

San Juan blackout exposes chaos in restoration of Puerto Rico's electrical service

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Last week's power outage in Puerto Rico makes clear that efforts to restore the island's decimated electricity system remain in chaos some eight weeks after Hurricane Maria ravaged the island on September 20.

On Thursday, November 9, there was a power outage in San Juan, Puerto Rico that left hundreds of thousands in darkness, many of whom had had power restored only days before.

The island's public electricity company (AEE) indicated that power delivery plummeted from 40 percent (leaving 60 percent of households still without power) to 18.3 percent (81.7 percent of users without power), due to a failure of a 230-volt transmission line that runs along the northern coast connecting Arecibo and the San Juan Metropolitan area (including the municipalities of Manatí, Bayamón, Caguas, Guaynabo and Carolina).

The problem was with a failure on a main north-south transmission line, said Fernando Padilla, an AEE official. "It was a mechanical issue on the line, could have happened at any line," admitted Padilla. "It's being patrolled and repaired by the AEE."

It is reported that the Montana-based firm Whitefish Energy had recently repaired this power line that, in turn, was part of one of the main power lines that connects the southern part of the island, where most of the power is generated, to the north, where most of the power is consumed.

Whitefish is the controversial firm that—with only two full-time employees—recently signed a \$300 million-plus contract that may have involved cronyism with Trump officials. Since its public exposure, the contract has been cancelled and the firm is under investigation.

The *New York Times* reported Monday that Whitefish was billing the Puerto Rican public power company \$319 an hour for linemen, nearly 17 times the average

paid to Puerto Rican electrical workers. While the company claimed that the exorbitant charges reflected its "overhead" in Puerto Rico, it was also charging the Puerto Rican agency money for workers' room and board.

Whitefish also charged "three times the going rate for aviation fuel, and about double what a helicopter specially equipped for transmission line construction should cost."

It cited widespread belief among Puerto Ricans that this price gouging was used both to deliver fat profits to the contractor and fund kickbacks to corrupt officials.

Whitefish denies that the blackout had anything to do with the sections of the line that its technicians repaired. It is continuing its exorbitantly paid operations in Puerto Rico until the end of the month.

Though power was restored over the weekend that followed, it was a reminder to many that a system that was seriously hobbled (due to outdated power plants and a poorly maintained power grid) before Hurricane Maria knocked down thousands of power poles and lines remains in complete disarray.

The crisis in power provision became notorious in the 18 months that preceded Hurricane Maria, with many medium and large businesses opting for investing in their own power generating equipment.

Along with the layoff of hundreds of employees and the imposition of higher tariffs, blackouts became part of the daily routine of AEE. At the time, officials of the union that represents AEE employees (UTIER), accused the new management of creating a crisis atmosphere to justify privatizing the firm. Several years ago, the state-owned company had abandoned its program of preventive maintenance (*Plan de Conservación y Mantenimiento*) for one in which repairs took place as equipment broke down.

Both before and after the setback that last week's power outage represents, there have been almost daily reports of increases in power generation, 45 percent one day, 50 percent the next. In and of themselves, these reports are deceptive, both because electricity generation does not automatically translate into households connected to the grid, and because Puerto Ricans are still dependent on the same unreliable system as before Hurricanes Irma and Maria. Many of the better-off households obtained gas-powered generators before this year's hurricanes, in response to the shoddy state of the electric power system and frequency of blackouts.

San Juan's *El Vocero de Puerto Rico* reported on Saturday that many cities and towns (cities with less than 50,000 inhabitants) throughout the island still have zero electric service. The overwhelming majority of hospitals and clinics still must rely on gas-powered generators. Meanwhile in San Juan and other major cities, supposedly enjoying the partial restoration of electricity, public housing, condominiums and workers' homes are still in the dark "except for battery powered flashlights and candles." Gas-powered generators often light middle-class housing. The government has prioritized industrial parks and large retail establishments in the restoration of power.

Meanwhile, the fiasco with the Whitefish contract is being invoked as a pretext for the imposition of tighter control by the Financial Oversight and Management Board, which was appointed by the Obama administration to impose austerity measures aimed at extracting payments to Wall Street investors and predatory hedge funds that sought to profit off of distressed Puerto Rican debt.



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