimize the devastating effects of future disasters. A sustainable microgrid like this can also provide for local business opportunities and workforce development which is of great importance and highly needed for Ciales.

The Municipal Government of Ciales is interested in improving the energy resilience of Ciales. In pursuing such, the Municipal Government of Ciales will partner with the Puerto Rico Community Foundation (PRCF), a leading 501(c)(3) Non-Government Organization that serves communities in Puerto Rico, and the Polytechnic University of Puerto Rico School of Electric Engineering. Local NGOs and local stakeholders that assist in providing social, economic, environmental, educational, and cultural services in Ciales, along with community organizations will be part and are critical partners in the success of this project, specifically when working with remote and isolated very low-income communities in Ciales.

The Municipality of Ciales Renewable Energy Microgrid Initiative

The Initiative consists of creating a renewable energy based microgrid where (1) all the critical facilities, businesses and NGOs located in the downtown area of Ciales can be connected to an efficient system through (by) underground electric power lines, and (2) creating community-based renewable energy microgrids in all wards to cover all household units in Ciales. This Project has been included in the approved 2021 Mitigation Plan for the Municipality of Ciales.

Specifically, the Initiative will help mitigate the lack of power and provide sustainable continuity of operations for:

- 11 critical facilities that provide critical essential services for communities in Ciales during and in the aftermath of a disaster;
- 55 businesses; and
- 5,831 households that exists in Ciales as per the 2019 US Census.

This Initiative promotes compliance with federal and Puerto Rico clean energy policies, provides sustainable energy redundancy, and will promote local business opportunities and workforce development.

Among others, it will require the purchase of equipment (solar photo voltaic (PV) panels and inverters, hurricane resistant racking, batteries, installation, and related ancillaries), power generators to serve as energy back-up (with all necessary components) and technical assistance and capacity building. This microgrid can be used continuously throughout the year. The Initiative will also include an educational component regarding

energy efficiency and energy consumption. The Initiative also will provide for having all recipients of solar PV/storage to participate in the net metering program now administered by LUMA Energy, so that they can sell excess production and generate income.

The proper implementation of the proposed project will guarantee the 15,808 residents of Ciales to continue receiving the critical services necessary for their day to day living, including business continuity and economic development.

This project will provide more resilient power and increase survivability, prevent the loss of life and property to minimize the devastating effects of future natural and human induced disasters. A key aspect of projects like the one proposed here is having controls that allow the system to operate independent of the grid.

It is also a sustainable and equitable locally led solution in addressing climate change that will help Puerto Rico meet its renewable energy goals of 40% by 2025, 60% by 2040, and 100% by 2050.

[...]

The traditional conventional energy system that serves electricity to Ciales is not sustainable and keeps residents vulnerable facing future disasters, and even during the current daily scenario due to the fragility of the Puerto Rico electric grid. The preliminary results of PUPR and FCPR's analyses indicate that RE microgrids appear to be technically and economically viable for Ciales. Total Estimated Cost for the Ciales RE Microgrid (critical infrastructure downtown micro grid [\$9,125,000], businesses [\$5,000,000] and housing [\$87,465,000], plus) is \$96,590,000.

Having a RE Microgrid for Ciales with hurricane-resistant rooftop solar photovoltaic panels, combined with storage, and related ancillaries will improve its energy resilience and will ensure the preservation of life, property and continuity of critical services and businesses in the case of a future disaster."

PRDOH Response:

PRDOH is appreciate Municipality of Ciales participation during this public comment period for the Electrical Power System Enhancements Action Plan. Your proposals have been recorded and will be taken into consideration during the development of the programs under this Action Plan. Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

Projects such as those mentioned by the Municipality may be eligible for funding under this Action Plan. Municipal Governments, For-profit businesses and not-for-profit entities, among others, may be eligible applicants. Those potential subrecipients that meet

capacity and experience requirements will be considered eligible applicants under ER2 Program. All eligible applicants must meet long-term capacity requirements, such as administrative, technical, and financial requirements to conduct the projects.

PRDOH encourages the Municipality of Ciales to monitor the CDBG-DR Action Plan for more specific details about the process to apply for funding and project selection. Once available, these will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. The Program Guidelines will be published on the CDBG-DR website at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Joe's Home Center Inc. (Edwin Pabón)

"It is time for the Government of Puerto Rico to begin [sic] implementing an electrical system base on solar panels or others that are of benefit to the island."

PRDOH Response:

Thank you for your comment. Renewable energy development is a recurring theme in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop microgrids to improve the sustainability and reliability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

To stay up-to-date on any information or updates related to this Action Plan, please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Comité Dialogo Ambiental Inc. (Ruth Santiago)

"These Comments to the Puerto Rico CDBG-DR Electrical Systems Enhancements and Improvements Action Plan ("Draft Action Plan", "DAP") are submitted on behalf of Comite Dialogo Ambiental, Inc.

[...]

The Draft Action Plan ("DAP") fails on nine counts, the DAP: 1) wrongly denies that renewable energy and battery storage can provide reliable, resilient and cost-effective electric service and delays the deployment of renewable energy; 2) perpetuates transmission and distribution that enables long-term dependence on centralized fossil-fired generation; 3) fails to abide by the Integrated Resource Plan ("IRP") issued by the Puerto Rico Energy Bureau ("PREB"); 4) makes no significant contribution to achieve the upcoming, 2022 and 2025 renewable energy legal mandates; 5) assumes that FEMA funds are not available for distributed renewables; 6) misses the opportunity to achieve social and environmental justice through Low to Moderate Income ("LMI") community

access to distributed renewables; 7) fails to comply with the requisite environmental review, climate and flood control provisions; 8) drives up electric rates; and 9) is impermissibly vague, ambiguous and imprecise and fails to inform the public about key aspects of the plan, thereby denying effective public participation.

The historic amount of HUD and FEMA funds allocated for the electric system should be invested in distributed renewables such as on-site and rooftop solar and battery energy storage systems and similar alternatives that will provide life-saving electric service to LMI residents in Puerto Rico.

[...]"

PRDOH Response:

PRDOH thanks you for your participation during this public comment period on the Action Plan draft for Electrical Power System Enhancements. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop renewable energy microgrids to improve the sustainability and reliability of electrical service across the Island, as well as projects proposing the recovery of existing systems. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws and regulations, including applicable renewable energy and decarbonization goals. More details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed.

At least 70% of the CDBG-DR grant for electrical power system enhancements and improvements must be used for activities that benefit LMI persons. This requirement is met by (1) providing at least 51% of LMI residents with either a subsidized rate for electricity below that charged to other residential ratepayers or a lower rate for electricity than was charged prior to complete implementation of the CDBG-DR funding for electrical power system improvements; or by (2) measurably improving the reliability of the electrical power system in LMI areas that are primarily residential. However, residents that do not meet the LMI eligibility criteria may also reap the benefits of the implementation of this Action Plan and its Programs.

PRDOH conducted two public hearings, the first hearing was held prior to the publication of the Action Plan, while the second hearing was executed a month after its publication. The purpose of these events was to continue gathering information on critical unmet energy needs, as well as to improve the Action Plan to guarantee the enhancement of the electrical grid. PRDOH also held various meetings with different stakeholders such as municipalities, academic institutions, non-profits, among others, to continue identifying urgent and unmet energy needs of the low-to-moderate income communities. A landing page was published to maintain citizens up to date on any information or updates related to this Action Plan, which is available at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Therefore, the Citizen Participation Plan presents an opportunity for Puerto Rico's residents and stakeholders to provide feedback and ensure transparency with all information regarding the CDBG-DR Electrical Power System Enhancement Programs.

Comment ID: Colegio de Ingenieros y Agrimensores de Puerto Rico (Juan Alicea Flores)

"Dear secretary Rodríguez Rodríguez,

Greetings from The Professional College of Engineers and Land Surveyors of Puerto Rico (onwards the "CIAPR" or the "College"). Below are the comments by CIAPR in regard to the Disaster Recovery Action Plan for the Use of CDBG-DR Funds for the Optimization of the Puerto Rico Electrical System presented by the Puerto Rico Department of Housing for public comments during the month of November 2021

[...]

At the end of 2020, the CIAPR presented the Infrastructure 2030 document (www.infraestructura2030.com). This document was developed by dozens of experts organized into eight (8) specialized commissions that evaluated the problems of the existing infrastructure in Puerto Rico and presented recommendations to rebuild our Island in a planned and coherent manner. In the document, the vision of the CIAPR was collected and a road map was presented on the urgent and sustainable reconstruction that must be carried out in the essential infrastructure of Puerto Rico in the next ten (10) years. Among the infrastructure areas identified to be addressed as a priority the electric power infrastructure was included. Among the recommendations presented by the CIAPR to address the problems of the electrical infrastructure, we understand that the following are relevant for the establishment of priorities for the allocation of CDBG-DR funds and any other additional funds:

- 1) With a sense of urgency, provide maintenance to the existing infrastructure to guarantee reliable operation of the electrical system with quality service while the energy transition is completed.*
- 2) Transform the electric distribution network into an intelligent network that allows greater visibility and control of its operation.*
- 3) Address the risks associated with the operation and control of the electrical network to guarantee the reliable operation of a small isolated electrical system such as that of Puerto Rico with levels of insertion of intermittent sources and storage as those proposed in the Integrated Resources Plan.*
- 4) Promote, as a priority, the renewable sources to decongest the network effectively, reduce technical losses, improve the reliability of the electrical service, and recover service quickly after natural disasters.*
- 5) Adopt governmental policies to aggressively promote the use of electric vehicles in Puerto Rico and develop a model of collective and individual transportation through the use of these vehicles.*

- 6) *Develop the projects adopted through the Integrated Resources Plan approved by the Energy Bureau in August 2020.*
- 7) *Strengthen the electrical infrastructure to provide reliability to the electrical system in those areas where industrial clusters associated with the country's economic development are established or may be established.*

According to the Action Plan for Electrical Power System Enhancements, the Puerto Rico Department of Housing developed an unmet needs assessment to guide the use of CDBG-DR funds for electric system improvements. Based on the recommendations of the CIAPR to improve Puerto Rico's electrical infrastructure, we understand that the following unmet needs identified in the Action Plan for Electrical Power System Enhancements should be prioritized for the allocation of CDBG-DR:

- 1) *Advanced Metering Infrastructure*
- 2) *Energy Control Center Replacement with a new energy management system*
- 3) *Vieques and Culebra Microgrid*
- 4) *Vieques and Culebra Submarine Cable*
- 5) *Use of distributed generation in PRASA, as approved by the Puerto Rico Energy Bureau for energy for energy needs of untreated water filtration plants and pumping stations, and wastewater treatment plants and discharge outfalls.*
- 6) *Use of solar energy in drinking water systems that do not belong to PREPA.*
- 7) *Microgrids that benefit community resilience for Puerto Rico, as identified by Sandia National Laboratories.*
- 8) *Renewable or hybrid microgrids to serve specific areas in Puerto Rico, as approved by the Puerto Rico Energy Bureau.*
- 9) *Distributed generation system that includes residential-community, commercial-industrial solar solutions.*

With respect to distributed generation systems that include residential and community solar solutions, it is important to consider that Puerto Rico currently has a population whose lives depend on their connection to the electrical system. This situation was evidenced during the passage of Hurricane María in 2017. For this reason, we recommend the development of a government aid program that facilitates access to reserve auxiliary power equipment for vulnerable people with economic needs who depend on electricity to operate medical devices. In addition, in the case of microgrids, a development aimed at the installation of reliable and diversified backup auxiliary power systems should be considered for facilities that offer essential services and functions for survival, continuity of public health and safety, and recovery after a disaster. Examples of these facilities include: hospitals, schools, nursing homes, fire and police stations, water supply systems, wastewater treatment plants, fuel pumping and pressurization stations, communications, community centers, and emergency shelters, among others.

Thank you for the opportunity to contribute with our comments."

PRDOH Response:

PRDOH is acknowledges the valuable recommendations provided by the College of Engineers and appreciates its participation during this public comment period for the Electrical Power System Enhancements Action Plan. Your proposal has been recorded and will be taken into consideration during the development phase of this Action Plan.

More specific details of the process to apply for funding and project selections will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals.

To stay up-to-date on any information or updates related to this Action Plan, please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: RMI (Nathaniel Buescher)

"[...]"

1: Health focus, resiliency, and accessibility

Comment:

It is important to highlight and commend the great work of the Puerto Rico Department of Housing in preparing this action plan. The focus and balance given to health, economic and environmental issues is of great value. Social considerations that seek a better distribution of resources and serve lower-income communities with the necessary energy support and resilience. Also of great value are the needs identified, such as access to drinking water, critical infrastructure, service improvements, and cost reduction in electricity service, seeking to ensure resilience in basic and essential services.

#2: Alignment with the 10-year Infrastructure Plan of the Electric Power Authority (PREPA)

Comment:

Within the context of the action plan, it is recommended to include reference and seek areas of coordination and align actions with both PREPA's 10-year infrastructure plan as well as the Integrated Resource Plan, given the common objectives of increasing the use of renewable energies, increase energy resilience, improvements to the accessibility of the service, among others.

#3: PRASA Unmet Needs.

Table 9 – PRASA Proposed Photovoltaic Projects (page 65)

Comment:

The price of listed photovoltaic (PV) systems reaches almost 2,500 USD/kWp installed, which is considered in the sector and in Puerto Rico to be well above the current installation cost.

It is also important to reflect the economies of scale in PV projects, where the price per kWp installed is reduced as the size of the system increases. RMI's case study of the Saint Lucia power system shows that Power systems that incorporate renewable energy can lead to a lower cost system. The full study can be found here: <https://rmi.org/insight/saint-lucia-case-study/>

If not included, the use of battery storage is recommended to increase the resilience of treatment plants.

#4: "As presented by PREPA to PRDOH, "[t]he project includes the acquisition of nine (9) mobile units for emergency generation – each with a generation capacity of approximately 30 MW, for a total of 270 MW– to replace existing gas turbines and possibly install them as needed in strategic locations around the Island where there may be a need for power following an emergency, such as a hurricane or earthquake... Pursuant to PREB Order of 26 In March, PREPA will explore the possibility of satisfying this need with renewable energy resources and energy storage in batteries. This project is subject to systems needs and PREB review and approval." (page 62)

Comment:

These types of systems are sensitive to fuel imports and world fuel prices. While providing resiliency benefits, distributed solar and battery microgrid systems across Puerto Rico can provide similar resiliency benefits while being cheaper in the long run, cleaner, and capable of providing grid stability. Solar panel and battery systems can also be used in a mobile setup, as used by the Footprint Project: <https://www.footprintproject.org/about>

RMI commends the decision to use renewable energy such as distributed solar panels and battery microgrids that provide resiliency and power to critical installations in remote and/or vulnerable areas.

#5: Vieques and Culebra Microgrids (page 63-64)

Comment:

There is a particular reason why the approach to renovating the electric generation park in Vieques and Culebra is initially done only with diesel generators. Also inquire about the estimated percentage of penetration of solar energy and battery storage.

This considering the difficulties experienced with diesel-based generation, as it is more expensive and polluting, limited and of difficult logistics in periods of natural disasters, noise and local pollution, risks of spills, among others.

#6: "The use of solar energy considerably reduces the carbon footprint, compared to the use of fossil fuels, in addition to promoting a considerable reduction in operation and maintenance costs for PRASA. Despite these advantages, these projects need redundancy to provide an alternative power source for catastrophic events."(page 66)

Comment:

These design guidelines (<https://rmi.org/insight/solar-under-storm/>) published by RMI and the Clinton Climate Initiative can provide insight into construction strategies that make ground-mounted and roof-mounted solar systems roofs more resistant to catastrophic events.

#7: "The DOE puts these priorities in order by consolidating them into four main areas:

- Reliability and resiliency of the system
- System security and network stability
- Energy efficiency and sustainability
- Disaster Risk Mitigation" (page 59)

Comment:

Within "Energy efficiency and sustainability" it is important to consider the rational use of energy. The cheapest kWh is the one not consumed. This is to promote not only the use of more efficient equipment and technologies, but also to invest and encourage the population, industry, and other sectors to make more rational use of energy.

#8: Pumping Stations (page 66-67)

Comment:

The approach towards the use of diesel generators as a backup system leaves the water pumping system and access to drinking water similarly vulnerable. This was due to, as was observed after Hurricane María, one of the first missing items was access to fuels, including diesel, due to its high demand in backup systems.

In the face of a basic service of such importance as drinking water, the use of solar systems with storage is recommended, these can contribute to reducing the costs of electricity consumption and provide local resilience without depending on imported fuels. In addition, the very possibility of storing water in tanks allows them to be used as a "battery" where pumping is prioritized during hours of high solar radiation.

#9: Focus in renewable energy (page 72)

Comments:

Similar work has been done by the Community Energy Resilience Initiative (CERI), a collaboration between RMI, the Rockefeller Foundation and the Puerto Rico Community Foundation (PRFC) to identify critical facilities that are vital to vulnerable communities that would be potential candidates for resilient solar panels and battery systems. The CERI team is working to scale a blended finance model to increase access to these systems for critical facilities. The CERI team is pleased to share learning acquisition processes and funding structuring to increase resilient and community-focused energy.

#10: Job Creation (page 73)

Comment:

It is important to reinforce the opportunity for job creation and income generation. RMI collaborated on a recent study (<https://microgridknowledge.com/microgrids-jobs->

climate-americans/) that estimates the number of new microgrid jobs expected by 2030 at 9,000 and \$1.2 trillion in GDP.

#11: Electric Vehicles (page 75)

Comment:

It is recommended to start and promote the use of electric vehicles in the public sector through the electric massification of public transport with the aim of demonstrating the scope and impact per person in the mobilization of the population.

#12: "Law 17 raised the renewable energy portfolio to a minimum of 20% by 2022, 40% by 2025, 60% by 2040 and 100% by 2050." (page 86)

Comment:

RMI estimates that the solar panel and battery systems located at critical facilities in Puerto Rico alone could account for approximately more than 650 MW of generation.

#13: "As part of the evaluation of the project, PRDOH will evaluate the budget estimates to carry out the operation and maintenance activities during the useful life of the project. It is a requirement of PRDOH, in order to receive funding, that applicants document their O&M approach. The Technical Consulting Team (TCT) may be consulted for specific technical feasibility assessments as required." (page 104)

Comment:

This may represent a potential barrier for locally owned business entities (eg, pharmacies, community nonprofits, etc.) that serve as critical facilities for low- and moderate-income communities and have an interest in a microgrid of solar panels and battery. Some of these facility owners lack the expertise to design and purchase profitable and economically viable microgrids. To prioritize a community push for energy resiliency, technical experts with knowledge of such systems must be available to work with these critical facilities to create compelling projects.

RMI also believes that operation and maintenance (O&M) practices and capacity building are critical to building community resilience and ownership of community microgrids. As with project design, technical assistance should be available to applicants to help them create meaningful operation and maintenance plans.

#14: "Advanced Metering Infrastructure - \$569,400,000

a. Install Advanced Metering Infrastructure throughout Puerto Rico, with the purpose of improving reliability and resilience, as well as the customer experience." (page 63)

Comment:

There are additional values of smart metering, including the advancement of distributed and smart grid as prescribed in Law 17.

#15: Other Initiatives

Comment:

Se recomienda evaluar y considerar otras iniciativas con enorme potencial para mejorar la resiliencia, descarbonización, y accesibilidad al servicio eléctrico, entre ellas:

- *Initiative for energy efficiency and rational use of energy for solar projects. It is important to highlight the importance of approaching renewable microgrid projects taking the initial steps of energy efficiency and improvements in electricity consumption to maximize the capacities of the systems to be installed.*
- *Combination of public, private, and philanthropic funds for projects to finance community microgrids and critical facilities. Seek alliances and collaborations with financial entities such as cooperatives and other banks, non-profit organizations, and the private sector to increase available resources.*
- *Combine efforts in the use of public funds with financial entities in Puerto Rico that allow/facilitate access to loans and favorable conditions for projects partially financed with public funds. This will make it easier for end users to be able to afford the capital of the projects.*
- *Maximize the availability of public funds seeking equity in access to solar energy systems with storage. For example, provide a subsidy that is focused on the useful life of the project and that goes hand in hand with the savings that can be obtained.*
- *Public community micro-networks where a resilient network is created in the municipalities of critical services such as police, clinics, schools, and firefighters, among other public services. In this way, increase the resilience of municipalities to respond to natural disasters and maintain services operating if the electrical network fails."*

PRDOH Response:

Thank you for your participation during this public comment period on the Action Plan draft for Electrical Power System Enhancements. PRDOH appreciates RMI's positive feedback and thorough recommendations. Your proposal has been recorded and will be taken into consideration during the program design.

More details of the process to apply for funding will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals. Renewable energy development is one of the key strategies to achieve the carbon footprint reduction, therefore it is a recurring topic in this Action Plan. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop renewable energy microgrids, among others, to improve the sustainability and reliability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

Comment ID: El Puente-Enlace Latino de Accion Climatica (Amy Orta Rivera)

“El Puente-Enlace Latino de Acción Climática Puerto Rico (ELAC) is a program that was created in 2015, with the objective of developing educational projects and activities at the island level on the subject of climate change in Puerto Rico. ELAC emerged as an extension of the non-profit organization El Puente de Williamsburg in New York, which has been working since 1986 for peace and social justice in Brooklyn. In the context of Puerto Rico, we are working together with various communities on issues such as the climate crisis, just transitions, mitigation, adaptation to climate change, and renewable energy.

[...]

The historical amount of funds from the Federal Housing Department (HUD) and the Federal Emergency Management Agency (FEMA) allocated for the electrical system of Puerto Rico must be invested in solar systems on roofs or near the point of consumption and similar alternatives to provide access to energy resilience to low- and middle-income sectors, which will save lives and contribute to achieving environmental and climate justice. Social justice requires that energy resilience is not limited to high-income individuals who can afford this equipment. The future viability of Puerto Rico depends on these funds being used to promote local economic development. In this way, we would be expanding access and guaranteeing an essential service such as electricity. From our work, through the Energy Oasis we are dedicated to the installation of photovoltaic systems in community centers. The energy generated helps preserve vital food supplies and medicines, recharge electronic devices and health support machines, as well as creating a community meeting space, vital for recovery. In addition to this, we offer community training to continue promoting the benefits of renewable energy.

From this perspective, we submit these comments to the Action Plan of the CDBG-DR funds for the optimization of the electrical network of Puerto Rico:

1. Allocate funds to proposals based on renewable energy

[...]

Required Action

- Request that all new projects be powered by renewable sources of decentralized energy, as established by Law 17-2019. The task for the future must focus on prioritizing and maximizing the use of renewable energy and minimizing gas emissions in recovery projects.*
- Evaluate and include the proposal of Queremos Sol and the Renewable Energy Integration Study as a guide for the distribution of funds destined to improve the electrical system of Puerto Rico.*
- Prohibit the use of funds for industrial solar energy projects on agricultural and conservation lands.*

2. Implement the local proposal for Queremos Sol and the Renewable Energy Integration Study

[...]

Required Action

- One of the ways to implement Queremos Sol with funds from the Department of Housing is to use less than \$235,322,500 to cover the 270 MW of Emergency Generation. According to the Action Plan, PREPA's original plan, which was rejected by the Puerto Rico Energy Bureau, was to use this amount for nine (9) gas turbines. It seems pertinent to us to separate a different line item for Emergency Generation to the one proposed by PREPA. For this reason, we request that the Queremos Sol proposal be prioritized for these purposes.
- We firmly believe that if we want to achieve the greatest integration of renewable energies in accordance with Law 17-2019 (Puerto Rico Energy Public Policy Act), it is the responsibility of the State to ensure that there are items that prioritize the integration of renewable energies in roofs beyond emergency generation.

3. Incomplete overview of the Electric System

[...]

Required Action

- Discard methane gas as a transition energy source. We understand that if federal funds are to be maximized, they should not be used to "upgrade" methane gas plants or use the money to convert diesel plants to methane gas. Regardless of how many improvements or conversions are made with federal money to fossil fuel generators, the global market is the regulator of fuel costs, so Puerto Rico would be tied to unsustainable costs.
- Maximize the use of federal funds for the installation of small solar systems on roofs, energy storage systems, as expressed in the Renewable Energy Integration study carried out by CAMBIO.
- Reduce energy dependence on fossil fuels and their costs.

4. Industrial Solar Energy Projects on agricultural and conservation lands

[...]

Required Action

- Make the generation of solar energy possible through solar panels on roofs and a battery system in homes.
- Prohibit the use of recovery funds for the development of industrial energy production projects on agricultural and ecologically valuable land.

5. Energy Justice

[...]

Required Action

- *Installing these systems on family roofs complies with the principle of energy justice, which seeks that everyone can have access to and benefit from a stable, clean, and affordable system. Just as many small and medium-sized businesses will benefit from the funds of the American Rescue Act Plan, we request that low-income families be taken into consideration so that they can also participate in the energy transformation outlined in the Action Plan.*

[...]"

PRDOH Response:

PRDOH is thankful for the time taken to express your recommendations. Your proposal regarding "Queremos Sol" has been recorded and will be taken into consideration during the development of this Action Plan.

As stated in the Action Plan: "Replacing old generation units with high-efficiency ones and introducing systems that do not require conventional fuels to produce electrical energy, such as renewable energy electric plants, is a crucial step to improve the efficiency of the electrical power system." More details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals. Renewable energy development is one of the key strategies to achieve the carbon footprint reduction, therefore, it is a recurrent topic in this Action Plan. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop renewable energy microgrids, among others, to improve the sustainability and reliability of electrical service across the Island, as well as projects proposing the recovery of existing systems

PRDOH understands the importance of proper land-use, so projects proposed as solar farms may only be allowed in accordance with permissible land-use, permits and applicable zoning regulations. PRDOH will seek opportunities to utilize brownfields as per EPA guidance and recommendations.

To stay up-to-date on any information or updates related to this Action Plan, please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: AMANESER 2025 (Juan E. Rosario)

"AMANESER 2025 is a non-profit organization incorporated in the Department of State of Puerto Rico. It was created to educate and support communities in the implementation of measures to address the effects of Climate Change. In addition to energy, AMANESER

2025 works with sustainable models in the areas of solid waste, communications, water management, food, and strategic planning. This is done through collaborative processes between neighbors that increases their level of self-sufficiency and reduces their dependency.

[...]

PLAN ANALYSIS

The document contains a lot of information and analysis that will undoubtedly increase our understanding of the context of Puerto Rico, especially after Hurricane Maria and the role of renewable energies in the transition to a more sustainable and resilient electrical system.

VULNERABILITY AND THE EFFECTS OF MARIA

This is probably the most complete and accurate section of the document. Some of the structural elements that cause vulnerability in a large part of our population are recognized and documented. [...]

[...]

RECOMMENDATIONS

1. That the funds be used to promote energy security for vulnerable communities, determined by:

- (1) Economic condition, (low and medium income)
- (2) How long it took before reconnecting to the grid after Hurricane Maria
- (3) Any other objective criteria of community vulnerability.

2. To this end, we request that at least 50% of the ER2 funds be set aside for community self-management projects such as the ones we are proposing. With this, energy security could be provided to about 33% of the people who were without energy more than 5 months after Maria.

3. The minimum cost of each project be reduced to \$250,000. The current figure of 10 million excludes virtually all bona fide community groups.

4. The models to be implemented must provide said security in a short period of time. The processes of identifying, recruiting, and training residents until the systems are set up must take place within the same year.

5. Models must be:

- (a) Simple in a way that allows significant participation of the residents in its implementation
- (b) Replicable so that they can be implanted in many places with minimal variations

(c) Scalable so that they can be staged and scaled up organically. The system that is set up in the first stage to provide immediate energy security must increase the resilience of the network and be compatible with the subsequent creation of microgrids or systems connected to the grid.

6. To include as eligible projects those projects in which community groups, non-profit entities, and municipalities (or alliances between them) collectively generate distributed installations on the roofs of residences as defined in the Microgrids Regulation of the Energy Bureau of Puerto Rico.

7. The fund distribution strategy should promote alliances between municipalities, communities, and organizations that are carrying out work to provide energy security to residents in a collaborative and cost-effective manner.

We submit these comments to strengthen the Plan that the Department of Housing has prepared to strengthen its possibilities of serving as an instrument to develop a prosperous, fair, democratic, sustainable, and happy Puerto Rico."

PRDOH Response:

We are thankful for the continued support from AMANESER 2025 in the development of this Action Plan. All these recommendations will be taken into consideration in the process of designing the Program Guidelines. PRDOH is committed with the carbon reduction goals while promoting long-term reliability and stability of the electrical system. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop renewable energy microgrids, to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

This Action Plan describe activities for which at least 70% of the funding will benefit Low-to Moderate-Income population, in compliance with the Federal Register 86 FR 321. This requirement is met by (1) providing at least 51% of LMI residents with either a subsidized rate for electricity below that charged to other residential ratepayers or a lower rate for electricity than was charged prior to complete implementation of the CDBG-DR funding for electrical power system improvements; or by (2) measurably improving the reliability of the electrical power system in LMI areas that are primarily residential. However, residents that do not meet the LMI eligibility criteria may also reap the benefits of the implementation of this Action Plan and its Programs. More specific details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. When available, the Program Guidelines will be found at th Plan's webpage: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Municipal governments, For-profit businesses, and not-for-profit entities that meet capacity and experience requirements will be considered eligible applicants under ER2. Long-term capacity requirements, such as administrative, technical, and financial requirements to conduct the projects must be met by all eligible applicants. In terms of the \$10,000,000 minimum award for ER2, after consideration of the public comments received on the Action Plan draft, PRDOH has decided to consider awards below this threshold on a case-by-case basis, considering criteria that the project aligns with larger energy grid development activities or projects underway and that the proposal meets other program requirements. For those organizations seeking to implement smaller-scale community-based installations of energy production and storage as subrecipients, PRDOH offers funding opportunities as part of the CEWRI Program in the CDBG-MIT Action Plan. Units of general local government/ Local and Municipal Governments, Community-Based Development Organizations and private not-for-profits, and Non-governmental organizations are eligible applicants under the CDBG-MIT CEWRI Program and are encouraged to evaluate the program as described in the CDBG-MIT Action Plan. The CDBG-MIT Action Plan may be found at: <https://cdbg-dr.pr.gov/en/cdbg-mit/> (English) and <https://cdbg-dr.pr.gov/cdbg-mit/> (Spanish).

Comment ID: LUMA Energy

“1.0 Introduction

On November 08, 2021, the Department of Housing of Puerto Rico (DOH) published their CDBG-DR Action Plan (Action Plan) for electricity system enhancements. The Action Plan identifies unmet needs and highlights system improvements that can benefit all residents through improved resiliency. The DOH has also gathered input from stakeholders and taken into consideration activities of interest to the public.

These activities mentioned in the Action Plan, once established, will help to provide a more resilient and sustainable energy system. In this document, LUMA seeks to provide initial comments on this Action Plan.

LUMA is grateful for the opportunity to provide feedback on the Action Plan and looks forward to furthering collaboration with DOH.

2.0 Initial Comments

There are many important considerations to address when planning for the recovery of the electricity infrastructure in Puerto Rico. LUMA welcomes this type of early collaboration with the DOH and other stakeholders, which will help identify the need for future development of regulations, processes, programs, or projects to provide improvements in the resiliency of Puerto Rico's electricity system.

LUMA understands that federal funds and the collaboration of different entities are an essential part of improving Puerto Rico's electrical system and wants to work together with the DOH and other stakeholders that wish to adopt a coordinated approach for the

benefit of Puerto Rico. LUMA understands the use of CDBG-DR funds for improvements and mitigation and resilience measures that are not likely to be addressed by other sources of funds.

LUMA supports the Department of Housing's prioritization of projects that:

- Reduce the impact of climate change, such as those using renewable sources of energy
- Improve the efficiency of electric power generation, electricity transmission and distribution infrastructure; and
- Decrease transmission and distribution losses and therefore minimize the consumption of fossil fuels in power generation.

LUMA recognizes that the projects under the Action Plan are part of a transformation process. Several are of special interest to LUMA, including:

- Projects identified as part of the Unmet Needs Assessment;
- Microgrid and distributed generation (DG) programs; and
- Electric Vehicle (EV) infrastructure planning.

Once completed these projects will help provide a more resilient and sustainable energy system. The DOH and industry stakeholders have identified and shared a list of potential projects in the action plan.

3.0 Future Considerations

LUMA recommends that during the design and implementation phases of the program, DOH carefully consider, among other things:

INTEGRATION OF EXISTING AND PLANNED REGULATIONS

LUMA has and continues to work with the Puerto Rico Energy Bureau on new regulations specific to the proposed projects and activities in this Action Plan. Among them are the Distributed Generation Interconnection regulations, currently in draft.

STAKEHOLDER ROLES AND RESPONSIBILITIES

With recent private public partnerships (PPPs) in the electricity sector, roles of actors have changed. For example, LUMA is in charge of operations, maintenance, and administration of the electricity grid assets that are owned by government of Puerto Rico. New PPPs are expected in the sector.

BUSINESS AND FINANCIAL MODELS USED IN PROPOSED PROJECTS

One of the largest challenges to the sustainable implementation of minigrids is the use of an appropriate business model to finance project capital and operating expenditures.

ROLL OUT OF EV PLANNING

In Case No. NEPR-MI-2021-0013, the Puerto Rico Energy Bureau is identifying goals and policies for the deployment of Electric Vehicle Charging Infrastructure. LUMA would like to collaborate with DOH and other stakeholders in the design and roll out of activities.

CHANGES IN THE LANDSCAPE

The Action Plan builds on an estimate of unmet needs based on planned electric power system improvements. The system in Puerto Rico is a dynamic and complex. As such, the status of some of the projects, including LUMA's, may have changed since development of the unmet needs assessment.

LUMA looks forward to collaborating with DOH in order to coordinate in the activities identified in the Action Plan and others that relating to the electricity sector in Puerto Rico.

4.0 Conclusion

LUMA welcomes the opportunity to provide feedback. LUMA believes that adherence to the objectives and principles summarized in this document will support effective use of CDBG-DR funds for Electric System Enhancements in Puerto Rico in a manner consistent with Puerto Rico's energy public policy. LUMA looks forward to continuing constructive discussion and coordination on the subject."

PRDOH Response:

PRDOH appreciates LUMA's support for the Action Plan for Electrical Power System Enhancements. Your proposal has been recorded and the recommendations will be taken into consideration during the program design phase of this Action Plan.

To stay up to date on any information or updates related to this Action Plan please visit the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Instituto de Competitividad y Sostenibilidad Económica de Puerto Rico (ICSE)

"[...]"

PRDOH Action Plan doesn't comply with Act 17-2019 Puerto Rico Energy Policy

The PRDOH proposed Action Plan, as presented for public comments now, doesn't comply nor aligns with Act 17. In fact, it is contrary to applicable Law. Therefore, the Action Plan has to be rejected, reformulated and substantially modified in order to comply with said Law. Both, Law 17 and IRP noncompliance, the absolute lack of attention to "energy system unmet needs", as per Law 17, and lack of attention and solutions to low-income consumers unmet energy needs make the action plan unacceptable. The PR Energy Bureau has specifically rejected electric infrastructure

investments which are not Law 17 and IRP compliant. Thus, compliance with Act 17 and the IRP are crucial and unavoidable energy system unmet needs that PRDOH must specify and adopt for the energy system of Puerto Rico.

The Action Plan recommended funding doesn't include references to Act 17, nor IRP compliance as required by federal regulations, thus, the document has to be rejected and thoroughly revised for compliance. The document does not include an analysis proving that it aligns with other planned improvements to other energy systems and other infrastructure development efforts consistent with Act 17 policies, vision and direct mandates.

[...]

ICSE recommends that a throughout compliance review of the Action Plan against Act 17 mandates and requirements must be performed by PRDOH. This review will render two distinct areas of action:

1. Submission of the Action Plan to PREB with a substantial compliance review aligning the reformatted Action Plan with Act 17 mandates and requirements.
2. Submission of the Action Plan funding and activities to compliance review with the approved IRP and a proposal strategy towards the new IRP process to be started by PREB in 2022.

[...]

1. The Action Plan must be conformed to Act 117 through PREB by aligning its data compilation, evaluation, analysis, and funding recommendations to current PREB proceedings underway. Proceedings such as new IRP formulation, System optimization, Energy Efficiency, Performance Metrics and others must be addressed in the Action Plan. PRDOH must describe how the proposed funded activities align with Act 17 and the IRP, and, if needed, coordinate with PREB for a specific proceeding to approve Energy Compliance by the Action Plan. [...]
2. Table 12 of the Action Plan, Resiliency Projects (Page 72), for a total of \$4.5 Bill. including approx. \$500 million for intelligent metering project and over \$250mill T&D/Generation Vieques/Culebra are not included in the IRP and must be submitted for IRP compliance to PREB. The public review process under PREB may result in substantial reformulation of the funding. [...]
3. Table 18, Summary of Program Budget (Page 109), includes \$1.0 billion proposed flexible matching fund to match projects in PREPA-FEMA long range 10-year plan which projects have yet to be specifically IRP reviewed and approved by PREB. This funding must be thoroughly revised and redirected towards immediate Act 17 compliant energy unmet needs. [...]

[...]

Regarding the \$1.0 Billion that PRDOH has recommended be assigned to PREPA to provide matching funding to the FEMA projects, ICSE recommends that the full amount be reassigned to fund an Immediate Impact Program of Distributed

Energy Resources projects and programs. This massive program will directly benefit consumers, households and small businesses promoting a broad prosumer transformation of vast number of consumers. The net result will be a vast step up in consumer side efficiency and resilience, a vast increase of self-generation and storage of electric energy in the consumer side and an overall increase in behind the meter improvements in the electric system

[...]"

PRDOH Response:

Thank you for your participation during the public comment period for the CDBG-DR Electrical Power System Enhancements and Improvements Action Plan. Your proposal has been recorded and will be taken into consideration during the program design phase of this Action Plan.

More specific details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals.

As it is established in the Action Plan draft, CDBG-DR funds for electrical power system improvements may be used to meet a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity permitted by 86 FR 32681. When using CDBG-DR funds to match, "grantees are further advised that the Appropriations Act prohibits the use of CDBG-DR funds for any activity that is reimbursable by, or for which funds are also made available by FEMA or the USACE." This way, PRDOH ensures that the funds utilized do not duplicate efforts or benefits and validates that the financed activity is within the parameters of the permissible use of funds.

In compliance with the Federal Register (86 FR 32681), PRDOH consulted with the federal members of the Technical Coordination Team led by the U.S. Department of Energy, as well as with affected citizens, stakeholders and local agencies, including the Puerto Rico Energy Bureau (PREB), to identify the unmet critical needs for the improvement of the electrical grid system. As part of our inter-agency stakeholder engagement process, PRDOH invited the PREB to participate in several discussions regarding Action Plan design, including at least one in-person session to coordinate on regulatory requirements and best practices. PRDOH values their participation in the process and appreciates the importance of PREB's role as a regulatory entity in service to the implementation of public policy set forth by the Government of Puerto Rico.

The activities proposed in the Action Plan are bound to the identified unmet needs. To gather the unmet energy needs through the citizen's input, PRDOH conducted two public hearings; the first hearing was held prior to the publication of the Action Plan, while the second hearing was executed a month after its publication. Therefore, the Citizen

Participation Plan presents an opportunity for Puerto Rico's residents and stakeholders, including the PREB, to provide feedback and ensure transparency with all information regarding the CDBG-DR Electrical Power System Enhancement Programs.

Comment ID: Solar + Energy Storage Association of Puerto Rico (SESA) (PJ Wilson)

"[...]"

SESA presents herein its comments on the Puerto Rico Housing Department's (Vivienda) proposed Action Plan for the Electrical Power Reliability and Resilience Program (ER2) CDBG-DR Action Plan.

I. Introduction & General Comments

Puerto Rico's electricity system was badly hit by hurricanes Irma and Maria of 2017, particularly the vulnerable transmission and distribution lines that deliver power from distant centralized fossil-powered generators, resulting in the longest power blackout in US history. That experience demands a bottom-up, distributed energy focused paradigm as Puerto Rico rebuilds a truly resilient and modern energy system.

[...]

This unprecedented situation merits that an unprecedented focus of these monies must be designed and deployed as soon as possible to focus first on facilitating solar & storage systems to provide power directly to homes, businesses and critical facilities during ongoing inevitable brownouts and blackouts, while also facilitating overcoming any roadblocks to large-scale energy storage and renewable energy coming online to help diminish Puerto Rico's persistent brownouts and blackouts.

[...]

II. Specific Comments: The best way forward

a. The Puerto Rico Energy Bureau, the commonwealth's local energy regulator, has mandated that over 1,500MW of energy storage and more than 3,750MW of new renewable energy generation be deployed and online by 2025. This is in compliance with Puerto Rico's Act 17-2019, which requires rapid transition from 3% to 40% renewable energy by 2025, and is directly aligned with President Biden's Climate Goals.

b. The CDBG-DR allocations under comment today require grantees to address the provision of 'enhanced electrical power systems'. This term must, in line with Puerto Rico's needs and reality, mean focused investment in radically increasing grid "hosting capacity" for renewable energy resources (the grid's ability to integrate the massive amount of renewables needed and required per Puerto Rico law). This must include replacement of and enhancements to all feeders, wires, poles, substations and other equipment at the distribution level of the electric grid's infrastructure, designed explicitly to facilitate the ability of all local homes, businesses and critical facilities to bring renewable solar and storage online. Enhanced electrical power systems must also

include investments in electrical systems that ameliorate technology challenges which are currently prohibiting the deployment of large-scale renewables on the timeframe needed. This should include the addition of substantial energy storage, upgrades needed for existing generation to enhance their ability to respond to additions of large amounts of renewable energy to the grid, upgrades to towers and wires and other equipment needed to facilitate solar, wind, and other large-scale renewables coming on line, and any other technology enhancements needed to increase hosting capacity of renewables up to the 3,750MW of renewables and 1,500MW of battery storage required by Puerto Rico law and IRP to be deployed by 2025.

c. \$0 of the \$1.9b allocated for enhanced electricals power systems should be used for matching funds. However, if any amount must unavoidably be used for matching funds, it should only be based on realistic projections of what FEMA funds would actually get deployed over the next 6 years, since this is the timeframe within which this tranche of funding must be fully spent. When estimating the amount of matching funded needed only over the next 6 years, we urge keeping in mind that the trend of the extremely slow pace of FEMA fund deployment over the last 4 years is likely to continue for the next few years as well. In short, \$1 billion of these CDBG-DR funds would support \$10 billion in FEMA funding, and it is impossible that \$10 billion in FEMA funding would get deployed over the next 6 years, thus if it's not possible to avoid spending any of this tranche of funds on matching funds, we urge that much less than the \$1 billion preliminarily budgeted of these \$1.9b should be used for matching funds, as it's absolutely impossible that enough projects would occur over the following 6 years to merit a need for \$1 billion in matching funds.

d. Deployment model for all programs should be flexible: ie the Action Plan should specifically state say that they are under either the Direct or Subrecipient models, so that some or all of the funding can be managed by the Green Energy Trust, the Department of Economic Development (DDEC), or other qualifying entities potentially capable of deploying funding quickly.

e. Funding amounts should be budgeted clearly. The draft Action Plan states that potentially around 80% of the non-matching portion of this should go to incentives for Microgrids. If that's the intention, then the amounts should be clearly budgeted.

f. Available funds should be focused on accelerating distributed solar + storage - meaning funding all or a portion of such projects directly, and/or funding infrastructure upgrades needed to accelerate distributed solar + storage integration, as mentioned in above section "b", and any other truly required grid upgrades to accelerate large scale renewables and storage.

[...]"

PRDOH Response:

PRDOH is appreciate SESA's participation during this public comment period for the Electrical Power System Enhancements Action Plan. PRDOH recognizes the urgency of attending the unmet needs of all Puerto Rican families. That is why renewable energy development is a recurring topic in the Action Plan, highlighting PRDOH's commitment to said cause. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop renewable energy microgrids to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

More specific details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals. All eligible applicants will undergo an extensive evaluation process prior to receiving any funds. PRDOH's monitoring process, in accordance with HUD regulations, will provide measures to follow-up on the recipient's performance and use of the allocated funds for a timely detection and prevention of fraud, waste, and abuse of funds.

As it is established in the Action Plan draft, CDBG-DR funds for electrical power system improvements may be used to meet a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity permitted by 86 FR 32681. In order to leverage these funds with FEMA's ongoing scopes of work and mitigation projects which may well exceed the 6-year grant term, PRDOH recently requested an extension of the grant term to expire at the same time as the CDBG-MIT grant agreement in 2033. Permitting and environmental review processes, including any necessary regulatory adjustments needed for the projects to be funded would also warrant the addition of several years to the projects' timeline.

Furthermore, after the consideration of the comments received during the public comment period, monies allocated or intended to be used under ER1 as matching funds have been reduced to \$500,000,000, allowing the rest of the funds to be reallocated to ER2 to cover more projects, including those with renewable energy measures.

Comment ID; Frente Unido Pro-Defensa del Valle de Lajas (Carlos A. Vivoni Remus)

"Dear Mr. Rodriguez:

These Comments to the CDBG-DR Action Plan for the Optimization of the Electric System ("Draft Action Plan") are submitted on behalf of the Frente Unido Pro-Defensa del Valle de Lajas. Our organization is a non-profit organization registered in the Department of State since 1995. We have been working for more than 25 years in defense of the land of agricultural value in the Lajas Valley and throughout Puerto Rico. In 2017 our organization

was awarded the Solidarity Award granted by the Miranda Foundation. We stand in solidarity with the comments listed below.

In summary, our organization understands that renewable energy is necessary for the country and for the development of agriculture and that it must be developed without negatively impacting the agricultural land that we still have in Puerto Rico. This issue is a strategic one for the country, since we import about 85% of food we consume and in the last 60 years we have lost about 70% of the land in agricultural use (according to the latest data from the Federal Census of Agriculture). If the Action Plan aims to support resilient solutions related to energy generation, the answer cannot be restoring the infrastructure that collapsed after Hurricane Maria. The logical answer is to facilitate energy generation systems based on photovoltaic panels on the roofs of houses, with battery banks for the homes of low- and middle-income communities. This option entails decentralizing the generation and distribution of energy in the country. The example of the "solar farm" in Humacao is evidence that Industrial-scale renewable energy projects do not represent a resilient option. This project was dramatically destroyed after the hurricane.

According to the Draft Action Plan, the majority of the funds for the electrical system would be allocated to the Cost-Sharing Program for the Rehabilitation and Reconstruction of the Electric Grid (ER1) with a budget of \$1,055,811,031 that would go to rebuild the poles, towers, cables and other components of the centralized electric power transmission and distribution system that connects the large power generation plants based on the burning of fossil fuels, mainly located in the south of Puerto Rico with the cutomers. Other funds would go to the Electric Power Reliability and Resilience Program (ER2) which would be allocated \$760,595,149 for projects that allegedly will not be funded by other federal or local sources.

The Draft Action Plan suffers from nine main flaws; 1.- It denies the capacity of renewable energy, especially solar systems located on roofs or near the place of consumption and energy storage systems (batteries) to provide a reliable, resilient and cost-effective electrical service and delays the use of these options, 2.- perpetuates the transmission and distribution system that maintains long-term dependence on power generation plants based on the burning of fossil fuels, 3.- fails to comply with the Integrated Resource Plan ("IRP") issued by the Energy Bureau, 4.-does not contribute significantly to achieving the mandated percentage of renewable energy required by law in 2022 and 2025, 5.- erroneously assumes that FEMA funds cannot be used for renewable energy distribution (rooftop solar systems and batteries), 6.-misses the opportunity to achieve social and environmental justice through access for low- and middle-income communities to renewable energy distribution (solar systems located on roofs and batteries), 7.- does not comply with environmental provisions on climate change and flood control, 8.- creates pressure to increase electricity rates, 9.- it is vague, ambiguous, and imprecise and does not inform the public about key aspects of the plan, which prevents effective public participation.

The historical amount of HUD and FEMA funds allocated for Puerto Rico's electrical system should be invested in rooftop or near-consumption solar systems and similar alternatives to provide low- and middle-income access to energy resilience that will save lives and contribute to achieving environmental and climate justice. Social justice requires that energy resilience is not limited to high-income individuals who can afford this equipment. The future viability of Puerto Rico depends on these funds being used to promote endogenous economic development.

We are willing to collaborate in the development of a Plan that truly considers resilient options regarding energy production in Puerto Rico. If, as established in the Plan, "[...] energy continues to be the largest and most important factor for the future of the Island," it is necessary to support resilient options that allow decentralized energy production by locating photovoltaic panels on the roofs of homes in low- and middle-income communities. Investing money and resources in other options would perpetuate the same mistakes with the same consequences that have made us suffer for decades. This is an opportunity to do something truly different, resilient, and conducive to real social justice."

PRDOH Response:

PRDOH thanks you for your participation during this public comment period on the Action Plan draft for Electrical Power System Enhancements. PRDOH is committed with the carbon reduction goals while promoting long-term reliability and stability of the electrical system. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop renewable energy microgrids, to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems. It is worth mentioning that project activity types not currently approved by the PREB for which PREB review is required will go through the regulatory agency's associated stakeholder engagement process. PRDOH appreciates the importance of PREB's role as a regulatory entity in service to the implementation of public policy set forth by the Government of Puerto Rico.

PRDOH understands the importance of proper land-use, so projects proposed as solar farms may only be allowed in accordance with permissible land-use, permits and applicable zoning regulations. PRDOH will seek opportunities to utilize brownfields as per EPA guidance and recommendations.

This Action Plan describe activities for which at least 70% of the funding will benefit Low-to Moderate-Income population, in compliance with the Federal Register 86 FR 321. This requirement is met by (1) providing at least 51% of LMI residents with either a subsidized rate for electricity below that charged to other residential ratepayers or a lower rate for electricity than was charged prior to complete implementation of the CDBG-DR funding for electrical power system improvements; or by (2) measurably improving the reliability of the electrical power system in LMI areas that are primarily residential. However, residents that do not meet the LMI eligibility criteria may also reap the benefits of the implementation of this Action Plan and its Programs. More specific details of the process to apply for funding and project selection will be outlined in the Program Guidelines once

the Action Plan is approved and program design is completed. When available, the Program Guidelines will be found at the Plan's webpage: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

More specific details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws and regulations, including applicable renewable energy and decarbonization goals. All eligible applicants will undergo an extensive evaluation process prior to receiving any funds.

Comment ID: [Cooperativa Hidroeléctrica de la Montaña \(Maribel Hernandez\)](#)"

"The most critical technical aspects to improve are the poor condition of the electricity generation plants and the use of fossil fuel to generate most of the electricity in Puerto Rico. The poor condition of the distribution lines and their substations makes the energy service even more fragile. It is vital to increase service provided by distributed generation using renewable sources. The decentralization of the electric grid is urgently needed to improve the energy service. Puerto Rico requires a distribution system capable of accepting more distributed generation from renewable sources, including factors such as frequency and voltage control using batteries and capacitor banks. In addition, the grid in Puerto Rico must have the ability to be sectioned into regions. That is, the system and regulatory scheme must be organized to streamline the creation and incorporation of renewable energy projects while the distribution grid can maintain frequency control and flexibility to create microgrids when necessary. Instead of focusing exclusively on the technical elements, it is important to highlight the governmental aspects that are impediments to improving Puerto Rico's resilience. Puerto Rico deserves an Electric Power Authority that is more responsive, including permitting for interconnection and net metering, and not an impediment to progress.

The **Cooperativa Hidroeléctrica de la Montaña** is promoting its projects for the Cordillera Central. These projects are as follows:

1. **Hidroenergía Renace:** The project consists of the acquisition, renovation and reactivation of the three hydroelectric plants built in the 1940s near the **Caonillas and Dos Bocas** reservoirs. The project foresees the renovation of these units with the latest technology of the XXI century to generate a maximum estimated electricity capacity of 50 megawatts per hour once in operation, instead of the 6 megawatts per hour that it occasionally generates.
2. **Resiliencia Energética Fotovoltaica Comunitaria (ReEnFoCo):** The project consists of installing 20 megawatts of rooftop photovoltaic systems with storage located at strategic intersections in the region focused on meeting the needs of small

businesses, community centers (including churches), and some pockets of remote residences. In its first phase, the "ReEnFoCo" project aims to improve the lives of residents in the region by installing 5 megawatts of rooftop photovoltaic systems.

- 3. Microrred de la Montaña:** *The project culminates in creating the first inter-municipal microgrid in Puerto Rico that combines the generation of hydroelectric plants and photovoltaic systems to power new lines of 38 kilovolts and batteries located near substations. These projects will strengthen the generation, transmission, and distribution of the grid in the towns of Adjuntas, Jayuya, Lares, and Utuado, and citizens will be able to access resilient energy in the event of a disaster.*

One of the requirements to access CDBG-DR funds is to have had experience managing federal funds for the previous 5 years. This requirement limits organizations that emerged after Hurricane Maria. In the case of CDBG-DR funds for the optimization of Puerto Rico's electrical grid, we suggest that this requirement be adjusted by certifying that they have planned and executed community energy projects. We further suggest documentation that they are certified as an electric service company by the Puerto Rico Energy Bureau."

PRDOH Response:

PRDOH thanks you for sharing your insightful comments on this Action Plan draft for Electrical Power System Enhancements. Your proposal has been recorded and will be taken into consideration during the program design of this Action Plan.

PRDOH is committed with the carbon reduction goals while promoting long-term reliability and stability of the electrical system. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop renewable energy microgrids, to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems. Not-for-profit entities that meet capacity and experience requirements will be considered eligible applicants under ER2. All eligible applicants must meet long-term capacity requirements, such as administrative, technical, and financial requirements to conduct the projects.

More specific details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals.

In terms of the \$10,000,000 minimum award for ER2, after consideration of the public comments received on the Action Plan draft, PRDOH has decided to consider awards below this threshold on a case-by-case basis, considering criteria that the project aligns with larger energy grid development activities or projects underway and that the proposal meets other program requirements.

For those organizations seeking to implement smaller-scale community-based installations of energy production and storage as subrecipients, PRDOH offers funding

opportunities as part of the CEWRI Program in the CDBG-MIT Action Plan. Units of general local government/ Local and Municipal Governments, Community-Based Development Organizations and private not-for-profits, and Non-governmental organizations are eligible applicants under the CDBG-MIT CEWRI Program and are encouraged to evaluate the program as described in the CDBG-MIT Action Plan. The CDBG-MIT Action Plan may be found at: <https://cdbg-dr.pr.gov/en/cdbg-mit/> (English) and <https://cdbg-dr.pr.gov/cdbg-mit/> (Spanish).

Comment ID: US Green Building Council, PR Chapter (Fernando Abruña)

“Dear Mr. Rodriguez: The following comments on the CDBG-DR Action Plan for Electrical Power System Enhancements and Improvements ("Draft Action Plan") are submitted on behalf of the US Green Building Council, PR Chapter through its founder. The Draft Action Plan should be revised so that the following issues are addressed proactively and as a priority:

- 1. Achieve true energy resilience for all social classes in Puerto Rico through an allocation for community development of distributed solar energy generation. This should be done principally on the roofs of existing dwellings and buildings, supplemented with battery backup, restricting solar farms on bioproductive soils.*
- 2. Reallocate available resources to meet the energy goals established by law for 2025 and up to 2050.*
- 3. Comply with environmental requirements, to mitigate climate change.*
- 4. Propose real and effective controls to avoid the increase in electricity rates.*
- 5. Use, as allowable, FEMA funds for distributed renewable energy.”*

PRDOH Response:

PRDOH is pleased with your participation during this public comment period for the Electrical Power System Enhancements Action Plan. Your proposal has been recorded and will be taken into consideration during the program design of this Action Plan..

PRDOH is committed with the carbon reduction goals while promoting long-term reliability and stability of the electrical system. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop renewable energy microgrids, to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

This Action Plan describe activities for which at least 70% of the funding will benefit Low-to Moderate-Income population, in compliance with the Federal Register 86 FR 321. This requirement is met by (1) providing at least 51% of LMI residents with either a subsidized rate for electricity below that charged to other residential ratepayers or a lower rate for electricity than was charged prior to complete implementation of the CDBG–DR funding for electrical power system improvements; or by (2) measurably improving the reliability

of the electrical power system in LMI areas that are primarily residential. However, residents that do not meet the LMI eligibility criteria may also reap the benefits of the implementation of this Action Plan and its Programs. More specific details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. When available, the Program Guidelines will be found at the Plan's webpage: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: JunteGente (Gustavo Garcia-Lopez)

"These Comments to the CDBG-DR Action Plan for the Optimization of the Electricity System ("Draft Action Plan") are presented on behalf of JunteGente, a non-profit organization focused on fostering meetings, conversations and alliances between organizations that fight for social and environmental justice.

According to the Draft Action Plan, most of the funds for the electrical system would be allocated to the Cost Distribution Program for the Rehabilitation and Reconstruction of the Electrical Grid (ER1) with a budget of \$ 1,055,811,031 that would go to reconstruct the poles, towers, cables and other components of the centralized electric power transmission and distribution system that connects the large power generation plants based on the burning of fossil fuels, mainly located in the south of Puerto Rico with the subscribers. Other funds would go to the Electric Power Reliability and Resilience Program (ER2) to which \$ 760,595,149 would be allocated for projects allegedly not anticipated to be funded by other federal or local sources.

The Draft Action Plan suffers from nine main flaws:

1.- denies the capacity of renewable energy, especially solar systems located on roofs or close to the place of consumption and energy storage systems (batteries) to provide a reliable, resilient and cost-effective electrical service and delays the use of these options. It offers no concrete commitment to use the significant majority of the funds fund renewable energy systems, which are the most resilient, sustainable and socially-just option for Puerto Rico.

2.- perpetuates the transmission and distribution system that maintains long-term dependence on fossil fuel power generation plants. The Plan fails to note that decentralized renewables could provide greater resiliency not only in comparison to T&D systems but also compared to conventional generation. It also fails to recognize the reality of a decreased need of T&D systems in the current context of Puerto Rico.

3.- fails to comply with the Integrated Resource Plan ("IRP" or "PIR" in Spanish) issued by the Energy Bureau, and evades public participation. The IRP mandates deployment of renewable energy including distributed renewable, but the Draft Action Plan instead relies heavily on studies that promote more, new fossil-fired power plant. It also subverts the established PREB regulatory process which establishes that new projects need to be

approved by the PIR. This, in turn, hinders citizen participation, which the PIR guarantees in this approval process.

4.-does not contribute significantly to achieving the mandates of percent of renewable energy established by law required in 2022 and 2025, in the Puerto Rico Public Policy on Energy Diversification by Means of Sustainable and Alternative Renewable Energy Act (Act 82-2010). This law established Puerto Rico's first Renewable Portfolio Standard and required that any retail energy provider procure 12% of its power needs through renewable energy by 2015, 15% by 2020, and 20% by 2035. With the Draft Action Plan, the Government of Puerto Rico is now on route to violate the new legally mandated renewable energy goals. Puerto Rico's commitment, credibility and reputation to transform its electric system would be damaged with the implementation of the Draft Plan.

5.-erroneously assumes that FEMA funds cannot be used for energy distributed renewable (solar systems located on roofs and batteries). FEMA has not approved any of the projects proposed by PREPA, LUMA and PRASA. If "the electrical grid must be rebuilt from the ground up", as argued in the Draft Action Plan, why not take advantage of this opportunity to build power infrastructure that truly addresses the reliability and resilience needs of Puerto Rico?

6.-misses the opportunity to achieve social and environmental justice through improving access of low and medium income communities to distributed renewable energy (solar systems located on roofs and batteries). It has long been shown that in Puerto Rico, poorer, less white communities –particularly those in the southern region of the island (Salinas, Peñuela, Guayama, Guayanilla)– are the most affected by the pollution from electricity generation. This inequality was magnified in the process of reconnecting electricity after Maria. A recent study (F. Tormos et al. 2021, "Energy inequality in the wake of disasters", Energy Policy) showed the reconnections took longer in communities with lower incomes and higher percentages of non-white populations. These communities could avoid this reconstruction bias through distributed, community-managed renewable systems.

7.- does not comply with environmental regulations, on climate change and flood control. Under NEPA and the Puerto Rico, Environmental Public Policy Act (Act 416), a purpose and need statement must allow for consideration of all reasonable alternatives that fall within the statutory authority for a project with significant impact. The Finding of No Significant Impact ("FONSI") issued by FEMA for electric system work in Puerto Rico contradicts NEPA's requirements, and is contrary to President Biden's Executive Orders on Climate and Environmental Justice. It is clear that the massive undertaking to rebuild of the electrical grid "from the ground up" has a significant impact on electricity generation and consequently emissions of regulated pollutants, and therefore, requires the preparation of an Environmental Impact Statement ("EIS") guided by NEPA and the Puerto Rico. Connecting to fossil-fired plants fails to increase resilience comparable to distributed renewables and does not address the impacts of climate change, on the contrary, worsens such impacts and makes the system more vulnerable to them.

8.- creates pressure to increase electricity rates. The capacity and scale of rebuilding of the T&D system would add to electric rate hikes that have been estimated to surpass .30 cents per kw, a hike which would inflict untold hardship to the majority of the population This is worsened by the private company LUMA Energy's intention to control all of the FEMA funds and Other Federal Funds, plagued by Conflicts of Interests and Potential Self-Dealing.

9.- it is vague, ambiguous and imprecise and does not inform the public about key aspects of the plan, which negates effective public participation. PRDOH's proposal to adopt the "reliability of the electrical power system in low-and moderate-income areas that are primarily residential" (P.113) fails to define what is the reliability metric (i.e. how much improvement in power reliability qualifies). Neither does it define "innovative generaiton solutions". PRDOH should provide its citizen participation plan for public inspection. There has not been a sufficient consultation of affected local governments in municipalities designated in covered major disaster declaration in determining the uses of funds.

In conclusion, the historical amount of funds from HUD and FEMA allocated for Puerto Rico's electrical system must be invested in solar systems on roofs or near the place of consumption and similar alternatives to provide access to energy resilience to low and middle income sectors that will save lives and will contribute to achieving environmental and climate justice. Social justice requires that energy resilience is not limited to high-income individuals who can purchase this equipment. The future viability of Puerto Rico depends on these funds being used to promote endogenous economic development."

PRDOH Response:

Thank you for your participation during the public comment period for the CDBG-DR Electrical Power System Enhancements and Improvements Action Plan. Your proposal has been recorded and will be taken into consideration during the program design phase of this Action Plan.

More specific details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals.

As it is established in the Action Plan draft, CDBG-DR funds for electrical power system improvements may be used to meet a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity permitted by 86 FR 32681. When using CDBG-DR funds to match, "grantees are further advised that the Appropriations Act prohibits the use of CDBG-DR funds for any activity that is reimbursable by, or for which funds are also made available by FEMA or the USACE." This way, PRDOH ensures that the funds utilized do not duplicate efforts or

benefits and validates that the financed activity is within the parameters of the permissible use of funds.

In compliance with the Federal Register (86 FR 32681), PRDOH consulted with the federal members of the Technical Coordination Team led by the U.S. Department of Energy, as well as with affected citizens, stakeholders and local agencies, including the Puerto Rico Energy Bureau (PREB), to identify the unmet critical needs for the improvement of the electrical grid system. As part of our inter-agency stakeholder engagement process, PRDOH invited the PREB to participate in several discussions regarding Action Plan design, including at least one in-person session to coordinate on regulatory requirements and best practices. PRDOH values their participation in the process and appreciates the importance of PREB's role as a regulatory entity in service to the implementation of public policy set forth by the Government of Puerto Rico.

The activities proposed in the Action Plan are bound to the identified unmet needs. To gather the unmet energy needs through the citizen's input, PRDOH conducted two public hearings; the first hearing was held prior to the publication of the Action Plan, while the second hearing was executed a month after its publication. Therefore, the Citizen Participation Plan presents an opportunity for Puerto Rico's residents and stakeholders, including the PREB, to provide feedback and ensure transparency with all information regarding the CDBG-DR Electrical Power System Enhancement Programs.

Comment ID: Vidalina Rivera

"Renewable energy is the best and all citizens should have access to it."

PRDOH Response:

Thank you for your comment. PRDOH is committed with the carbon reduction goals while promoting long-term reliability and stability of the electrical system. PRDOH will consider awarding projects proposing the development of energy system enhancements, such as projects to develop renewable energy microgrids, to improve the sustainability and stability of electrical service across the Island, as well as projects proposing the recovery of existing systems.

For those organizations seeking to implement smaller-scale community-based installations of energy production and storage as subrecipients, PRDOH offers funding opportunities as part of the CEWRI Program in the CDBG-MIT Action Plan. Units of general local government/ Local and Municipal Governments, Community-Based Development Organizations and private not-for-profits, and Non-governmental organizations are eligible applicants under the CDBG-MIT CEWRI Program and are encouraged to evaluate the program as described in the CDBG-MIT Action Plan. The CDBG-MIT Action Plan may be found at: <https://cdbg-dr.pr.gov/en/cdbg-mit/> (English) and <https://cdbg-dr.pr.gov/cdbg-mit/> (Spanish).

PRDOH invites you to stay up-to-date on any information or updates related to this Action Plan by visiting the Plan's webpage at: <https://cdbg-dr.pr.gov/en/power-grid-action-plan/> (English) or <https://cdbg-dr.pr.gov/plan-de-accion-de-red-de-energia/> (Spanish).

Comment ID: Asociación de Residentes La Margarita (Wanda J Rios)

"These Comments to the CDBG-DR Action Plan for Electric System Optimization ("Draft Action Plan") are submitted on behalf of [sic].

According to the Draft Action Plan, most of the funds for the electric system would be allocated to the Cost Sharing Program for the Rehabilitation and Reconstruction of the Electric Grid (ER1) with a budget of \$1,055,811,031 that would go to rebuild the poles, towers, cables and other components of the centralized electric power transmission and distribution system that connects the large fossil fuel burning power generation plants, mainly located in southern Puerto Rico with the consumers. Other funds would go to the Electric Power Reliability and Resilience Program (ER2), which would be allocated \$760,595,149 for projects that are not expected to be funded by other federal or local sources.

The Draft Action Plan suffers from nine major flaws;

- 1.- denies the ability of renewable energy, especially rooftop or near-site solar systems and energy storage systems (batteries) to provide reliable, resilient, and cost-effective electric service and delays the use of these options,
- 2.- perpetuates the transmission and distribution system that maintains long-term dependence on fossil fuel burning power plants,
3. it does not comply with the Integrated Resource Plan ("IRP") issued by the Energy Bureau,
- 4.-does not contribute significantly to achieving the mandated percentages of renewable energy required by law by 2022 and 2025,
- 5.-wrongly assumes that FEMA funds cannot be used for distributed renewable energy (rooftop solar and battery systems),
- 6.-misses the opportunity to achieve social and environmental justice through access to distributed renewable energy (rooftop solar and battery systems) for low- and middle-income communities,
- 7.- does not comply with environmental, climate change and flood control provisions,
- 8.- creates pressure to increase electricity rates,
9. is vague, ambiguous and imprecise and does not inform the public about key aspects of the plan, which denies effective public participation.

The historic amount of HUD and FEMA funds allocated for Puerto Rico's electric system should be invested in rooftop or near-site solar systems and similar alternatives to provide access to energy resilience for low and middle-income sectors that will save lives and contribute to achieving environmental and climate justice. Social justice requires that energy resilience not be limited to high-income people who can afford such equipment. The future viability of Puerto Rico depends on these funds being used to promote endogenous economic development."

PRDOH Response:

Thank you for your participation during the public comment period for the CDBG-DR Electrical Power System Enhancements and Improvements Action Plan. Your proposal has been recorded and will be taken into consideration during the program design phase of this Action Plan.

More specific details of the process to apply for funding and project selection will be outlined in the Program Guidelines once the Action Plan is approved and program design is completed. Projects to be awarded assistance under this Action Plan must comply with HUD's regulations, as well as local and federal laws, including applicable renewable energy and decarbonization goals.

As it is established in the Action Plan draft, CDBG-DR funds for electrical power system improvements may be used to meet a matching requirement, share, or contribution for any other Federal program when used to carry out an eligible CDBG-DR activity permitted by 86 FR 32681. When using CDBG-DR funds to match, "grantees are further advised that the Appropriations Act prohibits the use of CDBG-DR funds for any activity that is reimbursable by, or for which funds are also made available by FEMA or the USACE." This way, PRDOH ensures that the funds utilized do not duplicate efforts or benefits and validates that the financed activity is within the parameters of the permissible use of funds.

In compliance with the Federal Register (86 FR 32681), PRDOH consulted with the federal members of the Technical Coordination Team led by the U.S. Department of Energy, as well as with affected citizens, stakeholders and local agencies, including the Puerto Rico Energy Bureau (PREB), to identify the unmet critical needs for the improvement of the electrical grid system. As part of our inter-agency stakeholder engagement process, PRDOH invited the PREB to participate in several discussions regarding Action Plan design, including at least one in-person session to coordinate on regulatory requirements and best practices. PRDOH values their participation in the process and appreciates the importance of PREB's role as a regulatory entity in service to the implementation of public policy set forth by the Government of Puerto Rico.

The activities proposed in the Action Plan are bound to the identified unmet needs. To gather the unmet energy needs through the citizen's input, PRDOH conducted two public hearings; the first hearing was held prior to the publication of the Action Plan, while the second hearing was executed a month after its publication. Therefore, the Citizen

Participation Plan presents an opportunity for Puerto Rico's residents and stakeholders, including the PREB, to provide feedback and ensure transparency with all information regarding the CDBG-DR Electrical Power System Enhancement Programs.
