

Puerto Rico blackout exposes the precarious state of the island's electrical grid

By Matthew Taylor
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An explosion ripped through the Monacillo power plant outside of San Juan, Puerto Rico Sunday night, causing large-scale blackouts in the capital city. More than 175,000 residents temporarily lost power. The San Juan International airport, the University of Puerto Rico's San Juan college and Centro Medico, the region's largest hospital, were all left without power for several hours. There were no reported casualties from the explosion.

While the cause of the explosion is still unknown Angel Figueroa Jaramillo, union leader for the Puerto Rican Electrical Power Authority (PREPA), told reporters that a breaker should have prevented the blackout and that it was too early to determine if mechanical failure was the problem given the decrepit state of the islands power plants.

Sunday's blackout illustrates the precarious state of the electrical infrastructure in Puerto Rico nearly five months after Hurricane Maria destroyed the island's power grid, plunging the entire country into darkness and worsening the already impoverished conditions that the majority of Puerto Rico's citizens live in. To date, 30 percent of the island is still without power, encompassing some 1 million people. Where power has been restored, primarily in the urban areas, it is unreliable and subject to failure.

The power plant explosion occurred in the wake of the announcement by the island's governor, Ricardo Rosselló, that his government would seek to privatize PREPA, the largest public utility company in the United States. In June of last year, the utility had already filed for a form of bankruptcy protection under Title III of the Promesa law, a law passed by Congress in 2016 to impose austerity measures upon the island's population and ensure the payments of its debts to Wall Street. To carry out this task the law created an

unelected eight-person body known as the Financial Oversight and Management Board.

Staffed by bankers and other social parasites who had driven the island to insolvency through various deals with hedge funds and wealthy investors, the board voted in June of last year to sell PREPA to private interests.

Sunday's incident will undoubtedly be used to bolster the governor's argument that the island's electricity needs can be better served by private business interests.

The privatization of PREPA has been a long-held goal of Puerto Rico's elite and the Wall Street interests they represent and serve. Just as on the mainland, and throughout the world, publicly held utilities and their potential to generate vast profits through providing the vital necessities of life—clean water, electricity, trash removal, etc.—are an irresistible target for the capitalist class. Natural disasters are used frequently as the pretext for the transfer of publicly held assets to the private sector.

Hurricane Maria was the catalyst for the sell-off, the groundwork for which has been laid by years of under-funding, corruption, and mismanagement. It is a widely held belief among Puerto Rico's electrical workers that the disrepair of the system is the outcome of a deliberate policy intended to smooth the transition to privatization.

An examination of the state of repair of the island's electrical infrastructure supports this belief. The average age of power plants in Puerto Rico is 44 years, more than twice the industry average of 18 years. The workforce has been steadily diminished in recent years, from 8,628 workers in 2012 to 6,042 in 2017. Years ago PREPA abandoned a regular maintenance program as too costly, instead opting to make repairs when

equipment became damaged. The utility also holds \$9 billion dollars of debt, the largest portion of the bankrupt island's \$74 billion dollar debt.

There have also been indications that the directors of PREPA have deliberately slowed recovery efforts post-Maria. In January, the Intercept published an article describing the armed seizure by FEMA and the US Army Corp of Engineers of a warehouse in Palo Seco, owned by PREPA, where the utility company had been hoarding equipment used in repairing the power grid. Discovered in the raid were hundreds of high tension steel sleeves, which are required to build new power lines along with "2,875 pieces of critical material to contractors." USACE and FEMA reportedly started distributing the seized equipment to contractors immediately, and the story was buried by the media.

In addition to hoarding needed equipment, PREPA has also come under criticism for its corrupt contracting process. Most notably, they awarded a \$300 million no-bid contract for repairs to Whitefish Energy, a company of two employees founded in 2015 with connections to the Trump administration. The founder of the company, Andy Techmanski is close friends with the Secretary of the Interior, Ryan Zinke. Whitefish's primary investor, HBC Investments, was founded by Joe Colloneta, a major donor to the 2016 Trump campaign.

The no-bid contract was awarded due to an executive order issued by Rosselló in the aftermath of Maria, which lifted all standard processes and restrictions for awarding government contracts. Included in the contract was a clause that prohibited government auditors from examining the labor costs and profits from the project.

Rosselló was forced to cancel the contract after news reports detailing its corruption became widespread and resulted in public outrage. Among the more notable discoveries was that Whitefish was charging PREPA \$319 per hour for its linemen, roughly 17 times what linemen in Puerto Rico earn. Meanwhile, PREPA's subcontractors, who had been recruited from several large Florida utility companies, were paid \$63 dollars per hour, just one-fifth of the total per hour charged by Whitefish to the government of Puerto Rico. The FBI is said to be investigating the awarding of the contract.

The drive toward privatization and the austerity measures imposed by the Financial Oversight and

Management Board will deepen the social crisis that Puerto Rican workers have suffered under for years. The US colony has been in recession for the last 11 years and 45 percent of the island's population lives below the poverty line. Many Puerto Ricans, facing unendurable hardship, have migrated to the mainland, a process that has greatly accelerated since the hurricane. An estimated 300,000 Puerto Ricans have made the move to Florida alone.

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