Grantee: Puerto Rico

Grant: B-18-DE-72-0001

July 1, 2025 thru September 30, 2025 Performance

Grant Number:
B-18-DE-72-0001

Obligation Date:

Award Date:

Grantee Name:
Puerto Rico

Contract End Date:
05/21/2033

Review by HUD:
Submitted - Await for Review

Grant Award Amount:
$1,932,347,000.00

Grant Status:
Active

QPR Contact:
No QPR Contact Found

LOCCS Authorized Amount:
$1,932,347,000.00

Estimated PI/RL Funds:
$0.00

Total Budget:
$1,932,347,000.00

Disasters:

Declaration Number

FEMA-4339-PR

Narratives

Disaster Damage:

More than four (4) years have passed since Hurricanes Irma and María struck Puerto Rico in September of 2017. However, the impact on the power grid remains ever present in the daily lives of Island residents. Power outages are common and unpredictable, electricity prices continue to rise, and rolling blackouts due to insufficient generation have been common. The impact of the hurricanes on the power system was devastating and led to the longest sustained blackout in modern United States (U.S.) history. Without power, residents were unable to gain access to healthcare, communication, refrigeration, water, cooling, and security. With sustained systemic insecurity, residents continue to feel many of the same impacts, economic recovery is hampered, and the cycle of recovery cannot be completed. Energy remains the single most comprehensive and critical factor to the future of the Island.
The Electrical Power System Enhancements and Improvements Action Plan is not a specialized blueprint on the components of the electrical power system in need of repairs. Several extensive studies have already been conducted by Puerto Rico and U.S. governmental agencies, including the Puerto Rico Electric Power Authority (PREPA) 10-Year Infrastructure Plan, the Grid Modernization Plan for Puerto Rico conducted by the Central Office for Recovery, Reconstruction and Resiliency (COR3), the 2021 Fiscal Plan for PREPA as Certified by the Financial Oversight and Management Board for Puerto Rico, and key studies by the U.S. Department of Energy (DOE). This Action Plan seeks to adjust critical findings from these reports and identify the remaining unmet need for communities that stand vulnerable to the impacts of power insecurity. It aims to discern resilience opportunities for long-term system enhancement for the benefit of all residents.

Electrical Power System Recovery Needs:

Hurricanes Irma and María devastated 80% of the Islands' electric power system. Therefore, the initial immediate recovery process was implemented in such a way as to provide electric service to the people of the Islands in the fastest possible way. This meant that expediency reigned instead of the deep reconstructive approach that would have taken much longer and for which funding and resources were not immediately available. Because of this, the people of Puerto Rico face a lack of continuity of electric power service in great part due to the system's weakness. The need for permanent solutions to ensure system resiliency and sustainability must be a priority moving forward.
The U.S. Department of Energy aptly points out, "[m]aintaining and enhancing the resilience of the electric grid at fair and reasonable costs can provide service and value to Puerto Rican communities. Yet, no single investment in energy infrastructure at one point in time will achieve resilience." (Emphasis added) One of the goals set by PRDOH is to maximize the appropriated use of CDBG-DR Program funds, which will result in the coordination and engagement of governmental and non-governmental stakeholders to successfully detail and identify unmet needs.
PRDOH has developed the Electrical System Enhancements and Improvement Programs founded on the allocation requirements as well as identified unmet needs. Along with incorporating input from disaster-impacted municipalities, utilities, and other stakeholders.
HUD defines an electrical power system in a broad way. Bringing together the many components that contribute to the proper operation of the grid, including physical assets for generation, transmission, and distribution, as well as technological and administrative components. Specifically, the definition is stated in 86 FR 32681, 32692:
"An electrical power system shall be defined as an interconnected or autonomous set of transmission lines, distribution lines, substations, central power generation stations, other sources of power, distributed energy resources, or enabling technologies and services, such as industry standard billing, accounting information technology, cybersecurity enhancements, microgrids and fuel transfer delivery systems, that are necessary for the provision of reliable, resilient, stable, and cost effective electrical service."
The main objective of the CDBG-DR Program is to support the economic and social development of Puerto Rico's communities, providing quality of life, safety, security, and growth opportunities for the future of all residents. The availability of CDBG-DR funds provides a unique opportunity to improve quality of life on the Island and strengthen the economy through electric power system enhancements. Lessons learned from the catastrophic events of Irma and María will

give Puerto Rico the choice to be more resilient, more robust, wiser, and to rise in a sustainable manner.
The state of emergency caused by Hurricanes Irma and María is felt every day and still very present in Puerto Rico. The current condition of the electrical power system is critical. Without the implementation of transformative mitigation and resilience phases, the system will remain extremely weak and susceptible to collapse from any future major event, in which vulnerable communities will suffer the most, once again. Every community in Puerto Rico deserves to enjoy a strong, reliable, and resilient electrical power system thatensures the tranquility of the people and a better quality of life for its residents.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	$0.00	$1,932,347,000.00
Total Budget	$0.00	$1,932,347,000.00
Total Obligated	$458,641,515.26	$1,572,189,870.86
Total Funds Drawdown	($1,625,279.98)	$7,714,608.51
Program Funds Drawdown	($1,625,279.98)	$7,714,608.51
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$853,165.79	$10,193,054.28
HUD Identified Most Impacted and Distressed	$780,025.36	$7,136,502.66
Other Funds	$ 0.00	$ 0.00
Match Funds	$ 0.00	$ 0.00
Non-Match Funds	$ 0.00	$ 0.00

Funds Expended

Overall	This Period	To Date
Department of Economic Development and Commerce	$ 1,000,000.00	$ 1,000,000.00
MUNICIPALITY OF SAN JUAN	$ 0.00	$ 0.00
Puerto Rico Department of Housing	-$ 146,834.21	$ 9,193,054.28

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	70.00%	84.02%	.31%
Overall Benefit Amount	$1,271,484,326.00	$1,526,184,326.00	$5,586,515.46
Limit on Public Services	$289,852,050.00	$.00	$.00
Limit on Admin/Planning	$386,469,400.00	$115,940,820.00	$596,408.29
Limit on Admin	$96,617,350.00	$96,617,350.00	$578,105.88
Most Impacted and Distressed	$1,932,347,000.00	$1,932,347,000.00	$7,136,502.66

Overall Progress Narrative:

"During the reporting period, PRDOH received the revised priority project list from PREPA, including projects from PREPA, LUMA and Genera, the O&M Plan for PREPA and Genera, and the detailed worker classification descriptions for Genera. The Program continued the review and recommendation for match payment for the PWs eligible costs, recommending a total of $79,376,618.91 in CDBG-DR funds. The Program continued to hold monthly meetings with PREPA and the PR Energy Czar to discuss Program progress, including pending RFIs and match payment recommendations. Under the ER2 Program, planning and implementation efforts are ongoing for key strategic initiatives, including the Centro Médico Microgrid and the Department of Economic Development and Commerce's (DDEC) Energy Support Program. Concurrently, the ER2 Competitive component is concluding the Feasibility Review stage and advancing into Project Implementation, with continued coordination with LUMA to facilitate grid interconnection for all pre-selected projects.
PRDOH's oversight approach for the ER1 and ER2 Programs emphasizes the consistent application of established monitoring tools and procedures to ensure sound program administration. These mechanisms are utilized to track progress, performance, and compliance across all phases of implementation, in close coordination with relevant stakeholders. They will continue to be applied throughout the duration of the grant to maintain effective oversight and accountability. In alignment with the objectives of Affirmatively Furthering Fair Housing (AFFH), the ER2 Program has maintained an active commitment to community engagement and public participation during both the planning and implementation stages. This effort has included consultations with community-based organizations and advocacy groups representing disadvantaged and underserved populations, to obtain input on program priorities and competitive selection criteria.
Importantly, the ER2 Competitive selection process integrated a scoring framework designed to prioritize projects located in High-Impact Areas, including those that benefit vulnerable populations, low- and moderate-income (LMI) communities, and

Racially or Ethnically Concentrated Areas of Poverty (R/ECAPs). Applicants who demonstrated meaningful community engagement or involvement in project planning were awarded additional points during the evaluation process.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	$0.00	$0.00	$0.00
Administrative B-18-DE-72-0001, Energy Program	$73,140.46	$96,617,350.00	$578,105.88
Infrastructure ER1 B-18-DE-72-0001, Infrastructure Energy	$0.00	$500,000,000.00	$0.00
Infrastructure ER2 B-18-DE-72-0001, Infrastructure Energy	($1,698,420.44)	$1,316,406,180.00	$7,118,200.22
Planning B-18-DE-72-0001, Energy Program Planning	$0.00	$19,323,470.00	$18,302.41

Activities

Project # / Administrative B-18-DE-72-0001 / Energy Program

Grantee Activity Number: ESP-ADMDOH-NA
Activity Title: Energy Program Administration

Activity Type:
Administration

Activity Status:
Under Way

Project Number:
Administrative B-18-DE-72-0001

Project Title:
Energy Program Administration

Projected Start Date:
08/05/2022

Projected End Date:
08/05/2028

Benefit Type:
N/A

Completed Activity Actual End Date:

National Objective:
N/A

Responsible Organization:
Puerto Rico Department of Housing

Overall	Jul 1 thru Sep 30, 2025	To Date
Total Projected Budget from All Sources	$0.00	$96,617,350.00
Total Budget	$0.00	$96,617,350.00
Total Obligated	$105,098.15	$1,429,816.89
Total Funds Drawdown	$73,140.46	$578,105.88
Program Funds Drawdown	$73,140.46	$578,105.88
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$73,140.46	$578,105.88
Puerto Rico Department of Housing	$73,140.46	$578,105.88
Most Impacted and Distressed Expended	$0.00	$0.00

Activity Description:

PRDOH is the administrative entity responsible for administering CDBG-DR, CDBG-MIT, and CDBG-DR Energy funds as allocated by HUD.

Location Description:

The location of the personnel administrating this fund will be at the Puerto Rico Department of Housing located in San Juan, Puerto Rico.

Activity Progress Narrative:

During the reporting period, the ER2 Program Management Services contract remained active, continuing to provide comprehensive support for program implementation. Under this contract, the Program Manager oversaw a broad range of responsibilities, including program administration, operational coordination, project and program management, document control, and financial reporting. The contract's scope also extended to project selection activities, which involved developing and refining evaluation criteria and methodologies, reviewing applications, conducting capacity and financial assessments, performing environmental reviews, and facilitating the execution of grant agreements.
For project implementation, the Program Manager was responsible for managing grant awards and schedules; overseeing property acquisition and procurement processes; monitoring design development; ensuring compliance with permitting and environmental requirements; tracking construction progress; reviewing commissioning and operations and maintenance (O&M) plans; verifying regulatory compliance; and processing payment requests. The contract further encompassed administrative closeout activities at both the project and program levels. During this period, PRDOH, in collaboration with the ER2 Program Management team, made notable progress in advancing the implementation phase. The team has concluded the Feasibility Review stage

and advancing into Project Implementation.
In parallel, Environmental Screenings have been completed for (23) projects, with (2) still pending. The Environmental LoERD process is also progressing, with (13) projects approved and (12) remaining under review. Technical assistance has been provided throughout each stage of the process. Following the completion of Feasibility Reviews and the signing of the corresponding reports, PRDOH issued Notices of Award to the (24) applicants whose reviews were finalized. Final review stage for the remaining (1) applicants is ongoing. Additionally, PRDOH successfully executed nineteen (19) Subrecipient Agreements with selected applicants. Work is currently ongoing to complete and execute the remaining fourteen (6) Grant Agreements for applicants whose reviews have already been completed.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None

Project # / Infrastructure ER1 B-18-DE-72-0001 / Infrastructure Energy

Grantee Activity Number: ESP-IER1DOH-LMI
Activity Title: Energy Grid Rehab and Recon ER1 LM

Activity Type:
Electrical power system improvements

Activity Status:
Under Way

Project Number:
Infrastructure ER1 B-18-DE-72-0001

Project Title:
Infrastructure Energy Program ER1

Projected Start Date:
08/05/2022

Projected End Date:
08/05/2028

Benefit Type:
Area (Census)

Completed Activity Actual End Date:

National Objective:
Low/Mod

Responsible Organization:
Puerto Rico Department of Housing

Overall	Jul 1 thru Sep 30, 2025	To Date
Total Projected Budget from All Sources	$0.00	$350,000,000.00
Total Budget	$0.00	$350,000,000.00
Total Obligated	$0.00	$350,000,000.00
Total Funds Drawdown	$0.00	$0.00
Program Funds Drawdown	$0.00	$0.00
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$0.00	$2,478,445.77
Puerto Rico Department of Housing	$0.00	$2,478,445.77
Most Impacted and Distressed Expended	$0.00	$0.00

Activity Description:

The purpose of this program is to maximize the benefit of federal grant programs by positioning CDBG-DR as the ideal local match program to other federal funding streams. This approach will relieve the financial burden related to the recovery efforts of Puerto Rico's Electrical Grid and Puerto Rico's long-term infrastructure resilience needs. Through the matching of funding provided by other federal agencies, critical infrastructure needs will be addressed making the Island more adaptable to changing conditions and able to withstand and recover rapidly from disruptions caused by future disasters.
At this time, most long-term reconstruction projects are still in preparation. As a result, the exact amount of CDBG-DR funds necessary to meet the entire universe of non-federal match requirements is still being assessed.
PRDOH will collaborate with COR3 on long-term natural hazards resilience strategies and how infrastructure investments align with other planned Puerto Rican or local capital improvements.

Location Description:

Improvement of electrical power system throughout the island.

Activity Progress Narrative:

During the reporting period, PRDOH received the revised priority project list from PREPA, including projects from PREPA, LUMA and Genera, the O&M Plan for PREPA and Genera, and the detailed worker classification descriptions for Genera. The Program continued the review and recommendation for match payment for the PWs eligible costs, recommending a total of $79,376,618.91 in CDBG-DR funds. The Program continued to hold monthly meetings with PREPA and the PR Energy Czar to discuss Program progress, including pending RFIs and

match payment recommendations.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None

Grantee Activity Number: ESP-IER1DOH-UN
Activity Title: Energy Grid Rehab and Recon ER1 UN

Activity Type:
Electrical power system improvements

Activity Status:
Under Way

Project Number:
Infrastructure ER1 B-18-DE-72-0001

Project Title:
Infrastructure Energy Program ER1

Projected Start Date:
08/05/2022

Projected End Date:
08/05/2028

Benefit Type:
Area (Census)

Completed Activity Actual End Date:

National Objective:
Urgent Need

Responsible Organization:
Puerto Rico Department of Housing

Overall	Jul 1 thru Sep 30, 2025	To Date
Total Projected Budget from All Sources	$0.00	$150,000,000.00
Total Budget	$0.00	$150,000,000.00
Total Obligated	$0.00	$150,000,000.00
Total Funds Drawdown	$0.00	$0.00
Program Funds Drawdown	$0.00	$0.00
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$0.00	$0.00
Puerto Rico Department of Housing	$0.00	$0.00
Most Impacted and Distressed Expended	$0.00	$0.00

Activity Description:

The purpose of this program is to maximize the benefit of federal grant programs by positioning CDBG-DR as the ideal local match program to other federal funding streams. This approach will relieve the financial burden related to the recovery efforts of Puerto Rico's Electrical Grid and Puerto Rico's long-term infrastructure resilience needs. Through the matching of funding provided by other federal agencies, critical infrastructure needs will be addressed making the Island more adaptable to changing conditions and able to withstand and recover rapidly from disruptions caused by future disasters.
At this time, most long-term reconstruction projects are still in preparation. As a result, the exact amount of CDBG-DR funds necessary to meet the entire universe of non-federal match requirements is still being assessed.
PRDOH will collaborate with COR3 on long-term natural hazards resilience strategies and how infrastructure investments align with other planned Puerto Rican or local capital improvements.

Location Description:

Improvement of electrical power system throughout the island.

Activity Progress Narrative:

During the reporting period, PRDOH received the revised priority project list from PREPA, including projects from PREPA, LUMA and Genera, the O&M Plan for PREPA and Genera, and the detailed worker classification descriptions for Genera. The Program continued the review and recommendation for match payment for the PWs eligible costs, recommending a total of $79,376,618.91 in CDBG-DR funds. The Program continued to hold monthly meetings with PREPA and the PR Energy Czar to discuss Program progress, including pending RFIs and

match payment recommendations.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None

Project # / Infrastructure ER2 B-18-DE-72-0001 / Infrastructure Energy

Grantee Activity Number: ESP-IER2DOH-LMI
Activity Title: Electric Power Resilience ER2 LM

Activity Type:
Electrical power system improvements

Activity Status:
Under Way

Project Number:
Infrastructure ER2 B-18-DE-72-0001

Project Title:
Infrastructure Energy Program ER2

Projected Start Date:
08/05/2022

Projected End Date:
08/05/2028

Benefit Type:
Area (Census)

Completed Activity Actual End Date:

National Objective:
Low/Mod

Responsible Organization:
Puerto Rico Department of Housing

Overall	Jul 1 thru Sep 30, 2025	To Date
Total Projected Budget from All Sources	$200,700,000.00	$926,184,326.00
Total Budget	$200,700,000.00	$926,184,326.00
Total Obligated	$236,704,273.37	$757,952,914.39
Total Funds Drawdown	($2,459,033.14)	$5,586,515.46
Program Funds Drawdown	($2,459,033.14)	$5,586,515.46
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$19,412.63	$5,586,515.46
Puerto Rico Department of Housing	$19,412.63	$5,586,515.46
Most Impacted and Distressed Expended	$19,412.66	$5,586,515.49

Activity Description:

The Electrical Power Reliability and Resilience Program (ER2) provides assistance to applicants and subrecipients to create electrical system reliability and resilience. The program will serve the needs of communities by funding projects that are not currently anticipated to be funded from other federal or local sources. For construction activities, the awardee or subrecipient must agree to budget the operations and maintenance activities for the long-term sustainability of the electrical power system improvements. These multi-year budgets for operations and maintenance will apply for the useful life of the improvement or enhancement. Projects must demonstrate leverage, with the ER2 award consisting of not more than 60% of the proposed project cost, depending on the size and scale, and other factors of the project, as it will be outlined in the Program Guidelines. Publicly owned projects may receive an award up to 100% of the proposed project cost. Program funds will be provided for infrastructure and physical assets that qualify as Electrical Power System Improvements. Projects are encouraged to integrate energy assets and contribute to the diversification of energy resources. Projects pursued as Microgrids shall conform to the Microgrid Regulations, as approved by the Puerto Rico Energy Bureau (PREB).198 Projects will be evaluated to identify opportunities for alignment with efforts to increase energy efficiency. PRDOH anticipates that approximately 80% of projects funded under ER2 will qualify as Other sources of power, distributed energy, microgrids components. 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 and the built environment as per EPA guidance and recommendations. PRDOH may use procurement methods in accordance with PRDOH policies and procedures. Additionally, PRDOH may utilize direct and subrecipient selection methods in accordance with its policies and procedures and Program Guidelines. Eligible activities to be outlined in the Program Guidelines may include, but are not limited to, the range of eligible activities allowable under PREB microgrid and renewable energy regulations such as

renewable, hybrid, and combined heat and power (CHP) microgrids or mini-grids, and electric power based on solar energy to foster distributed power generation (DGs). Potential models may include business structures such as Community Solar, Energy Wheeling, Power Purchase and Operating Agreements (PPOA), Private Utility, or other business models approved by PREB.
To strengthen coordination with other relevant governmental agencies of Puerto Rico, PRDOH may work closely with those relevant governmental agencies in the review of potential activities.
The ER2 Program allocation will be used for the following:
*The strategic selection of eligible projects of public benefit selected by PRDOH and other critical stakeholders; and/or
*The competitive selection of eligible projects proposed by eligible entities through an application process.

Location Description:

Improvement of electrical power system throughout the island.

Activity Progress Narrative:

During the reporting period, the Puerto Rico Department of Housing (PRDOH), in coordination with the Program Management team, achieved significant progress on both strategic and competitive initiatives under the ER2 Program. These efforts aim to produce measurable outcomes such as reducing the frequency and duration of power outages affecting low- and moderate-income (LMI) communities and critical service providers; lowering utility-related costs across generation, transmission, distribution, operations, maintenance, and administration; reducing reliance on fossil fuels; increasing renewable energy generation; and ultimately enhancing the reliability and resilience of Puerto Rico's electric grid while decreasing overall energy costs and consumption.
One of the main challenges in developing meaningful performance metrics has been the limited availability of essential baseline data. Nevertheless, LUMA continues to advance grid interconnection efforts for competitive projects, which are vital for establishing reference conditions and measuring program results. Another challenge involves distinguishing the impacts of CDBG-funded projects from those of other concurrent energy initiatives not funded by CDBG that also influence grid performance.
In response, PRDOH has identified additional accomplishments, indicators, and analytical tools that better align with available data and reporting capabilities. To facilitate more effective tracking and performance evaluation, projects have been organized into three general categories: utility-scale projects that provide island-wide grid benefits, microgrid projects serving defined areas with LMI populations, and critical facilities that support essential services but do not exclusively serve LMI populations.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None

Grantee Activity Number: ESP-IER2DOH-UN
Activity Title: Electric Power Resilience ER2 UN

Activity Type:
Electrical power system improvements

Activity Status:
Under Way

Project Number:
Infrastructure ER2 B-18-DE-72-0001

Project Title:
Infrastructure Energy Program ER2

Projected Start Date:
08/05/2022

Projected End Date:
08/05/2028

Benefit Type:
Area (Census)

Completed Activity Actual End Date:

National Objective:
Urgent Need

Responsible Organization:
Puerto Rico Department of Housing

Overall	Jul 1 thru Sep 30, 2025	To Date
Total Projected Budget from All Sources	($200,700,000.00)	$110,221,854.00
Total Budget	($200,700,000.00)	$110,221,854.00
Total Obligated	($58,180,479.26)	$32,740,214.17
Total Funds Drawdown	($239,387.30)	$531,684.76
Program Funds Drawdown	($239,387.30)	$531,684.76
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	($239,387.30)	$531,684.76
Puerto Rico Department of Housing	($239,387.30)	$531,684.76
Most Impacted and Distressed Expended	($239,387.30)	$531,684.76

Activity Description:

The Electrical Power Reliability and Resilience Program (ER2) provides assistance to applicants and subrecipients to create electrical system reliability and resilience. The program will serve the needs of communities by funding projects that are not currently anticipated to be funded from other federal or local sources. For construction activities, the awardee or subrecipient must agree to budget the operations and maintenance activities for the long-term sustainability of the electrical power system improvements. These multi-year budgets for operations and maintenance will apply for the useful life of the improvement or enhancement. Projects must demonstrate leverage, with the ER2 award consisting of not more than 60% of the proposed project cost, depending on the size and scale, and other factors of the project, as it will be outlined in the Program Guidelines. Publicly owned projects may receive an award up to 100% of the proposed project cost. Program funds will be provided for infrastructure and physical assets that qualify as Electrical Power System Improvements. Projects are encouraged to integrate energy assets and contribute to the diversification of energy resources. Projects pursued as Microgrids shall conform to the Microgrid Regulations, as approved by the Puerto Rico Energy Bureau (PREB).198 Projects will be evaluated to identify opportunities for alignment with efforts to increase energy efficiency. PRDOH anticipates that approximately 80% of projects funded under ER2 will qualify as Other sources of power, distributed energy, microgrids components. 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 and the built environment as per EPA guidance and recommendations. PRDOH may use procurement methods in accordance with PRDOH policies and procedures. Additionally, PRDOH may utilize direct and subrecipient selection methods in accordance with its policies and procedures and Program Guidelines. Eligible activities to be outlined in the Program Guidelines may include, but are not limited to, the range of eligible activities allowable under PREB microgrid and renewable energy regulations such as

renewable, hybrid, and combined heat and power (CHP) microgrids or mini-grids, and electric power based on solar energy to foster distributed power generation (DGs). Potential models may include business structures such as Community Solar, Energy Wheeling, Power Purchase and Operating Agreements (PPOA), Private Utility, or other business models approved by PREB.
To strengthen coordination with other relevant governmental agencies of Puerto Rico, PRDOH may work closely with those relevant governmental agencies in the review of potential activities.
The ER2 Program allocation will be used for the following:
*The strategic selection of eligible projects of public benefit selected by PRDOH and other critical stakeholders; and/or
*The competitive selection of eligible projects proposed by eligible entities through an application process.

Location Description:

Improvement of electrical power system throughout the island.

Activity Progress Narrative:

During the reporting period, the Puerto Rico Department of Housing (PRDOH), in coordination with the Program Management team, achieved significant progress on both strategic and competitive initiatives under the ER2 Program. These efforts aim to produce measurable outcomes such as reducing the frequency and duration of power outages affecting low- and moderate-income (LMI) communities and critical service providers; lowering utility-related costs across generation, transmission, distribution, operations, maintenance, and administration; reducing reliance on fossil fuels; increasing renewable energy generation; and ultimately enhancing the reliability and resilience of Puerto Rico's electric grid while decreasing overall energy costs and consumption.
One of the main challenges in developing meaningful performance metrics has been the limited availability of essential baseline data. Nevertheless, LUMA continues to advance grid interconnection efforts for competitive projects, which are vital for establishing reference conditions and measuring program results. Another challenge involves distinguishing the impacts of CDBG-funded projects from those of other concurrent energy initiatives not funded by CDBG that also influence grid performance.
In response, PRDOH has identified additional accomplishments, indicators, and analytical tools that better align with available data and reporting capabilities. To facilitate more effective tracking and performance evaluation, projects have been organized into three general categories: utility-scale projects that provide island-wide grid benefits, microgrid projects serving defined areas with LMI populations, and critical facilities that support essential services but do not exclusively serve LMI populations.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None

Grantee Activity Number: ESPIER2CCMSJPLMI
Activity Title: Centro Medico Microgrid (CMM)

Activity Type:
Electrical power system improvements

Activity Status:
Under Way

Project Number:
Infrastructure ER2 B-18-DE-72-0001

Project Title:
Infrastructure Energy Program ER2

Projected Start Date:
11/16/2024

Projected End Date:
11/16/2028

Benefit Type:
Area (Census)

Completed Activity Actual End Date:

National Objective:
Low/Mod

Responsible Organization:
MUNICIPALITY OF SAN JUAN

Overall	Jul 1 thru Sep 30, 2025	To Date
Total Projected Budget from All Sources	$0.00	$250,000,000.00
Total Budget	$0.00	$250,000,000.00
Total Obligated	$250,000,000.00	$250,000,000.00
Total Funds Drawdown	$0.00	$0.00
Program Funds Drawdown	$0.00	$0.00
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$0.00	$0.00
MUNICIPALITY OF SAN JUAN	$0.00	$0.00
Most Impacted and Distressed Expended	$0.00	$0.00

Activity Description:

Centro Médico is a hospital complex that serves as the main center for trauma cases for Puerto Rico and the Caribbean. The hospital complex includes the University of Puerto Rico Medical Science Campus, Oncological Hospital, and the Industrial Hospital. A microgrid project is essential for the hospital complex operation to receive essential energy savings and provide resilience to the facility.

Location Description:

Municipality of San Juan

Activity Progress Narrative:

During the reporting period, the Puerto Rico Department of Housing (PRDOH) continued advancing the implementation of the Centro Médico Hospital Complex Microgrid (CMM) Project. Through ongoing coordination meetings with the Municipality of San Juan, the subrecipient responsible for project implementation, and in collaboration with key personnel from ASEM and the Puerto Rico Department of Health, PRDOH coordinated site visits to access to various entities that have expressed interest in participating in the Microgrid Project. These visits are intended to collect data, energy consumption records, and other critical information from each potential participant. Additionally, prioritization has been given to finalizing the site selection for the development and construction of the Combined Heat and Power (CHP) system.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None

Grantee Activity Number: ESPIER2ESPDECPUN
Activity Title: Energy Supprot Program (ESP)

Activity Type:
Electrical power system improvements

Activity Status:
Under Way

Project Number:
Infrastructure ER2 B-18-DE-72-0001

Project Title:
Infrastructure Energy Program ER2

Projected Start Date:
12/18/2023

Projected End Date:
12/18/2026

Benefit Type:
Area (Census)

Completed Activity Actual End Date:

National Objective:
Urgent Need

Responsible Organization:
Department of Economic Development and

Overall	Jul 1 thru Sep 30, 2025	To Date
Total Projected Budget from All Sources	$0.00	$30,000,000.00
Total Budget	$0.00	$30,000,000.00
Total Obligated	$30,000,000.00	$30,000,000.00
Total Funds Drawdown	$1,000,000.00	$1,000,000.00
Program Funds Drawdown	$1,000,000.00	$1,000,000.00
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$1,000,000.00	$1,000,000.00
Department of Economic Development and	$1,000,000.00	$1,000,000.00
Most Impacted and Distressed Expended	$1,000,000.00	$1,000,000.00

Activity Description:

The Energy Support Incentive Program 2.0 is designed to assist small and mid-size businesses in developing renewable energy investments. Not only will renewable energy systems help stabilize the operations of participating businesses against the effects of interruptions in the electricity service, they will also reduce the overall demand for electricity and prevent overloading of the grid. The Program will target business which perform critical functions (community lifelines) in the event of a natural disaster.

Location Description:

Eligible small and medium enterprise businesses across Puerto Rico.

Activity Progress Narrative:

During the reporting period, the Puerto Rico Department of Housing (PRDOH) continued advancing the implementation of the program, with a focus on progressing eligible applications through the environmental review and grant agreement phases. This quarter builds upon the foundational work completed in the previous reporting period. PRDOH has received a total of 266 applications. Of these, 20 were identified as duplicates, leaving 246 valid applications to undergo the eligibility determination process. Among these, 123 applications were determined to be pre-eligible and advanced to the next phase of review. Fifty-three (53) applications were deemed ineligible based on the program’s established criteria, 61 were administratively closed due to non-responsiveness, and 9 applicants voluntarily withdrew from the program.
For the 123 applications deemed pre-eligible, 102 had been referred for environmental review. Of these, two (2) were determined ineligible as a result of the review, while 50 completed the environmental review with favorable outcomes and were deemed eligible to receive assistance. These 50 cases have now entered the

grant agreement execution phase. The remaining 21 applications were initially pending appraisal reports before the environmental review could begin. During the reporting period, PRDOH completed 14 of these appraisals, and the cases were referred for environmental review. PRDOH's efforts remain focused on completing the remaining appraisals, initiating environmental reviews for those cases, completing cases still pending environmental review, and advancing eligible applicants to grant agreement execution without unnecessary delays. To support these objectives, PRDOH has held bi-weekly meetings with the Puerto Rico Department of Economic Development and Commerce (DDEC). These meetings are used to discuss program progress, identify issues, and coordinate necessary actions to maintain momentum and meet goals.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None

Project # / Planning B-18-DE-72-0001 / Energy Program Planning

Grantee Activity Number: ESP-PLNDOH-NA
Activity Title: Energy Program Planning

Activity Type:
Planning

Activity Status:
Under Way

Project Number:
Planning B-18-DE-72-0001

Project Title:
Energy Program Planning

Projected Start Date:
08/05/2022

Projected End Date:
08/05/2028

Benefit Type:
N/A

Completed Activity Actual End Date:

National Objective:
N/A

Responsible Organization:
Puerto Rico Department of Housing

Overall	Jul 1 thru Sep 30, 2025	To Date
Total Projected Budget from All Sources	$0.00	$19,323,470.00
Total Budget	$0.00	$19,323,470.00
Total Obligated	$12,623.00	$66,925.41
Total Funds Drawdown	$0.00	$18,302.41
Program Funds Drawdown	$0.00	$18,302.41
Program Income Drawdown	$0.00	$0.00
Program Income Received	$0.00	$0.00
Total Funds Expended	$0.00	$18,302.41
Puerto Rico Department of Housing	$0.00	$18,302.41
Most Impacted and Distressed Expended	$0.00	$18,302.41

Activity Description:

On the Planning side, electric vehicles will quickly become an important consideration for the Island energy improvements. DDEC outlined an initiative for a three-phase approach to planning for EV integration, including research and planning, an infrastructure deployment program, and community engagement and education. PRDOH will fund these activities under the planning funds, starting with Phase one (1) for Research and Strategic Planning, and funding Phases two (2) to three (3) upon successful completion of Phase one (1), while also allowing DDEC to explore funding options through DOE or other sources.

Location Description:

The planning activities for this fund will be carried at the Puerto Rico Department of Housing located in San Juan, Puerto Rico.

Activity Progress Narrative:

During the reporting period, the Puerto Rico Department of Housing (PRDOH), in collaboration with the Program Management Team, made significant progress toward concluding the Feasibility Review stage of the ER2 Competitive Projects and began transitioning into Project Implementation. Coordination efforts with LUMA continued to facilitate grid interconnection for all pre-selected projects. While the Environmental Screening Review remains in progress, PRDOH and the team maintained active consultations with both LUMA and PREPA to address technical and procedural requirements.For the ER2 Strategic Projects, specifically the Centro Médico Microgrid (CMM) and the Department of Economic Development and Commerce's (DDEC) Energy Support Program, several key activities took place related to the CMM initiative. PRDOH continued advancing the implementation of the Centro Médico Hospital Complex Microgrid (CMM) Project through ongoing coordination with the Municipality of San Juan, the subrecipient responsible for implementation. In collaboration with ASEM

and the Puerto Rico Department of Health, PRDOH coordinated multiple site visits to entities that have expressed interest in participating in the project. These visits aim to gather data, energy consumption records, and other critical technical information from potential participants. Additionally, efforts during this period focused on finalizing the site selection for the development and construction of the Combined Heat and Power (CHP) system.
With respect to the ER2 Strategic Project managed by DDEC, PRDOH received a total of 266 applications. Of these, 20 were identified as duplicates, leaving 246 valid applications for eligibility determination. Among them, 123 applications were deemed pre-eligible and advanced to the next phase of review. A total of 53 applications were determined ineligible under program criteria, 61 were administratively closed due to non-responsiveness, and 9 applicants voluntarily withdrew from the program. Of the 123 pre-eligible applications, 102 were referred for environmental review. Following this review, 2 applications were determined ineligible, while 50 successfully completed the process and were approved to receive assistance. These 50 cases have now entered the grant agreement execution phase. The remaining 21 applications were pending appraisal reports prior to environmental review; during the reporting period, 14 appraisals were completed, and those cases were subsequently referred to for environmental evaluation.
During the reporting period, PRDOH received the revised priority project list from PREPA, including projects from PREPA, LUMA and Genera, the O&M Plan for PREPA and Genera, and the detailed worker classification descriptions for Genera. The Program continued the review and recommendation for match payment for the PWs eligible costs, recommending a total of $79,376,618.91 in CDBG-DR funds. The Program continued to hold monthly meetings with PREPA and the PR Energy Czar to discuss Program progress, including pending RFIs and match payment recommendations.

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents: None

Monitoring, Audit, and Technical Assistance

Event Type	This Report Period	To Date
Monitoring, Audits, and Technical Assistance	13	46
Monitoring Visits	0	4
Audit Visits	0	0
Technical Assistance Visits	13	42
Monitoring/Technical Assistance Visits	0	0
Report/Letter Issued	0	4