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September 20, 2022

The Honorable Jennifer Granholm  
Secretary  
U.S. Department of Energy  
1000 Independence Ave. SW  
Washington, DC 20585

The Honorable Richard Glick  
Chair  
Federal Energy Regulatory Commission  
888 First St., NE  
Washington, DC 20426

The Honorable Deanne Criswell  
Administrator  
Federal Emergency Management Agency  
500 C St., SW  
Washington, DC 20472

Dear Secretary Granholm, Chair Glick, and Administrator Criswell:

Three million of our fellow Americans are without power and two-thirds of Puerto Rico does not have potable water due to Hurricane Fiona. This comes five years after Hurricanes Irma and Maria devastated the island. As you may be aware, the management of Puerto Rico's electrical and transmission and distribution system was awarded to LUMA Energy LLC which took over operations on June 1, 2021. Yet, despite billions in federal assistance to strengthen Puerto Rico's electrical grid, LUMA continues to be plagued by frequent and lengthy outages as well some of the highest electric rates in the country.<sup>1</sup> This is untenable, I urge you to investigate.

The persistent loss of electricity and power fluctuations are impacting government functions such as the operation of schools and courts, the delivery of health care, and the closure of businesses that cannot afford generators. These challenges are pervasive and predate Hurricane Fiona. In June of 2021 a fire at

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<sup>1</sup> *FACT SHEET: The Biden-Harris Administration Supports Puerto Rico's Recovery and Renewal in its First Year in Office*, Jan. 20, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/01/20/fact-sheet-the-biden-harris-administration-supports-puerto-ricos-recovery-and-renewal-in-its-first-year-in-office>; *FEMA Authorized Statements on PREPA Projects*, Apr. 8, 2022, <https://www.fema.gov/press-release/20220408/fema-authorized-statements-prepa-projects>.

LUMA's Monacillo substation resulted in a loss of service to 900,000 customers.<sup>2</sup> This past April, there was an island wide outage impacting 1.5 million people after a fire at one of LUMA's largest power plants, the Costa Sur power plant.<sup>3</sup> Most recently last month, there were two significant blackouts. One impacted nearly 20% of customers and resulted in a 25% loss in generation.<sup>4</sup>

Not only is the frequency of outages problematic, but the duration is also a growing concern. According to Puerto Rico's Energy Bureau, since January there has been an increase in overall outage duration per customer every month, with outages lasting more than 21 hours at every instance.<sup>5</sup>

The cost of electricity per kilowatt hour in Puerto Rico is approximately double the U.S. national average.<sup>6</sup> This is a substantial burden for the average household in Puerto Rico, where more than 40 percent live in poverty.<sup>7</sup> Indeed, there are growing concerns that rising energy costs will adversely impact the economic growth required to meet certain bond obligations.

There are many serious questions into LUMA's planning, preparation, and investment. The federal government has provided significant resources to build a resilient and more reliable transmission and distribution system. Yet, it appears these funds have not been deployed as effectively as possible. In addition, there are concerns about the adequacy of the workforce retained by LUMA both in regards to modernizing but also to restore service after the storm.

As Puerto Rico begins to recover from Hurricane Fiona, LUMA must be held accountable for providing the safe, reliable, and affordable electric service to the people of Puerto Rico. I appreciate your attention to this urgent matter.

Sincerely,



Letitia James

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<sup>2</sup> *Thousands remain without power after fire causes widespread outages in Puerto Rico*, Joshua Hoyos and Catherine Thorbecke, Jun. 11, 2021, <https://abcnews.go.com/US/thousands-remain-power-fire-widespread-outages-puerto-rico/story?id=78219784>.

<sup>3</sup> *Power restored across Puerto Rico after island-wide outage*, Monique Beals, Apr. 10, 2022, <https://thehill.com/homenews/3263745-power-restored-across-puerto-rico-after-island-wide-outage/>.

<sup>4</sup> *Blackouts spur criticism of Puerto Rico's LUMA Energy*, Robert Slavin, Aug. 23, 2022, <https://www.bondbuyer.com/news/blackouts-spur-criticism-of-puerto-ricos-luma-energy>.

<sup>5</sup> *Company Pledges to Reduce Puerto Rico Outages Amid Anger*, Danica Coto, Aug. 24, 2022, <https://www.usnews.com/news/us/articles/2022-08-24/company-pledges-to-reduce-puerto-rico-outages-amid-anger>.

<sup>6</sup> *Puerto Rico Territory Energy Profile*, U.S. Energy Information Administration, Sept. 15, 2022, <https://www.eia.gov/state/print.php?sid=RQ>.

<sup>7</sup> *Quick Facts Puerto Rico*, U.S. Census Bureau, <https://www.census.gov/quickfacts/PR>.