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September 25, 2024

STATEMENT BY LUIS E. PIZARRO-OTERO, PRESIDENT & CHAIRMAN OF THE BOARD PUERTO RICO CHAMBER OF COMMERCE

In response to the US House of Representatives Committee on Natural Resources Subcommittee on Indian and Insular Affairs hearing on "Examining Puerto Rico's Electrical Grid and the Need for Reliable and Resilient Energy", on September 26, 2024, I am pleased to offer the following testimony.

Thank you, Chairwoman Hageman, Vice Chairwoman González Colón, Chairman Westerman, Ranking Member Grijalva, Ranking Member Leger Fernandez and the other members of the Committee for inviting the Puerto Rico Chamber of Commerce (PRCC) to discuss the energy challenges affecting Puerto Rico's electric grid and the need for reliable and resilient energy.

We note the Resident Commissioner's leadership in convening this important hearing, and we appreciate her efforts and those of the Committee's leadership in working on behalf of the 3.2 million U.S. citizens in Puerto Rico.

Founded 111 years ago, the PRCC is the leading private sector organization on our island, with members representing every sector of our local economy. As Puerto Rican consumers and business owners, we depend on affordable and reliable energy to operate and grow, creating jobs and opportunities for the people of the island.

Seven years after Hurricane Maria, Puerto Rico is facing an energy and recovery crisis. This crisis is not just the result of technical failures or external challenges but is fundamentally a crisis of management and accountability.

Despite the significant allocation of billions of dollars in federal funds by both the Biden and Trump administrations, as authorized by Congress, and then followed by a series of plans and initiatives; unfortunately, we have little to show in terms of results. There has been a lack of full ownership, coordination, and decisiveness in the energy transformation, rebuilding efforts, and process. Frankly, there is only one word that can be used to describe these efforts, and that word is "failure".

All stakeholders have been making excuses and "passing the buck", pointing fingers at others for failing to meet their obligations and responsibilities to restore Puerto Rico's electric grid and provide affordable and reliable energy. The consequences of this failure are being borne by the people of Puerto Rico. They continue to suffer from unreliable power service, prolonged blackouts, and escalating electricity costs.

Businesses, schools, hospitals, and homes have all been affected. This has stifled economic growth and affected the quality of life for all residents. It



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is inexcusable that seven years after Hurricane Maria, and with substantial federal aid and funding, we are still facing the same problems of a fragile power grid and inadequate recovery. All while those responsible point fingers.

The PRCC and other key business associations strongly believe that this status quo cannot continue and that our federal government must take a more aggressive role to ensure accountability from all key local and federal stakeholders.

We will soon elect a new POTUS, and we strongly urge the next POTUS to issue an executive order creating a cabinet-level federal task force to lead the energy transition and recovery for Puerto Rico. This task force should be modeled after the successful Hurricane Sandy initiative led by the White House, which helped streamline and prioritize recovery efforts to deliver results in impacted areas.

This proposed task force must have the following key components:

- 1. Federal Cabinet Leadership: A senior, empowered Cabinet member must be appointed to lead the Task Force, ensuring the authority, sense of urgency, and resources necessary to cut through bureaucratic inertia and deliver results that work directly with the Governor-elect of Puerto Rico, beyond the existing Department of Energy Task Force on Puerto Rico Energy.
- 2. Executive Director and Staff: The Task Force should include an Executive Director and a dedicated staff with the expertise and mandate to enforce deadlines, coordinate actions across federal agencies, and hold all stakeholders accountable, with delegated powers and authority as well as direct support from the Office of the President and the Governor.
- 3. Strong Private Sector Participation: To achieve tangible and timely results, the Task Force must include significant private sector participation. Puerto Rico's business community has both the expertise and the commitment to contribute to the successful transformation of our energy system and recovery efforts.
- **4. Accountability and Transparency:** Time-driven clear performance metrics, regular reporting, and transparency are essential to regain the trust of the Puerto Rican people and ensure that every dollar spent directly contributes to sustainable improvements.

Puerto Rico is at a tipping point, and our local and federal leaders have a choice to make. We can either take bold and decisive action to address the systemic issues that have plagued our recovery and energy transition, or we can continue down the current path of fragmented and ineffective efforts that have created a humanitarian and economic crisis. The PRCC, with the support of our member business organizations that represent the interests of the private sector and the economic well-being of our people, strongly advocates for the latter.

We ask this Committee and Congressional leadership to support our request for the creation of a Puerto Rico Energy Revitalization Cabinet Working Group. Immediately upon taking office, we urge the next President to prioritize this request with the urgency it deserves. It is time to move forward with



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determination and purpose to deliver the future the people of Puerto Rico deserve.

Thank you again for your time and consideration. We look forward to providing feedback and working together to build a strong and resilient Puerto Rico through affordable and reliable energy.

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