

First (Substantial) Amendment to the Electrical Systems Enhancements and Improvements Action Plan – Public Comments APA1

Preface

Public comments were received on the subject of the First Substantial Amendment to the Community Development Block Grant - Disaster Recovery (**CDBG-DR**) Electrical Systems Enhancements and Improvements Action Plan, both in English and in Spanish. All comments are available, in their entirety and in the language and format in which they were submitted, at <https://cdbg-dr.pr.gov/en/> and in Appendix A of the Action Plan.

For the reader's benefit, the comments submitted have been summarized, in Spanish and English, in this document. The comments cited may be paraphrased as a result of the translation process or for conciseness. Personally identifiable information has been removed from the comments to protect the commenter's privacy. Please refer to the text of the comments submitted for additional information.

You may contact the Puerto Rico Department of Housing (**PRDOH**) to request the complete translation of any comment or the alternative formats or media in order to access to the public comments and the responses from the Department of Housing. Requests can be made:

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

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Public Comments

Comment ID: 12/05/22_WP_I_Brenda Bermudez Jimenez(1)

Comment: *"I would like to know if I qualify for this assistance. I am a single mother, I have a son, I work full time, I live on the ground floor of my mother's house, and I only have one room. So, I would like to know if I qualify, and which documents I need."*

PRDOH Response:

Through the Electrical Systems Enhancements and Improvements Action Plan, and as required by the Federal Register Vol. 86, No. 117 (June 22, 2021), **86 FR 32681**, the Department of Housing is responsible for the allocation of \$1,932,347,000 of CDBG-DR funds for improvements to the electric power system and the successful implementation of projects aimed at meeting the goal of integrating the generation of renewable energy and improving Puerto Rico's electric power grid. Thus, the projects to be implemented under this program should contribute to the provision of a reliable, resilient, stable, and cost-effective electricity service to the residents of Puerto Rico, including vulnerable populations and protected classes.

It is of utmost importance for PRDOH to help citizens obtain a decent, safe, and secure home of their own. The Homebuyer Assistance (HBA) Program is one of the programs under CDBG-DR. It provides financial assistance to eligible homebuyers to purchase their primary residence. The HBA Program establishes a budget of CDBG-DR funds to help bridge the gap between the amount of the first mortgage an Applicant can obtain from a Lending Institution and the purchase price of a home.

For more information on the HBA Program, including the eligibility criteria, visit <https://cdbg-dr.pr.gov/en/download/homebuyer-assistance-program/> (English) and <https://cdbg-dr.pr.gov/download/programa-de-asistencia-directa-al-comprador/> (Spanish). The Puerto Rico Department of Housing appreciates your interest and efforts to find out about the help available to obtain your home.

Comment ID: 12/05/22_WP_PS_PIRAMID-ALL_Dario R. Martin(1)

Comment: *"Government of Puerto Rico*

Dear friends, after so many earthquakes, hurricanes, and natural disasters that have happened in many parts of the world, and with the new trend of using Renewable Energies, I saw the opportunity to contribute something to society.

After several months of working and waiting, I have already finished: developing, calculating, registering and patenting a House of the Future, which I called PIRAMID-ALL.-

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

It also has a power charger for electric vehicles.

This house is ideal for: Rural Hotel, Cabins, social housing, self-sustainable urban residential developments, isolated areas or connected to the power grid, mountain range area, rural, Eco Villages, semi-urban, therapeutic use, islands, and others.-

It is very useful for Distributed Generation and new Prosumers.

I have registered and approved the patent for this project in Argentina, Chile, Mexico, Costa Rica, USA, and other countries.

If this project is of interest and you need more information, please do not hesitate to contact me.

Greetings

PIRAMID-ALL

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<https://www.piramidall.com>
dariomartin@gmail.com"

PRDOH Response:

PRDOH thanks you for your participation in this public comment phase for the Electrical Systems Enhancements and Improvements Action Plan. Your proposal has been registered and will be taken into consideration during the development stage of this first amendment to the Action Plan. Funds under this Action Plan will be used for eligible activities to improve and optimize Puerto Rico's electric system. If you would like more information on the Electrical Systems Enhancements Action Plan or if you have other questions related to PRDOH's management of the Community Development Block Grant Action Plan - Disaster Recovery (**CDBG-DR**) and Community Development Block Grant Action Plan - Mitigation (**CDBG-MIT**) funds, you may 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: 12/05/22_WP_I_Norberto Lasanta Gonzalezr(1)

Comment: "Greetings. I was selected for the installation of solar panels and a water cistern for my residence, case 00714 of the Energy Resilience program. It has been six (6) months,

and no one has contacted me. I send text messages to the program coordinator, and she is in the same position as I am: no response whatsoever.”

PRDOH Response:

Thank you for taking the time to comment. The Department of Housing has created a call center for each program, where applicants can check their application status. If your case involves the Community Energy and Water Resilience Installations Program (**CEWRI-DR**), you may contact Customer Service by phone at 1-833-234-2324.

Comment ID: 12/05/22_WP_I_Manuel B.RIVERA BURGOS(1)

Comment: *“I am very disappointed with this program. I had the illusion that I was finally going to buy my first house and unfortunately, it could not happen, and not because of my credit, but because of government bureaucracy. At this point, over 2,000 people should have acquired their house by now. I've been paying rent for more than 30 years to someone else. That is too bad. The other day, I saw the governor acting as if it were a great achievement to hand over 2 or 3 keys for the closings they did. Wow, great. And we qualified, and we weren't able to because of so many problems and protocol. Realtors speak very badly of the product, and the banks as well. Fix the program or, well, things will stay the same. Thanks for your attention.”*

PRDOH Response:

The Department of Housing regrets your situation. For our team to address your situation, we need to know which specific program under the CDBG-DR portfolio you are referring to. If you wish to request a status update for this case or for any other pending applications under the CDBG-DR Programs, you may contact PRDOH by email at: infoCDBG@vivienda.pr.gov, by phone at: 1833-234-2324 or TTY 787-522-5950, or by mail at: CDBG-DR Puerto Rico Program, PO Box 21365, San Juan, PR, 00928-1365.

PRDOH is committed to publishing the availability of CDBG-DR grant programs and/or funds in the most efficient manner that also provides ample opportunity for Puerto Ricans to participate. If you have not applied for assistance under one of the CDBG-DR Programs, we recommend you visit the PRDOH CDBG-DR website, where you will find information about the various housing, infrastructure, and economic development programs available to eligible citizens and entities. All the information about these programs can be found in the Programs section on PRDOH's website, at one of the following links: <https://cdbg-dr.pr.gov/en/> (English) and <https://cdbg-dr.pr.gov/> (Spanish). In addition, you can obtain more information by calling 1-833-234-2324, by sending an email to infoCDBG@vivienda.pr.gov, or by regular mail at the following address: CDBG-DR Program Puerto Rico PO Box 21365 San Juan PR 00928-1365.

Comment ID: 12/05/22_WP_I_Vilma Gracia(1)

Comment: *"The government has a lot of economic resources to provide the people with a quality electricity service.*

But due to the lack of oversight and follow-up to the needs of the population, we keep going from bad to worse.

More expensive and less effective.

We have had no response from any level of government: state, federal.

Lack of control and follow-up on the recovery plans for the electricity system."

PRDOH Response:

Thank you for your comments. Full compliance with the applicable federal and local regulations is of utmost importance to the Department of Housing. The determination of assistance under the CDBG-DR programs is a governmental process that requires the participation of different sectors and government agencies. Likewise, federal and state legislation and regulations have established requirements and criteria for the development of programs, granting of assistance, oversight and use of funds, reports, and monitoring, among others. In order to develop programs that accomplish the objectives of improving and revitalizing Puerto Rico's energy system, the collaboration of different professionals from the energy, construction, and planning industries is required, as well as the support and/or management of different government agencies. PRDOH constantly reviews and works on its procedures to uphold our commitment of managing the CDBG-DR grant funds in a responsible and transparent manner.

For more information on the Electrical Systems Enhancements and Improvements Action Plan, or if you have other questions related to the 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: 12/05/22_WP_I_Diana Julia(1)

Comment: *"The truth is that I do not trust anything in this country because they offer improvements, but the results are always negative. Please help us update the electric grid, it is of utmost importance."*

PRDOH Response:

The Puerto Rico Department of Housing appreciates your comment and participation in this process. PRDOH is committed to managing CDBG-DR grant funds in a transparent and efficient manner. The management of these funds requires a thorough level of oversight and strict compliance with both federal and local requirements. Likewise, all these processes and programs are carried out in compliance with pre-established procedures and are regularly monitored by the United States Department of Housing and Urban Development (HUD). But for PRDOH, it is of the utmost importance —aside from full compliance with the regulations— to

offer citizens prompt assistance under these programs. Therefore, in order to maintain the balance between regulatory compliance and the time to award, PRDOH is constantly reviewing its procedures and working to achieve these objectives.

For more information on the Electrical Systems Enhancements and Improvements Action Plan, or if you have other questions related to the 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. In addition, you can obtain more information by contacting PRDOH's team by phone at 1-833-234-2324, by email at infoCDBG@vivienda.pr.gov, or by regular mail at the following address: CDBG-DR Program Puerto Rico, PO Box 21365, San Juan PR 00928-1365.

Comment ID: 12/06/22_WP_I_lvis Garcia(1)

Comment: *"It is evident that Puerto Rico's electricity system is in need of significant optimization. One of the main improvements that could be made is to modernize the electrical infrastructure with state-of-the-art equipment to ensure a stable and secure supply. It would also be necessary to improve the cable and transformer network to ensure greater efficiency. Lastly, the use of renewable energy must continue to be promoted and citizens should be encouraged to use it in order to reduce energy demand."*

PRDOH Response:

Thank you for taking the time to send your comments for the first amendment to the Electrical Systems Enhancements and Improvements Action Plan. The programs included in this Action Plan are aimed at subsidizing projects that promote efficiency, improvement, energy generation, and infrastructure for Puerto Rico's electric power grid. The funds under this Action Plan will be used for projects that contribute to the mitigation of climate change and the provision of reliable, resilient, stable, and cost-effective electrical service to the residents of Puerto Rico, including vulnerable populations and protected classes. Specifically, the purpose of the Energy Grid Rehabilitation and Reconstruction (**ER1**) Cost Share Program is to improve and optimize Puerto Rico's electrical grid in terms of the functional groupings that comprise it, such as transmission lines, distribution lines, substations, power generation plants, among others. On the other hand, the Electrical Power Reliability and Resilience Program (**ER2**) is focused on subsidizing microgrid projects that include renewable energy and storage projects. The Electrical Systems Enhancements and Improvements Action Plan consists of both projects, which address the need to improve and optimize the electric power system at different levels.

For more information on the Electrical Systems Enhancements and Improvements Action Plan, or if you have other questions related to the 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: 12/12/22_WP_I_Ing. Ricardo Fernandez(1)

Comment: *"Energy Projects Must Be Cost-Effective and Viable, and Renewable Energy is only 'Cost-Effective and Viable' for 15% of the Electricity Production.*

In 2010, together with Repsol, we offered Fortuño and the Senate an Offshore LNG Liquefied Natural Gas Pipeline Project that lowered the cost of energy in the island from .35 kWh to .08 kWh.

It consisted of a large tank at Roosevelt Road, to need just [1] one monthly delivery of LNG. As opposed to Aguirre Gas Port's 2 tankers, which cost \$300 million per year of CNG Compressed Natural Gas and require multiple monthly deliveries... which drive up the cost of Gas x 10 times over LNG.

If you are interested in taking up this energy project, let me know.

Ricardo Fernandez"

PRDOH Response:

The Department of Housing welcomes your comments on the first amendment to the Electrical Systems Enhancements and Improvements Action Plan. The programs included in this Action Plan are aimed at subsidizing projects that promote efficiency, improvement, energy generation, and infrastructure for Puerto Rico's electric power grid. PRDOH could prioritize projects that reduce the impact of climate change. PRDOH seeks to subsidize projects that contribute to the mitigation of climate change, such as projects that improve the efficiency of energy generation and minimize the consumption of fossil fuels to generate energy.

For more information about the other programs established under CDBG-DR funds, visit PRDOH's website <https://cdbg-dr.pr.gov/en/> (English) and <https://cdbg-dr.pr.gov/> (Spanish). In addition, you can obtain more information by contacting PRDOH's team by phone at 1-833-234-2324, by email at infoCDBG@vivienda.pr.gov, or by regular mail at the following address: CDBG-DR Program Puerto Rico, PO Box 21365, San Juan PR 00928-1365.

Comment ID: 12/12/22_WP_I_Ramón A. Señeriz(1)

Comment: *"Please consider the alternative of integrating the newer technology such as PlastikGas to convert many different type plastics onto different type of fuels that could be used on diesel powered generators. The cost per gallon it's extraordinary lower without any sulfurs or leads associated with fossil based fuels! Also not related to energy producing, there are newer green technologies without any toxics by-products or requiring the use of toxic or hazardous chemicals on the process to recycle all types of plastics including soiled or*

dirty plastics onto panels or boards and other products including grapheme and or carbon fiber product that have high demand and recycling cost it's much lower than before, making it extremely cost effective and profitable."

PRDOH Response:

PRDOH thanks you for your participation in this public comment phase for the Electrical Systems Enhancements and Improvements Action Plan. Your proposal has been registered and will be taken into consideration during the development stage of this first amendment to the Action Plan. Funds under this Action Plan will be used for eligible activities to improve Puerto Rico's electricity grid. Through the programs in this Action Plan, PRDOH seeks to subsidize projects that contribute to the mitigation of climate change, such as projects that improve the efficiency of energy generation and minimize the consumption of fossil fuels to generate energy.

For more information on the Electrical Systems Enhancements and Improvements Action Plan, or if you have other questions related to the 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: 12/12/22_WP_I_José I. Galindez()

Comment: *"Greetings. Perhaps the attached document is not exactly 'on topic,' but definitely tangential to the discussions of 'what to do to and how to maintain our electrical grid. It was emailed to several members of the Fiscal Oversight Board who are acquaintances of mine and also to Manuel Cidré, who is a personal friend of mine and my family.*

I hope you find it interesting, and maybe you can provide the incentive to possibly develop this idea.

*Thank you in advance,
Jose I. 'Galo' Galíndez, CSCP
(503) 756-0801
Oregon and Puerto Rico"*

PRDOH Response:

PRDOH thanks you for your participation in this public comment phase for the Electrical Systems Enhancements and Improvements Action Plan. Your proposal has been registered and will be taken into consideration during the development stage of this first amendment to the Action Plan.

Funds under this Action Plan will be used for eligible activities to improve Puerto Rico's electricity grid. For more information on the Electrical Systems Enhancements and Improvements Action Plan, or if you have other questions related to the 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: 12/15/22_WP_I_Betty Kaplan()

Comment: "Dear friends,

During the Maria emergency, AT&T set up an over-the-air center/satellite that provided users with connectivity...

I think Elon Musk placed a huge solar-powered battery in a hospital...

I would argue that, with the money available... solar panels should be placed on all buildings and houses in Puerto Rico... it is the safest and cheapest way to supply our electricity.

In addition, because of the winds and hurricanes... we should not reinstall the grids overhead but rather underground. same thing for phone and internet wires. There could be a co-production/partnership between the phone and internet and television and electric companies to place all the cables underground. That way, we wouldn't have this problem every year.

Hugs,

Betty Kaplan

film and TV screenwriter and director"

PRDOH Response:

The Department of Housing appreciates your participation in this public comment process regarding the first amendment to the Electrical Systems Enhancements and Improvements Action Plan. The ninth substantive amendment to the CDBG-DR Action Plan included several modifications to the CDBG-DR Programs. These changes included revisions to the eligibility requirements for the CEWRI-DR Program. This Program is intended to provide facilities to promote energy and water efficiency and resiliency for cases that are in the process of rehabilitation, reconstruction, relocation, or that have been provided with new construction as part of the CDBG-DR R3 Program, at no cost to the applicant. Eligible household units may receive improvements that include the installation of a solar (photovoltaic) system with battery storage for essential plug loads to provide power in the event of a power outage and the installation of a water storage system.

Meanwhile, the CDBG-MIT CEWRI-Home Energy and Water Resilience Improvements Program (**CEWRI-MIT**) aims to establish resiliency improvements in the homes of LMI individuals. These include the installation of photovoltaic systems, solar generators, and battery storage with capacities that match the family's needs, taking into account critical medical needs.

For more information on the Electrical Systems Enhancements and Improvements Action Plan, or if you have other questions related to the 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: 12/15/22_WP_I_Juan Jiménez()

Comment: "We don't want luma."

PRDOH Response:

PRDOH thanks you for your participation in this public comment phase for the Electrical Systems Enhancements and Improvements Action Plan. Your comment has been registered. Funds under this Action Plan will be used for eligible activities to improve Puerto Rico's electricity grid. The determination of assistance under the CDBG-DR programs is a governmental process that requires the participation of different sectors and government agencies. Similarly, federal and state legislation and regulations have established reporting requirements, monitoring, and other oversight criteria for granting assistance and for the use of such funds. These monitoring and oversight requirements will be implemented and applied by PRDOH, uniformly and without exceptions, to all program applicants.

For more information on the Electrical Systems Enhancements and Improvements Action Plan, or if you have other questions related to the 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: 12/15/22_WP_NGO_Legal Aid Puerto Rico Ariadna M. Godreau Aubert()
[Summarized comment]

Comment: "I. Equitable access to the funds [...]"

Requested actions:

- Prioritize solutions that meet the critical needs of communities or households with other small solar energy systems with storage batteries.
- Expressly prohibit projects located directly on agricultural land in the action plan.
- Take steps for the specific, intentional, and direct benefit of vulnerable populations, including those who have been historically marginalized due to race, ethnicity, and income.

II. Absence of a plan to mitigate displacements. [...]

[...] Neither the approved Action Plan nor the proposed amendment include a plan to mitigate displacements. [...].

Requested actions:

- Adopt a displacement minimization policy based on human rights, including the right to remain and return to their homes. When this is not possible, they must be guaranteed their return to the same geographical area, thus protecting the social fabric of the community.
- Ensure the willingness to any relocation by publishing alternatives to displacement, a 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 relocation housing for those who voluntarily agree to be relocated.
- Take concrete measures to avoid impacting the remaining community, including minimizing the *checkerboarding* effect.

III. The urgency of real and effective participation [...]

Requested actions:

- Extend the comment period and hold public hearings on the amendment.
- Maintain an updated live registry that allows monitoring the participation of citizens, 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 benefiting from these funds."

PRDOH Response:

PRDOH thanks you for your participation in this public comment phase. Regarding your comment related to PRDOH meeting the critical needs of communities or homes with other small solar energy systems with batteries for storage, the Electrical Systems Enhancements and Improvements Action Plan determines that this program, in conjunction with the CDBG-DR and CDBG-MIT programs, meet needs at different levels. The CDBG-DR CEWRI Program has a major impact at the residential level for participants in the Home Repair, Reconstruction, or Relocation Program (R3); the CDBG-MIT Community Energy and Water Resilience Installations Program at the residential and community level; and fund allocations for system improvements at the electric power system level. Homeowners seeking assistance at the residential or community level may be eligible under CDBG-MIT programs, which are designed to meet the needs of vulnerable communities and LMI populations at the community and household level. For more information on the CDBG-DR and CDBG-MIT programs and Action Plans, please visit the following website, available in English and Spanish at <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/> respectively.

Assistance to private entities that provide public services with CDBG-DR or CDBG-MIT funds would predominantly serve LMI populations both directly and indirectly. HUD recognizes that the LMI population will especially benefit from the increased resiliency and recovery of these entities. However, as indicated in Appendix H.1, the benefit to LMI populations and vulnerable communities is a criterion for project

selection. Appendix H.1—introduced through the First Amendment to the Electrical Systems Enhancements and Improvements Action Plan—identifies the project selection process, prioritizing those projects that demonstrate a direct and indirect impact to vulnerable people and communities, including protected classes and populations marginalized by race, ethnicity, and national origin.

Regarding the comment that "[n]either the approved Action Plan or the proposed amendment includes a displacement minimization plan," Federal Register Vol. 86, No. 117 (June 22, 2021) indicates that PRDOH should describe how it plans to minimize the displacement of persons or entities. This description is located in the "Minimizing or Addressing Displacement" section under "Program Requirements" in the Electrical Systems Enhancements and Improvements Action Plan.¹ Furthermore, PRDOH has established a Residential Anti-Displacement and Relocation Assistance Plan (**PRARAP**), which outlines and establishes measures that could be taken to minimize displacement and ensure that displacement is voluntary. The CDBG-DR Residential Anti-Displacement and Relocation Assistance Plan and Uniform Relocation Assistance Guide (URA Guide & ADP) are available in English and Spanish at: <https://cdbg-dr.pr.gov/en/download/ura-adp-guidelines/> and <https://cdbg-dr.pr.gov/download/guias-ura-adp/> respectively. It is also worth noting that the Electrical Systems Enhancements and Improvements Action Plan and its first amendment do not contemplate the forced expropriation of people or the displacement of communities for the development of energy projects.

Unlike the CDBG-DR programs, CDBG-MIT funds were allocated for a broad range of activities aimed at funding mitigation projects that reduce the potential for loss and destruction caused by future events. Among the programs established under the CDBG-MIT Action Plan, the Single-Family Housing Mitigation Program (**SFM** Program) is intended to assist homeowners with immediate threats to their homes and livelihoods. The Program's objective is to ensure that the unmet mitigation needs of low- and moderate-income persons from the most impacted and affected populations are addressed. This program offers individual homeowners threatened by flooding and mudslides the option to research the feasibility of elevating their home, reinforcing the property's foundation, or the option of voluntary relocation, as specified in the Action Plan.

For more information on the Single Family Housing Mitigation Program, visit PRDOH's website, where the Program Guidelines will be posted once the program is launched: <https://cdbg-dr.pr.gov/en/download/program-guidelines/> (English) and <https://cdbg-dr.pr.gov/download/guias-programaticas/> (Spanish).

PRDOH reiterates its commitment to maintain and expand citizen engagement in all processes related to CDBG-DR and CDBG-MIT funds. The current public comment period has effectively received input from citizens, communities, entities, and other stakeholders regarding the two programs established in the Plan. All contracts executed with CDBG-DR and CDBG-MIT funds are accessible to the public on the

¹ See Electrical Systems Enhancements and Improvements Action Plan, pp. 106-107, at <https://cdbg-dr.pr.gov/en/download/cdbg-dr-action-plan-amendment-1-substantial-for-the-electrical-systems-enhancements-draft-for-public-comments-from-november-16-to-december-16-2022/>.

PRDOH website through the following links: <https://cdbg-dr.pr.gov/en/> (English) and <https://cdbg-dr.pr.gov/> (Spanish). Contracts with public and private entities are registered and are available on the Comptroller's Office website, which can be accessed by visiting the Spanish and English webpage through the following link: <https://consultacontratos.ocpr.gov.pr/>. On the other hand, all comments received from citizens and stakeholders regarding the Action Plan are available at <https://www.cdbg-dr.pr.gov> and as appendices to the Action Plans.

Comment ID: 12/16/22_WP_NGO_CAMBIO_PR_Ingrid Vila Biaggi()
[Summarized comment]

Commentary: "ER1: Energy Grid Rehabilitation and Reconstruction Cost Share Program

CAMBIO previously urged PRDOH to eliminate this program and appreciates that PRDOH has substantially reduced the total amount of funds under this program to \$500 million. [...]

Additionally, we reiterate our broader concern that PREPA and LUMA's plan for the deployment of FEMA 428 funds, which is essentially a plan to rebuild the same centralized system that failed during Hurricane Maria while devoting an insignificant fraction of the funds to renewable energy or storage, is not consistent with addressing the key electrical system vulnerability identified in the Action Plan. [...]

We urge PRDOH to eliminate this program and 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. [...]

ER2: Electric Power Reliability and Resilience Program

CAMBIO is deeply concerned by the amendment to this program that would allow an unspecified amount of the \$1.3 billion in allocated funds to be directed towards 'eligible projects of public benefit selected by PRDOH and other critical stakeholders.' We urge PRDOH to eliminate this amendment, which lacks transparency both in terms of what projects are being considered and who are the 'critical stakeholders' proposing them; all projects should compete under the same, transparent criteria.

Regarding the competitive process for the selection of other projects, we urge the following:

1. **Eligible Applicants:** CAMBIO urges PRDOH to clarify the eligibility of community organizations to solicit funds. The Action Plan states that non-profit entities 'that meet capacity and experience requirements' will be able to solicit funds, without detailing what those requirements are. [...]

CAMBIO also urges that LUMA Energy not be considered eligible for funding under the program. [...] 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. [...].

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,' 'small-scale commercial renewable energy,' 'Centro Medico [microgrid],' and '[other] generation'. In particular,

- a. [...] PRDOH should not fund generation projects that would require modifications to PREPA's Integrated Resource Plan, which calls for the integration of greater quantities of renewable energy and storage.
 - b. Residential rooftop solar and storage are a proven resiliency solution. [...] CAMBIO urges PRDOH to clarify that community or municipal programs for the bulk purchase/installation of residential rooftop solar and storage systems will be considered for funding.
 - c. CAMBIO urges PRDOH to clarify that gas- and diesel-based microgrids will not be eligible.
3. **Cost-share and minimum project size:** CAMBIO urges PRDOH to eliminate or substantially reduce the \$5 million minimum project requirement. [...] A high minimum project requirement could also lead projects to inflate their costs to qualify, leading to an inefficient use of federal funds.

CAMBIO also urges PRDOH to eliminate the cost-share for eligible projects. Requiring community-based organizations to acquire funding for 40% of a project, as well as the operation and maintenance costs, from other sources of funds will make it significantly more challenging, if not impossible, for entities based in low- and moderate-income communities to develop projects."

PRDOH Response:

PRDOH welcomes your comments on the first amendment to the Electrical Systems Enhancements and Improvements Action Plan. Funds for the Energy Grid Rehabilitation and Reconstruction (**ER1**) Cost Share Program were substantially reduced by PRDOH. The ER1 Program has a budget of \$500,000,000 for electric power system improvement projects, while the Electrical Power Reliability and Resilience Program (**ER2**) has a budget of \$1,316,406,180 to subsidize projects that integrate energy assets and contribute to the diversification of energy sources, including renewable energy projects. The ER1 budget was substantially reduced during the development of the Electrical Systems Enhancements and Improvements Action Plan, and funds were reallocated to the ER2 Program. Specifically, the ER1 Program originally was going to receive an allocation of \$1,055,811,031, while the ER2 Program would receive \$760,595,149 of the allocated funds. Following the public comment period for the first draft of the Action Plan, program funds were reallocated to their current allocation.

The Electrical Systems Enhancements and Improvements Action Plan states that this program, in conjunction with the CDBG-DR and CDBG-MIT programs, provides energy solutions at different levels, such as residential, municipal, and regional, and at the electric power system level. Regarding the use of ER1 funds for the installation of small solar energy systems with storage batteries, it should be noted that the ER1 Program has allocated \$500,000,000 from the budget for energy programs, while the remaining \$1,316,406,180 of the funds went to the Electrical Power Reliability and Resilience Program (ER2) which focuses on subsidizing microgrid projects that include renewable energy and storage projects. For more information on the CDBG-DR and CDBG-MIT programs and Action Plans, please visit the following website, available in

English and Spanish at <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/> respectively.

The first amendment to the Electrical Systems Enhancements and Improvements Action Plan does not preclude the competitive selection of eligible projects proposed by eligible entities. The amendment includes as an alternative the strategic selection of projects identified as capable of providing an effective, immediate solution that can be implemented promptly. The Programs closely coordinate with the Puerto Rico Energy Bureau (**PREB**) and the United States Department of Energy (**DOE**) and comply with the applicable regulations. DOE has collaborated with the National Renewable Energy Laboratory (**NREL**) and Sandia National Laboratories to develop a data-driven methodology to strategically select projects for the ER2 Program. Project selection will always be made in a transparent manner and in accordance with the objectives and requirements established in the action plan.

The requirements related to the management and capacity of nonprofit and electric cooperative applicants will be established and described in the Program Guidelines formulated by PRDOH. Likewise, the guidelines will elaborate on which activities are eligible under these programs.

The determination of assistance under the CDBG-DR programs is a governmental process that requires the participation of different sectors and government agencies. Similarly, federal and state legislation and regulations have established requirements for reporting, monitoring, and other oversight criteria for granting assistance and for the use and disbursement of such funds. These monitoring and oversight requirements will be implemented and applied by PRDOH, uniformly and without exceptions, to all program applicants.

The prioritization of renewable energy projects is addressed in the evaluation criteria for applications to the ER2 Program for competitively selected projects. Strategic project selection for the ER2 Program will be based on the data-driven methodology developed by the United States Department of Energy (**DOE**) and the National Laboratories (National Renewable Energy Laboratory, NREL, and Sandia National Laboratories). This methodology ensures alignment with the PR100 study and its path to a future of clean energy for Puerto Rico. Furthermore, the Action Plan states that "[m]icrogrids funded under the ER2 Program will foster renewable energy integration and community-level resilience" and that "PRDOH will prioritize projects to reduce the impact of climate change, such as those using renewable sources of energy." The language indicates that fossil fuel-based microgrids would not be prioritized for selection. The Action Plan may be modified to emphasize the focus on renewable energy sources in the ER2 Program.

The Action Plan reduced the originally proposed minimum award from \$10,000,000 to \$5,000,000. The Action Plan includes language indicating that small-scale microgrid projects can be referred to the CDBG-DR and CDBG-MIT programs, which are designed to serve needs at the residential or community level. Furthermore, the amendment increases the award under the ER2 Program from 40% of the cost of eligible energy projects to 60%, reducing the contribution level for eligible entities to only 40% of the project cost. The minimum contribution requirement will allow the

program to increase the number of participants while serving as a tool for nonprofits to demonstrate their ability to host, sustain, and manage operations during the course of the project.

Comment ID: 12/16/22_WP_PS_Justicia Energetica para Puerto Rico, Inc._Waleska Rivera(1)
[Summarized comment]

Comment: "[...] **Recommendation 1:** PRDOH should completely redo the functional groupings adopted for the Plan and adopt a model based on the provisions of Act 17. [...]"

Recommendation 2: We again recommend that PRDOH, based on the data in the FEMA/PREPA Plan and its own data in the Action Plan, reallocate all of these funds to ER2 because under this program they can be allocated for immediate use to comply with the mandates of Act 17 in the short term and transform the electric power system as the country requires. [...]"

Recommendation 3: We recommend that PRDOH make the case to FEMA that reallocating the ER1 Program to ER2 meets the 10% cost requirement to FEMA since many of the projects that will be reassigned to grid improvement constitute eligible FEMA activities that are, in effect, a match to the investment of their funds under the PREPA-FEMA Plan. [...]"

Recommendation 7: "[...] The decision-making framework should be significantly expanded beyond receiving comments and responding to them while including some and not others. [...]"

Recommendation 8: "[...] [W]e recommend that PRDOH include in its planning phase continuous consultation with the Energy Bureau and that the latter establish an adjudicative process with the participation of PRDOH. [...]"

Recommendation 9: "[...] A substantial portion of the \$500.0 million that we recommend be reallocated from ER1 can be allocated in block to [Cogeneration & microgrids for large projects and Microgrids for small projects] as its economic effect will undoubtedly be magnified 2 to 3 times by leveraging monies from private generators. [...]"

Recommendation 10: We recommend that PRDOH significantly expand the allocation set aside for the DEDC Energy Office, considering that this Office has already organized its program, it has been successful, and its main limitation has been precisely the availability of funds. [...]"

Recommendation 11: We recommend that PRDOH broaden its approach toward these specific projects to seek Partnership initiatives with private entities and community entities with expertise in health and energy matters in order to transform this effort into an additional program to leverage funds to increase efficiency, optimal use, scope, and execution speed. [...]"

Recommendation 12: We recommend that PRDOH integrate the Energy Bureau and its procedures into the entire planning and project selection process from the strategic to the tactical level. [...]"

PRDOH Response:

The Department of Housing welcomes your comments on the first amendment to the Electrical Systems Enhancements and Improvements Action Plan. The functional groupings or components of the Energy Grid Rehabilitation and Reconstruction (**ER1**) Cost Share Program come from the Federal Register Vol. 86, No. 117 (June 22, 2021), 86 FR 32681. This register defines an "electric power system" as an autonomous or interconnected set of transmission lines, distribution lines, substations, power generation plants, and other energy sources, among others. In addition, the parameters of Act No. 17-2019, known as the Puerto Rico Energy Public Policy Act, 22 L.P.R.A. § 1141a *et seq.* are an integral part of the objectives of the Electrical Systems Enhancements and Improvements Action Plan.

The budget allocates \$500,000,000 to ER1 energy programs, while the remaining \$1,316,406,180 of the funds were allocated to the Electric Power Reliability and Resilience Program (**ER2**), which focuses on subsidizing microgrid projects that include renewable energy and energy storage projects. The Electrical Systems Enhancements and Improvements Action Plan states that this program, in conjunction with the CDBG-DR and CDBG-MIT programs, provides energy solutions at different levels, such as residential, municipal, and regional, and at the electric power system level.

With respect to reallocating the \$500 million of ER1 funds for the installation of small solar energy systems with batteries for storage, note that homeowners seeking assistance at the residential level or communities seeking small-scale microgrid solutions may be referred to the CDBG-DR and CDBG-MIT programs, which are designed to meet the needs of vulnerable communities and LMI populations at the household and community levels. For more information on the CDBG-DR and CDBG-MIT programs and Action Plans, please visit the following website, available in English and Spanish at <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/> respectively.

On the other hand, the funding set aside in the Action Plan for the ER2 Program totals \$30,000,000, which consists of \$10,000,000 more than that which is allocated to the Energy Assistance Program under the American Rescue Plan Act (**ARPA**).

PRDOH reiterates its commitment to maintain and expand citizen engagement in all processes related to CDBG-DR and CDBG-MIT funds. PRDOH receives and considers all the input provided by the different stakeholders and addresses each and every one. The public comment process allows PRDOH to receive input and create partnerships with private entities for specific energy and health projects, including the funding set aside for the Centro Médico.

Regarding your comment to expand the decision-making framework, it is important to mention that the programs are managed in close coordination with the Puerto Rico Energy Bureau (**PREB**) and the United States Department of Energy (DOE) and comply with the applicable regulations. DOE and the National Laboratories (National Renewable Energy Laboratory, **NREL**, and Sandia National Laboratories) have developed a data-driven methodology to strategically select projects for the ER2 Program. This methodology ensures alignment with the PR100 study and its path to a

future of clean energy for Puerto Rico. Furthermore, the Action Plan states that "[m]icrogrids funded under the ER2 Program will foster renewable energy integration and community-level resilience" and that "PRDOH will prioritize projects to reduce the impact of climate change, such as those using renewable sources of energy."

Comment ID: 12/16/22_WP_NGO_Earthjustice_Raghu Murthy; Laura Arroyo; Jennifer Cassel; Lorena Velez; Ruth Santiago; Pedro Saade(1)
[Summarized comment]

Comment: "[...] ER1 Will Not Address Climate Change or Improve the Affordability, Reliability, or Resiliency of the Grid.

[...] The evidence could not be more clear that the only electric power system that satisfies the requirements for CDBG-DR funding is distributed (rooftop) solar and storage systems.

[...] PRDOH should redirect ER1 funding to Community Energy and Water Resiliency.

[...]

Up to 70% of the matching funds from ER1 would be put towards projects propping up long-distance transmission lines that, as PRDOH elsewhere recognized, are almost certain to be downed again and again by hurricanes, earthquakes, rapid vegetation growth, and floods.

[...]

PRDOH concluded that 'a Puerto Rico that is dependent on sustained external support to function: foreign investment, imported fuel, and imported food [, all of which] rely on complex supply chains with many potential points of failure. . . . cannot be called resilient.' Yet PRDOH now contradicts itself by proposing to spend more than \$56M on Central Power Generation projects to extend the lives of these very centralized fossil fuel power plants. [...]

ER1 Was Not Prepared with Public Input.

[...] Communities were not engaged or consulted in the decision to shift these funds away from Housing and Urban Development purposes, and to hand them to FEMA. From the document included as an appendix to substantial amendment 1, entitled "Stakeholder Engagement Report," it is clear that there was no intention to receive input from the communities, especially from vulnerable populations, protected classes, underserved communities, rural areas, poor communities, or ethnic communities. The planning and design of the ER1 was done at meetings with federal and state agencies, and LUMA Energy, a private electric company. It appears that PRDOH only held one meeting with four local nonprofit organizations on October 12, 2021, before the first public hearing and publication of the action plan. There are more than 4,000 nonprofit organizations operating in Puerto Rico. [...].

HUD cannot adopt FEMA's badly flawed Programmatic Environmental Assessment.

PRDOH should not adopt FEMA's flawed Programmatic Environmental Assessment (PEA) because it (1) fails to comply with NEPA requirements; (2) does not meet environmental review procedures for entities assuming HUD environmental responsibilities; (3) is contrary to

congressional mandates in the Disaster Mitigation Act and the Disaster Recovery Reform Act, as well as Puerto Rico's Integrated Resource Plan (IRP); and (4) contravenes Biden's Executive Orders on Climate Change and Environmental Justice. [...]

PRDOH failed to share the FONSI with the interested parties, including many organizations who filed comments on the PEA, despite HUD's clear mandate to do so. This is another example of PRDOH's failure to engage the public on ER1. [...]

The multiple effects on Puerto Rico's environment undoubtedly call for a comprehensive Environmental Impact Statements that address the impacts of each proposed action and considers appropriate alternatives, such as rooftop solar + storage. [...]"

PRDOH Response:

Funds for the Energy Grid Rehabilitation and Reconstruction (**ER1**) Cost Share Program were substantially reduced by PRDOH. The ER1 Program has a budget of \$500,000,000 for electric power system improvement projects, while the Electrical Power Reliability and Resilience Program (**ER2**) has a budget of \$1,316,406,180 to subsidize projects that integrate energy assets and contribute to the diversification of energy sources, including renewable energy projects. The ER1 budget was substantially reduced during the development of the Electrical Systems Enhancements and Improvements Action Plan, and funds were reallocated to the ER2 Program. Specifically, the ER1 Program originally was going to receive an allocation of \$1,055,811,031, while the ER2 Program would receive \$760,595,149 of the allocated funds. Following the public comment period for the first draft of the Action Plan, program funds were reallocated to their current allocation.

The Electrical Systems Enhancements and Improvements Action Plan states that this program, in conjunction with the CDBG-DR and CDBG-MIT programs, provides for multi-level energy solutions. The CDBG-DR CEWRI Program has a major impact at the residential level; the CDBG-MIT Community Energy Resilience and Water Resilience Installations Program at the municipal or regional level; and fund allocations for system improvements at the electric power system level.

With respect to reallocating the \$500 million of ER1 funds for the installation of small solar energy systems with batteries for storage, note that homeowners seeking assistance at the residential level or communities seeking small-scale microgrid solutions will be referred to the CDBG-DR and CDBG-MIT programs, which are designed to meet the needs of vulnerable communities and LMI populations at the household and community levels. For more information on the CDBG-DR and CDBG-MIT programs and Action Plans, please visit the following website, available in English and Spanish at <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/> respectively.

PRDOH reiterates its commitment to continue and encourage citizen engagement in all processes related to CDBG-DR and CDBG-MIT funds. The current public comment period, in addition to the public hearings held with various community-based entities, has been extremely effective in receiving input from citizens, communities, entities, and other interested parties regarding the CDBG-DR and CDBG-MIT programs. Based on this input, the Electrical Systems Enhancements and Improvements Action Plan has been modified.

Regarding the comment about using funds for rooftop solar energy alternatives and storage projects, the CDBG-MIT Community Energy and Water Resilience Installations – Household (CEWRI) is intended to introduce resilient improvements in LMI households. These include the installation of photovoltaic systems, solar generators, and battery storage with capacities that match the family's needs, taking into account critical medical needs.

PRDOH will ensure compliance with all federal and state laws, regulations, and requirements related to protecting the environment, including developing a Finding of No Significant Impact (**FONSI**) as soon as the project development process begins. Regarding your comment not to adopt the PEA made by FEMA, PRDOH has taken note of it and it will be evaluated during the development stage of this first amendment to the Action Plan.

Comment ID: 12/16/22_WP_I_Osiris Torres Rivera(1)

[Summarized comment]

Comment: "I consider that additional investment is needed to improve electrical infrastructure, services and that the government develops better supervision of LUMA. It is also necessary to take advantage of renewable energy to reduce electricity costs, ensure and promote the supply of clean energy and increase the resilience of the system. Also, more regulation is needed to improve the safety and efficiency of the system. In addition, tools must be developed to improve electricity demand management to mitigate grid congestion."

PRDOH Response:

Thank you for taking the time to comment on the first amendment to the Electrical Systems Enhancements and Improvements Action Plan. The programs included in this Action Plan are aimed at subsidizing projects that promote efficiency, improvement, energy generation, and infrastructure for Puerto Rico's electric power grid. The funds under this Action Plan will be used for projects that contribute to the mitigation of climate change and the provision of reliable, resilient, stable, and cost-effective electrical service to the residents of Puerto Rico, including vulnerable populations and protected classes. Specifically, the purpose of the Energy Grid Rehabilitation and Reconstruction (**ER1**) Cost Share Program is to improve and optimize Puerto Rico's electrical grid in terms of the functional groupings that comprise it, such as transmission lines, distribution lines, substations, power generation plants, among others. On the other hand, the Electrical Power Reliability and Resilience Program (**ER2**) is focused on subsidizing microgrid projects that include renewable energy and storage projects. The Electrical Systems Enhancements and Improvements Action Plan consists of both projects, which address the need to improve and optimize the electric power system at different levels.

For more information on the Electrical Systems Enhancements and Improvements Action Plan, or if you have other questions related to the 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: 12/17/22_WP_NGO_Asociación de Industriales de PR_Eric Santiago Justiniano(1)

[Summarized comment]

Comment: "[...] The functional groupings adopted are the product of and preserve the centralized and monopolistic structure of the last century that Act 17 specifically orders to dismantle. By adopting this functional structure to guide the Plan, it fails to meet the initial anchoring objective of Act 17, which is to develop a modern grid that reflects, maximizes, and integrates new high-efficiency technologies at all levels of the electric power system, maximum generation of renewable energy, central and consumer storage, a smart response to demand, distributed generation, high vertical and horizontal resilience of the system and leads to lower electricity costs. In light of the above, we urge you to completely redo the functional groupings you propose to adopt for the Plan, and adopt a model based on the provisions of Law 17. [...]"

We respectfully recommend that, based on the data in the FEMA/PREPA Plan and your own Action Plan data, you reallocate all of these funds to ER2, since it is under this program that they can be allocated for immediate use to comply with the mandates of Act 17 in the short term and transform the electric power system.

[...]

The decision-making framework should be significantly expanded beyond receiving comments and responding to them while including some and not others. [...]"

PRDOH should develop a broad decision-making framework, in line with our 1st recommendation to refocus the Plan to align directly with the Mandates of Act 17. To this end, we recommend including, in your Planning phase, continuous consultation with the Energy Bureau and that the latter establish an adjudicative process with the participation of PRDOH. [...]"

We recommend significantly expanding the allocation set aside for the DEDC Energy Office, considering that this Office has already organized its program, it has been successful, and its main limitation has been precisely the availability of funds. [...]"

PRDOH Response:

The Department of Housing welcomes your comments on the first amendment to the Electrical Systems Enhancements and Improvements Action Plan. The functional groupings or components of the Energy Grid Rehabilitation and Reconstruction (**ER1**) Cost Share Program come from the Federal Register Vol. 86, No. 117 (June 22, 2021), 86 FR 32681. This register defines an "electric power system" as an autonomous or interconnected set of transmission lines, distribution lines, substations, power generation plants, and other energy sources, among others. In addition, the parameters of Act No. 17-2019, known as the Puerto Rico Energy Public Policy Act, 22 L.P.R.A. § 1141a *et seq.* are an integral part of the objectives of the Electrical Systems Enhancements and Improvements Action Plan.

Funds for the Energy Grid Rehabilitation and Reconstruction (**ER1**) Cost Share Program were substantially reduced. The budget allocates \$500,000,000 to ER1 energy programs, while the remaining \$1,316,406,180 of the funds were allocated to the Electric Power Reliability and Resilience Program (**ER2**), which focuses on subsidizing microgrid projects that include renewable energy and energy storage projects. The Electrical Systems Enhancements and Improvements Action Plan states that this program, in conjunction with the CDBG-DR and CDBG-MIT programs, provide for multi-level energy solutions. The CDBG-DR CEWRI Program has a major impact at the residential level; the CDBG-MIT Community Energy Resilience and Water Resilience Installations Program at the municipal or regional level; and fund allocations for system improvements at the electric power system level.

With respect to reallocating the \$500 million of ER1 funds for the installation of small solar energy systems with batteries for storage, note that homeowners seeking assistance at the residential level or communities seeking small-scale microgrid solutions will be referred to the CDBG-DR and CDBG-MIT programs, which are designed to meet the needs of vulnerable communities and LMI populations at the household and community levels. For more information on the CDBG-DR and CDBG-MIT programs and Action Plans, please visit the following website, available in English and Spanish at <https://cdbg-dr.pr.gov/en/> and <https://cdbg-dr.pr.gov/> respectively.

PRDOH reiterates its commitment to maintain and expand citizen engagement in all processes related to CDBG-DR and CDBG-MIT funds. PRDOH receives and considers all the input provided by different stakeholders and addresses each and every one. The process allows PRDOH to receive input and create partnerships with private entities for specific energy and health projects, including the funding set aside for the Centro Médico.

Regarding your comment to expand the decision-making framework, it is important to mention that the programs are managed in close coordination with the Puerto Rico Energy Bureau (**PREB**) and the United States Department of Energy (DOE) and comply with the applicable regulations. DOE and the National Laboratories (National Renewable Energy Laboratory, NREL, and Sandia National Laboratories) have developed a data-driven methodology to strategically select projects for the ER2 Program. This methodology ensures alignment with the PR100 study and its path to a future of clean energy for Puerto Rico. Furthermore, the Action Plan states that "[m]icrogrids funded under the ER2 Program will foster renewable energy integration and community-level resilience" and that "PRDOH will prioritize projects to reduce the impact of climate change, such as those using renewable sources of energy."

On the other hand, the funding set aside in the Action Plan for the ER2 Program totals \$30,000,000, which consists of \$10,000,000 more than that which is allocated to the Energy Assistance Program under the American Rescue Plan Act (**ARPA**).

Comment: "[...] One of the most effective alternatives to meet these objectives and the definition of improvements to the electric power system is the installation of rooftop solar power systems with storage. [...]"

Key Reports

[...] we share the following studies to be integrated into the Action Plan:

- Achievable Renewable Energy Targets [...]
- Queremos Sol: Puerto Rico Distributed Energy Resource Integration Study [...]

Energy Grid Rehabilitation and Reconstruction (ER1) Cost Share Program

[...]

we insist on the importance that funds allocated under ER1 not be earmarked as an automatic matching of PREPA's plans without assessing their compliance with public energy policy. [...]

[W]e insist that the PRDOH Department have as a condition for any matching funds that a plan includes concrete projects in order to achieve the integration of 40% renewable energy on the island by the year 2025. [...]

[W]e request that the Department of Housing clarify how much of these funds will go to transmission system upgrades and how this will help us comply with the public policy of 100% renewable energy.

[...] we appreciate the Department of Housing's prioritization of low and moderate income (LMI) communities, but it is not enough. [...] If the project is carried out at the level of transmission or through a centralized generator, it is impossible to confirm that the beneficiary of the project is an LMI community. After examining Appendix H.1 of the Action Plan, we note that although the location of many projects may be an LMI community, this community does not necessarily receive the benefits. This could mean that instead of prioritizing LMI communities, we are imposing the burdens and impacts of the project on them without ensuring their benefit. Therefore, **we request that the Department of Housing carry out projects at the distribution level that ensure benefits for 70% LMI, especially rooftop solar power projects.**

Electrical Power Reliability and Resilience Program (ER2)

[...]

We thank the Department of Housing for the changes in the eligibility criteria to include nonprofit entities. However, the requirements that will be used to evaluate them should be clarified. [...]

The plan designates funding for the Department of Economic Development for the Energy Assistance program, which aims to install solar power systems for small- and medium-sized businesses. [...] However, the Department of Economic Development should be required to allow fishing villages and fishermen's associations to apply to this fund. [...]

The Department of Housing lowered the minimum award amount for this program to \$5 million and increased the program's contribution to 60% of the project cost. The reduction in the minimum award is a positive step but is not sufficient. We insist that the minimum award is an unnecessary exclusion that will result in the inflation of the cost of projects in order to access the funds. [...] The negative impact of a high minimum award will outweigh the positive, so we recommend eliminating it or lowering it much more.

On the other hand, it is arbitrary and unreasonable to request that a nonprofit match 40% of the project cost when its financial reality does not allow it, which is the case for many community-based nonprofit organizations. Therefore, **we request the elimination of the 40% matching requirement for nonprofit entities.**

Citizen Engagement and the role of the Citizen Advisory Committee (CAC)

We again recommend that the Department of Housing allow the Citizen Advisory Committee to consult and amplify the voices of the most vulnerable communities regarding the development of the programs and guidelines of this Action Plan. [...]."

PRDOH Response:

The Department of Housing welcomes your comments on the first amendment to the Electrical Systems Enhancements and Improvements Action Plan. The Electrical Systems Enhancements and Improvements Action Plan states that this program, in conjunction with the CDBG-DR and CDBG-MIT programs, provide for multi-level energy solutions. The CDBG-DR CEWRI Program has a major impact at the residential level; the CDBG-MIT Community Energy Resilience and Water Resilience Installations Program at the municipal or regional level; and fund allocations for system improvements at the electric power system level. The aforementioned reports will be taken into consideration in the amendment process.

Appendix H.1, introduced through Amendment 1 of the Electrical Systems Enhancements and Improvements Action Plan, describes the project selection process. Rather than being an automatic match, projects will be selected based on those that demonstrate direct and indirect impacts on vulnerable people and communities, including protected classes and populations marginalized due to race, ethnicity, and national origin.

Appendix H.1 of the Action Plan details the roster of potential projects that could be selected under the Transmission and Distribution grouping, which would be selected according to the benefit provided to the LMI population and vulnerable communities, among other criteria. Assistance through CDBG-DR or CDBG-MIT funding for private entities providing a public service will serve predominantly LMI populations directly and indirectly. HUD recognizes that the LMI population will especially benefit from the increased resiliency and recovery of these entities. However, as indicated in Appendix H.1, the benefit to LMI populations and vulnerable communities is a criterion for project selection. It is important to note that the parameters of Law No. 17-2019, known as the Puerto Rico Energy Public Policy Act, 22 L.P.R.A. § 1141a *et seq.* are an integral part of the objectives of the Electrical Systems Enhancements and Improvements Action Plan.

The budget allocates \$500,000,000 to ER1 energy programs, while the remaining \$1,316,406,180 of the funds were allocated to the ER2 Program, which focuses on subsidizing microgrid projects that include renewable energy and storage projects. Homeowners seeking assistance at the residential level or communities seeking small-scale microgrid solutions will be referred to the CDBG-DR and CDBG-MIT programs, which are designed to meet the needs of vulnerable communities and LMI populations at the community and household level.

The requirements related to the management and capacity of nonprofit and electric cooperative applicants will be established and described in the Program Guidelines formulated by PRDOH. Likewise, the guidelines will elaborate on which activities are eligible under these programs.

The funding set aside in the Action Plan for the ER2 Program totals \$30,000,000, which consists of \$10,000,000 more than that which is allocated to the Energy Assistance Program under the American Rescue Plan Act (**ARPA**). The Department of Economic Development and Commerce (**DEDC**) is the appropriate entity to determine the eligibility of fishermen and fishing villages for the Energy Assistance Program.

The Action Plan reduced the originally proposed minimum award from \$10,000,000 to \$5,000,000. The Action Plan includes language indicating that small-scale microgrid projects can be referred to the CDBG-DR and CDBG-MIT programs, which are designed to serve needs at the residential or community level. Furthermore, the amendment increases the award under the ER2 Program from 40% of the cost of eligible energy projects to 60%, reducing the contribution level for eligible entities to only 40% of the project cost. The minimum contribution requirement will allow the program to increase the number of participants while serving as a tool for nonprofits to demonstrate their ability to host, sustain, and manage operations during the course of the project.

PRDOH reiterates its commitment to continue and expand citizen engagement in all processes related to CDBG-DR and CDBG-MIT funds. The amendment process for the Electrical Systems Enhancements and Improvements Action Plan was published on the main page of PRDOH's website. All citizens and interested entities, including the Citizen Advisory Committee (CAC), were permitted to participate in the process. For information on the CAC, visit PRDOH's website at the following link: <https://cdbg-dr.pr.gov/en/citizen-advisory-committee/> (English) and <https://cdbg-dr.pr.gov/comite-asesor-cac/> (Spanish). The Citizen Advisory Committee Operational Guide can be obtained through the following address: <https://cdbg-dr.pr.gov/en/download/citizen-advisory-committee-operational-guide/> (English) and <https://cdbg-dr.pr.gov/download/guia-operativa-del-comite-de-asesoria-ciudadana/> (Spanish).

Comment ID: 12/16/22_WP_I_Osiris Torres Rivera(1)

Comment: "Greetings:

After reviewing the Action Plan Draft for the Use of CDBG-DR Funds for Electrical Systems Enhancements and Improvements, the Hydroelectric Cooperative of the Mountain provides the following comments to the public discussion.

On page 137, it states "Units of general local government / local and municipal governments, Community-Based Development Organizations and private nonprofits, and nongovernmental organizations (501(c)(3)), 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 that is available." We request that 501(c)(12) Electric Cooperatives are specifically included and that cooperatives are not implicitly included as "private nonprofit entities" given that electric cooperatives can be effective in community settings and have unique characteristics that merit distinction from other organizational models.

On page 140, we recommend that the term "Renewable Sources" be included in the Program Priority section under Prioritization to include a mandate in accordance with Act 17 of 2019 - Puerto Rico Energy Public Policy Act.

Thank you for your interest regarding these comments.

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PRDOH Response:

Electric cooperatives are not excluded from the process and may be eligible under the program as long as they meet the capacity and experience requirements. PRDOH will establish the ER1 and ER2 Program Guidelines that will detail the management and capacity requirements for eligible applicants, as well as the application process.

The Electrical Systems Enhancements and Improvements Action Plan states that "[m]icrogrids funded under the ER2 Program will foster renewable energy integration and community-level resilience" and that "PRDOH will prioritize projects to reduce the impact of climate change, such as those using renewable sources of energy." In addition, the parameters of Act No. 17-2019, known as the Puerto Rico Energy Public Policy Act, 22 L.P.R.A. § 1141a *et seq.* are an integral part of the objectives of the Electrical Systems Enhancements and Improvements Action Plan.

For more information on the Electrical Systems Enhancements and Improvements Action Plan, or if you have other questions related to the 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.
