

## July 23, 2020

Oversight hearing on Thursday, July 23, 2020, at 3:30 pm EDT on *The Transformation of the Puerto Rico Electric Power Authority (PREPA)* 

- Since Hurricanes Irma and Maria devasted the island three years ago, the Puerto Rico Electric Power Authority (PREPA) has struggled greatly with maintaining a power grid with any semblance of reliability.
- Even before those two historically devastating hurricanes blew through the island, PREPA was a utility that could barely manage to keep its fragile grid maintained.
- Decades of mismanagement of PREPA's assets left the grid in a state of disrepair, standing no match for the storms that eventually left the island in darkness three years ago.
- Fast forward to today, and PREPA still faces a momentous uphill climb towards strengthening their infrastructure.
- Recent earthquakes in the beginning of the year and now the effects of the COVID-19 pandemic have further increased the stress on PREPA's infrastructure needs.
- Under the PROMESA law that this Committee passed, PREPA has the tools it needs to restructure its crushing \$9 billion debt, but that process still continues to advance at a snail's pace through the courts.
- So today we're here to discuss the next steps PREPA has taken to address their endless tasks of rebuilding their grid more resilient and more reliable for the citizens of the island that depend on it.
- The recent news of PREPA striking a deal with LUMA to semi-privatize the T&D side of operations, but not the power generation side of the grid, gives some of us here in Congress hope that actual strides are being taken by leaders on the island towards modernizing their power grid.
- I am hopeful that more substantial progress to strengthen the power grid is forthcoming in the near future, as increased Federal funding granted by Congress has provided a lifeline to PREPA. However, I must caution folks not to squander this opportunity to correct decades of mismanagement and poor decision making at the utility by foolishly engaging in rash boondoggles that leave the grid under-prepared to face future crippling disasters, whether they're of the natural or financial kind.
- It is my opinion, I assume the same goes for any rational being, that PREPA needs to continue to pursue conversion of their power generation assets off of burning inefficient Venezuelan bunker fuel and onto clean and efficient liquified natural gas.

- This isn't to say there may be a place for expanding renewables within the generation side of the grid, but let's let markets work and what's best for Puerto Rico's near and long-term recovery guide the way.
- I look forward to hearing from the witnesses today on these important issues on how PREPA may continue to make the necessary strides forward to providing the clean, efficient, and cost saving energy the people of Puerto Rico have been starved of for years now.
- I also want to thank the Resident Commissioner for her continued leadership on these matters. She works tirelessly for her constituents and it is a pleasure to have her guidance and wisdom here on this Committee.
- I thank the Chairman and yield back.