

GOVERNMENT OF PUERTO RICO PUERTO RICO  
ENERGY COMMISSION  
SAN JUAN, PUERTO RICO

SECRETARIA  
COMISION DE ENERGIA DE  
PUERTO RICO

IN RE: ENERGY COMMISSION INVESTIGATION REGARDING THE STATE OF PUERTO RICO'S ELECTRIC SYSTEM AFTER HURRICANE MARIA	CASE NO.: CEPR-IN-2017-0002 Subject: request for investigation
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**URGENT MOTION REQUESTING INVESTIGATION**

TO THE HONORABLE COMMISSION:

COMES NOW THE PUERTO RICO MANUFACTURER'S ASSOCIATION ("PRMA") by its undersigned counsel and respectfully states and prays:

**I. INTRODUCTION**

1. The manufacturing sector is the leading and most vital productive economic sector within the Puerto Rico economy. It includes pharmaceuticals, electronics, apparel, and food products. It is responsible for approximately 50.1% of the Gross Domestic Product and generates employment for 19% of the active labor force. It is mostly responsible for the island's approximately \$70 billions in exports. Furthermore, it generates approximately 3 indirect jobs for every position it creates, and it is also substantially responsible for a large portion of Puerto Rico's service sector.

2. PRMA is a private, voluntary, non-profit organization established in 1928 with the purpose of uniting all of Puerto Rico's manufacturers and service industries into a strong and effective body in order to further their mutual interests as they relate to the private and public sectors of the Commonwealth of Puerto Rico. The President of its Board of Directors is Rodrigo Masses y Artze, its address is Centro Internacional de Mercadeo,

Torre II, Oficina 702; 90 carretera 165, Guaynabo, Puerto Rico 00968.

3. Among its objectives and purposes, the PRMA serves as a forum through which the manufacturing and service industries come together in a strong and effective organization to promote the strengthening and development of local industry and attract manufacturing industries to Puerto Rico. In addition, it also has the task of promoting the integration of the economy of Puerto Rico and to promote the development of the manufacturing and services sectors, managed to achieve the expansion of business opportunities.

## **II. THE COMMISSION'S INVESTIGATIVE ORDER**

1. Pursuant to a Resolution issued on October 27, 2017, the Puerto Rico Energy Commission ("Commission") began an investigative proceeding into the state of the electric system existing within Puerto Rico as affected by the passage of Hurricane Maria. The Commission described four main objectives for the investigation: (i) accelerating the restoration of electric service; (ii) correcting vulnerabilities and strengthening the electric system; (iii) elaborating and implementing a new energy model for Puerto Rico; and (iv) updating the Puerto Rico Electric Power Authority's ("PREPA") Integrated Resource Plan (IRP) in relation with the characteristics of the new energy model.

2. As stated, one of the objectives of this proceeding is to correct the vulnerability and the strengthening the electric system in Puerto Rico. Thus, any actions undertaken by the Puerto Rico Electric Power Authority ("PREPA") relating to such efforts will affect PREPA's ability to continue to provide reliable electric generation and distribution services.

## **III. PREPA'S ACTIONS**

1. It has been publicly stated that PREPA has executed numerous contracts for the restoration of its transmission and distribution system components damaged as a result of Hurricane Maria. The most recent has been executed with Cobra Acquisitions LLC ("Cobra"), who signed a one-year \$900 million contract with PREPA to complete the restoration of the critical electrical systems as well as to support the initial phase of



reconstruction of the electrical power system in Puerto Rico.

2. Furthermore, since the Legislative Assembly currently considers a bill to authorize PREPA's sale of its generation phase and privatization of its transmission and distribution infrastructure; it is essential for PREPA's consumers to be informed about the progress of such restoration process and its impact of PREPA's finances and viability as a going concern.

#### IV. THE COMMISSION'S POWERS AND DUTIES

1. According to 22 L.P.R.A. § 1054b (Powers and duties of the Energy Commission) this Honorable Commission has, among others, the following powers and duties:

- (a) oversee and ensure execution and implementation of the public policy on the electric power service of the Commonwealth of Puerto Rico.
- (d) **oversee the quality and reliability of the electric power services provided by PREPA** and any other electric power company certified in Puerto Rico.
- (h) Review and approve policies and strategic plans, as well as short-, medium-, and long-term plans in connection with energy resources integrated planning in Puerto Rico, and oversee compliance therewith.

2. Accordingly, the Commission has the power and duty to review and approve any plan intended to be implemented by PREPA in any way or manner related to the quality and reliability of the electric power service provided by PREPA.

THEREFORE, the PRMA respectfully request this Honorable Commission to immediately and urgently include the following aspects in PREPA's reconstruction effort investigation: a) all contracts executed by PREPA since the date of the passage of Hurricane Maria for the restoration, repair, reconstruction or enhancement of its: I) generating facilities, ii) transmission infrastructure and iii) distribution lines and systems, including the most recent 900 million dollars agreement with Cobra Acquisitions; b) the impact of such contracts on PREPA's finances, including a detail description of federal funds received for such purpose and the exact dollar amounts to be paid by I) PREPA ii) the Federal Government or iii) the Commonwealth of Puerto Rico; c) the nature and

progress of the work performed, with a detailed description in terms of its scope, indicating to the extent it is for: i) restoration of existing systems or ii) improvements or enhancements of such systems; d) the distribution in the dollar amount of each contract as to: I) labor costs, ii) materials and supplies , iii) equipment used, iv) other expenses.

We also request that the Commission should hold immediate public hearings in order for PREPA to publicly divulge all financial and operational details of its reconstruction efforts, including the aspects previously described in relation to such service contracts. Such information is of vital importance to allow PRMA's members and other sectors of the economy to determine future plans as well as to allow for future promotions of additional industrial activity in Puerto Rico.

Respectfully submitted,

CERTIFICATE OF SERVICE: On this date I have sent via e mail courtesy copies of this motion to all parties notified by the Commission in the referenced matter.

In San Juan, Puerto Rico, this 5 th. day of June, 2018

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LCDO. MANUEL FERNANDEZ MEJIAS  
RUA 8170  
1404 Ave Paz Granela  
suite 26, pmb 246  
San Juan PR 00921  
Tel 787-462-3502  
Email: [manuelgabrielfernandez@gmail.com](mailto:manuelgabrielfernandez@gmail.com)