



Legislation Text

File #: Res 0392-2022, **Version:** A

Res. No. 392-A

Resolution supporting a democratically governed public entity that will provide reliable and affordable electrical power to the people of Puerto Rico and supporting the immediate cancellation of the contract with LUMA Energy.

By Council Members Cabán, Avilés, Rivera, Farías, Velázquez, Ayala, Stevens, Hanif, Restler, Hudson, Gutiérrez, Krishnan, Won, Nurse, Abreu, Brewer, Marte, Sanchez, Brooks-Powers, Schulman, Louis, Menin, De La Rosa, Ossé and Gennaro

Whereas, According to United States (US) Census estimates for 2019, New York City (NYC) has a population of more than 650,000 people of Puerto Rican origin, or about 8 percent of NYC's total population; and

Whereas, Mayor Eric Adams emphasized NYC's strong connection to Puerto Rico, referring to it as NYC's "sixth borough" when responding to the devastation in Puerto Rico caused by Hurricane Fiona in September, 2022, which left the entire island without power and further compromised its already severely damaged electrical grid; and

Whereas, Access to affordable and reliable electricity is a basic human need and right; and

Whereas, Climate change will result in increasing frequency and intensity of the kinds of hurricanes that have wreaked havoc on Puerto Rico in recent years-Irma and Maria in 2017 and Fiona in 2022-and have virtually destroyed the power grid that is essential to the well-being of all Puerto Ricans; and

Whereas, Following Irma and Maria, families were displaced and left without power, water, food, medical care, communications, and transportation for months as thousands of Puerto Ricans died; and

Whereas, The Puerto Rico Electric Power Authority (PREPA), a public corporation and the sole electricity utility in Puerto Rico, owns and operates the generation, transmission, and distribution facilities that

provide electricity to about 1.5 million customers; and

Whereas, On June 22, 2020, PREPA and the Puerto Rico Public-Private Partnership Authority chose LUMA Energy-a private US-Canadian consortium of Houston-based Quanta Services and Alberta-based ATCO -to operate, maintain, and modernize PREPA's badly damaged electricity transmission and distribution system over the next 15 years through a public-private partnership; and

Whereas, Concerned Puerto Rican residents and union workers have criticized the services provided by LUMA Energy as being both too expensive, due to a total of seven rate hikes since June, 2021, and too unreliable, with frequent and lengthy power outages; and

Whereas, Members of the Unión de Trabajadores de la Industria Eléctrica y Riego (UTIER), the union that represents PREPA workers, were offered jobs with LUMA, but those offers included working conditions that were worse than those they had won through a collective bargaining agreement and would cause loss of seniority, pensions, and preferred health care plans; and

Whereas, Experienced, skilled linemen who did not transition to work for LUMA were, under Puerto Rican law, reassigned to other government jobs, which did not utilize their training and in which they were not interested; and

Whereas, Concerned Puerto Ricans and union workers have expressed their disapproval of the temporary contract with LUMA Energy, including through protests in Aguadilla and San Juan and, in solidarity, through protests by Puerto Ricans and New Yorkers of Puerto Rican heritage in NYC's Union Square; and

Whereas, Puerto Rico's House of Representatives passed a resolution calling for the termination of LUMA Energy's temporary contract, which expired on November 30, 2022; and

Whereas, That temporary LUMA Energy contract was extended by a 4-to-1 vote of PREPA's board, with the support of Puerto Rico Governor Pedro Pierluisi; and

Whereas, LUMA Energy's current contract will become permanent for a term of 15 years once a federal judge approves the restructuring of PREPA's debt, which is now being negotiated; and

Whereas, LUMA Energy has faced hearings before the Natural Resources Committee of the US House of Representatives and a call from New York State Attorney General Letitia James for a federal investigation into the consortium; and

Whereas, Many concerned citizens believe that PREPA could better serve the people of Puerto Rico by providing electricity efficiently and effectively if it were governed by a board democratically elected by the public; and

Whereas, Puerto Rico's status as one of the world's oldest colonies, with a history of military occupation and protectorate status since 1508, makes it even more important for its public electrical utility to be governed by a board that is democratically elected by Puerto Ricans themselves; now, therefore, be it

Resolved, That the Council of the City of New York supports a democratically governed public entity that will provide reliable and affordable electrical power to the people of Puerto Rico and supports the immediate cancellation of the contract with LUMA Energy.

LS #10968 and #10969
12/7/2022
RHP