

Highlights of <u>GAO-20-141</u>, a report to Congressional Requesters

Why GAO Did This Study

In 2017, Hurricanes Irma and Maria damaged Puerto Rico's electricity grid, causing the longest blackout in U.S. history. It took roughly 11 months after the hurricanes for power to be restored to all of the customers with structures deemed safe for power restoration. Federal agencies, including FEMA, provided about \$3.9 billion to help restore electricity service, which included temporary or partial repairs. Now that electricity service has been restored, local entities face the longerterm and more expensive task of grid recovery to more fully repair and rebuild the grid. Federal programs provide opportunities to incorporate resilience into disaster recovery efforts and the federal government has appropriated billions in funding to support electricity grid recovery in Puerto Rico.

GAO was asked to review the federal response to the 2017 hurricanes. This report (1) describes the role of federal agencies in supporting electricity grid recovery efforts in Puerto Rico; and (2) examines the status of federal support for grid recovery in Puerto Rico and challenges affecting progress on grid recovery efforts. GAO reviewed relevant laws, regulations, and federal policies for disaster recovery; and agency documents. GAO also interviewed federal and local officials and industry and stakeholder groups.

What GAO Recommends

GAO is making four recommendations, including that FEMA (1) provide clear written information in the form of policy, guidance, or regulations that clarifies how it will implement new authorities and (2) take steps to enhance coordination among local and federal entities. FEMA generally agreed with our recommendations.

View GAO-20-141. For more information, contact Frank Rusco at (202) 512-3841 or ruscof@gao.gov

Puerto Rico Electricity Grid Recovery

Better Information and Enhanced Coordination Is Needed to Address Challenges

What GAO Found

Federal agencies can support long-term electricity grid recovery efforts in Puerto Rico through three primary roles—providing funding and technical assistance and coordinating among local and federal agencies. The Federal Emergency Management Agency (FEMA) and the Department of Housing and Urban Development (HUD) are the primary federal funding sources for grid recovery. The Department of Energy (DOE) can provide technical assistance to local and federal entities to support grid recovery efforts. In addition, FEMA is to coordinate federal capabilities to support and expedite recovery.

Damaged Power Lines in Puerto Rico in November 2017 after Hurricane Maria





Source: Federal Emergency Management Agency. | GAO-20-141

As of July 2019, neither FEMA nor HUD had funded long-term grid recovery projects in Puerto Rico, but DOE had provided technical assistance. Progress on grid recovery efforts has been hindered in part because FEMA has not provided clear written information on what will be eligible for funding. For example, FEMA has new authorities to fund projects that enhance resilience and restore grid infrastructure to the latest industry standards, but FEMA has not defined resilience or specified what standards it will accept. Consequently, it is unclear which technologies and approaches are eligible for funding. According to FEMA, developing a policy to implement its new authorities created challenges for establishing clear guidance but FEMA officials believed they had reached an understanding with local entities through discussions and trainings. However, without clarification from FEMA, local entities do not have sufficient information to implement plans and risk spending resources developing projects that may not be eligible for funding. Also, the need for coordination among the numerous entities involved in grid recovery in Puerto Rico poses challenges, according to local and federal officials. FEMA is to lead the coordination of federal support for local agencies to achieve recovery goals, but has not established a mechanism that is working to facilitate coordination among the numerous entities involved in grid recovery. According to FEMA, coordination across federal leadership is occurring and agencies communicate directly with local entities. However, these efforts do not involve all federal and local entities and, given the unique situation, without a mechanism to enhance coordination among these entities, coordination challenges may continue to hinder progress.