

EnergyAnswers Arecibo

June 13, 2017

John Filippelli, Director
USEPA Region 2
Clean Air and Sustainability Division
290 Broadway
New York, NY 10007-1866

Subject: Energy Answers Arecibo, LLC
Prevention of Significant Deterioration Air Permit Limited Extension Monthly Update Report

Dear Director Filippelli:

Please find below the second monthly update report, provided as per your April 10, 2017 PSD permit extension letter.

The test pile and demolition work on the Arecibo project site has been temporarily halted while an injunction is obtained to ensure the safe and continuous access to the property. These actions were taken after an initial incident occurred on April 19th in which a few obstructionists prevented the workmen from exiting the site in the afternoon. The gathering of obstructionists continued for several days, causing concern for the safety of the workforce, as well as those obstructing the team's access to the site. (See attached photos.)

Although the Rossello administration has recently signed into law new legislation that makes the obstruction or stoppage of permitted construction works a felony, with a penalty of up to three years imprisonment; which specifically includes preventing entry or access to permitted construction sites, we believe that it is still best to seek an injunction to provide the authorities with specific legal grounds to take the necessary steps to enforce this law. Therefore, we have engaged local legal counsel and are in the process of obtaining such an injunction. The motion seeking a cease and desist order has been filed and the hearing has been scheduled for June 22, 2017. It is important to note that this injunction is solely to clear the entrance of the site and ensure that the workforce can access the site consistently and safely. The injunction does not seek to prevent the obstructionists from expressing their opinion in the vicinity of the project entrance.

For your reference, I have attached confirmation of the injunction filing and the resolutions documenting the recusal of the first and second judges from the case. The case is very one sided in our favor and is expected to be resolved favorably once heard by the judge. Once an injunction is issued, the test pile and demolition work will recommence on the site.

Regarding other matters addressed in our PSD Permit Extension Request letter, the USDA Rural Utilities Service (RUS) Record Of Decision (ROD) has yet to be released. However, we were informed by RUS that due to the increasing economic instability within Puerto Rico, they are currently not in a position to issue a loan to the project at this time. The project is in the process of determining the essential milestones that will need to be completed to address the concerns raised by RUS and once again allow them to consider a loan to the project. These milestones include, as an example, the completion of the

Energy Answers Arecibo, LLC

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Letter - Director Filippelli
USEPA Region 2
June 13, 2017

PREPA debt restructuring process, which is expected to occur later this summer. While the RUS loan program was our preferred financing alternative, we have been simultaneously pursuing a capital markets/bond financing of the project. Toward this goal, we have been working with the Puerto Rico Government Development Bank and its successor agency the Fiscal Agency & Financial Advisory Authority (AAFAF by its Spanish acronym), as the conduit, not the lender, on such a financing. Although this is a more expensive form of financing, it remains a viable alternative.

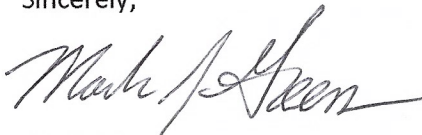
The project EPC/Turnkey construction contract remains in effect and work toward the construction of the facility under this agreement continues. We continue to believe that with the receipt of the injunction and completion of the initial geotechnical work, we will be able to commence construction prior to the expiration of the PSD permit.

Finally, we continue to believe that the Arecibo Resource Recovery Facility's ability to provide fully compliant solid waste management capacity for over 20% of the MSW generated in Puerto Rico, greatly needed renewable energy generation capacity to Puerto Rico Electric Power Authority (PREPA), a major net reduction in GHG generation, the recovery of over 200 tons per day of recyclable metals that would otherwise be lost to landfills, as well as being a major short and long term economic stimulus, providing thousands of construction jobs and hundreds of permanent jobs, represents an important part of the solution to some of the most critical challenges facing Puerto Rico, including:

- The growing landfill crisis with 20 of Puerto Rico's 28 landfills not able to comply with Sub-Title D regulations,
- The aging PREPA generating fleet, with the average age of these facilities being over 45 years and many needing renovations and/or fuel conversions to effectively meet EPA emission standards,
- Puerto Rico's low recycling rate, which has remained below 15% for approximately 20 years, and
- Puerto Rico's historic economic crisis.

Should you have any questions, please contact me at your convenience.

Sincerely,



Mark J. Green
Vice President
Energy Answers Arecibo, LLC





ESTADO LIBRE ASOCIADO DE PUERTO RICO
TRIBUNAL DE PRIMERA INSTANCIA
SALA SUPERIOR DE ARECIBO

ENERGY ANSWERS ARECIBO, LLC

CIVIL NÚMERO: C PE2017-0094

Demandantes

v.

MYRNA CONTY HERNANDEZ; AIMEE
MONTOYA RAMIREZ; CARLOS MARIO
GARCIA BERRIOS; ANGEL GONZALEZ
CARRASQUILLO; WILFREDO VELEZ
HERNANDEZ; HIRAM GONZALEZ
ROMAN; APOLINAR CINTRON PEREZ;
JAVIER BIAGGI CABALLERO; MYRNA
RODRIGUEZ; TERESA SANCHEZ;
ALEIDA CENTENO RODRIGUEZ; ZOE
GONZALEZ; ADRIANA GONZALEZ
DELGADO; YESAMINE VASCOT; ELA
CRUZ NAZARIO; JOSE M. SANTOS
VALDERRAMA; MYRNA GONZALEZ;
CRISTINA RIVERA ROMAN; PEDRO
SAADE LLORENS; CARMEN
MILAGROS VELEZ VEGA; MADRES DE
NEGRO ARECIBO INCORPORADO;
CIUDADANOS EN DEFENSA DEL
AMBIENTE, INC.; BASURA CERO
PUERTO RICO, INC.; SIERRA CLUB,

SOBRE:

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TRIB. PRIM. INST
SALA ARECIBO

JUNTE AMBIENTAL JUVENIL DE
ARECIBO, INC.; SOCIEDAD
ORNITOLÓGICA PUERTORRIQUEÑA,
INC.; IGLESIA METODISTA DE
PUERTO RICO, INC.; COMITE
OPUESTO AL INCINERADOR Y AL
GASODUCTO; VIVE BORIKEN CRL;
PROHIBIDO INCINERAR; GRUPO
ARECIBO 2015; COALICION DE
ORGANIZACIONES ANTI
INCINERADORA; COALICION
HOSTOSIANA; COMITE AMPLIO DE
ARECIBO EN CONTRA DEL
GASODUCTO Y EL INCINERADOR;
FULANO DE TAL; SUTANA DE TAL;
JOHN DOE; MARIE DOE; VICKY DOE

INTERDICTO POSESORIO
INTERDICTO PROVISIONAL,
PERMANENTE Y DAÑOS Y
PERJUICIOS

Demandados

**MOCION URGENTE EN SOLICITUD DE QUE SE EMITA
ENTREDICHO PROVISIONAL**

AL HONORABLE TRIBUNAL:

Comparece la parte demandante a través de la representación legal
que suscribe y muy respetuosamente **Expone, Alega y Solicita:**

ESTADO LIBRE ASOCIADO DE PUERTO RICO
TRIBUNAL DE PRIMERA INSTANCIA
CENTRO JUDICIAL DE ARECIBO
SALA SUPERIOR

Energy Answers Arecibo, LLC
DEMANDANTES

V.

Myrna Conty Hernández, et als.
DEMANDADOS

CIVIL NÚM.: C PE2017-0094

SALA 302

SOBRE: INTERDICTO POSESORIO,
INTERDICTO PROVISIONAL,
PERMANENTE Y DAÑO Y PERJUICIOS

RESOLUCIÓN


El 2 de junio de 2017 se refirió a nuestra atención el presente caso toda vez que el Hon. Jimmy Villalobos González, Sala 402 se inhibió de dicho caso porque: "[v]arias de las partes demandadas en el caso, son personas conocidas nuestras, por cuanto, somos residentes del pueblo de Arecibo". Además, solicitaba se le remitiera un caso de similar materia, complejidad y antigüedad.

Evaluada la demanda y sus alegaciones nos percatamos que hemos pertenecido a una de las organizaciones codemandadas, Sierra Club, desde el 1 de octubre de 2015, participando en varias de las reuniones y excursiones coordinadas por dicha organización de base comunitaria ambiental. La organización a la que pertenezco habrá de asumir una postura sobre las controversias de naturaleza ambiental del presente caso. En virtud de lo anterior, conforme la Regla 63.1 (j) para evitar alguna causa que pueda razonablemente arrojar dudas sobre la imparcialidad para adjudicar, nos inhibimos del caso.

Remitimos el expediente al Hon. Manuel A. Orriola Pérez, Coordinador de Asuntos de lo Civil para la asignación del presente caso a otra sala y remitir un caso de similar materia, complejidad y antigüedad a la sala de origen del Hon. Jimmy Villalobos González.

REGÍSTRESE Y NOTIFÍQUESE.

En Arecibo, Puerto Rico, a 2 de junio de 2017.


ANELIS HERNÁNDEZ RIVERA
JUEZA SUPERIOR

ESTADO LIBRE ASOCIADO DE PUERTO RICO
TRIBUNAL DE PRIMERA INSTANCIA
CENTRO JUDICIAL DE ARECIBO
SALA SUPERIOR

**ENERGY ANSWERS
ARECIBO, LLC**
PARTE DEMANDANTE

VS.

**MYRNA CONTY
HERNÁNDEZ, ET AL**
PARTE DEMANDADA

CIVIL NÚM.: C PE2017-0094

SOBRE:

**INTERDICTO POSESORIO,
INTERDICTO PROVISIONAL,
PERMANENTE Y DAÑOS Y
PERJUICIOS**

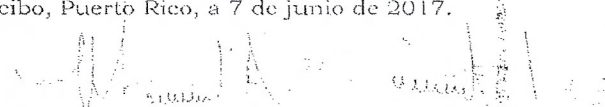
RESOLUCIÓN Y ORDEN

Atendida la inhibición de la Hon. Anelis Hernández Rivera, Juez del Tribunal Superior y previa inhibición del Hon. Jimmy Villalobos Hernández, se refiere el presente caso a la atención del Hon. Santiago Cordero Osorio, Salón de Sesiones 404.

Una vez el Juez Cordero reciba el expediente, enviará otro en intercambio, de similar materia, etapa procesal, antigüedad y complejidad al Hon. Jimmy Villalobos González, Salón 402. Conforme lo dispuesto en la **Orden Administrativa 2015-006**.

REGÍSTRESE Y NOTIFIQUESE.

Dada en Arecibo, Puerto Rico, a 7 de junio de 2017.


MANUEL A. ORRIOLA PEREZ
Juez Coordinador de Asuntos de lo Civil,
Relaciones de Familia y Menores