

COMMONWEALTH OF PUERTO RICO
PUERTO RICO ENERGY COMMISSION

COMISIÓN DE ENERGÍA DE PUERTO RICO	
Recibido por:	<i>[Signature]</i>
Fecha:	5/16 Hora: 3:57

IN RE: PUERTO RICO ELECTRIC
POWER AUTHORITY RATE
REVIEW

No. CEPR-AP-2015-0001

Subject: Motion to Intervene

MOTION TO INTERVENE

COMES NOW Sunnova Energy Corporation ("Sunnova"), through the undersigned legal counsel, and very respectfully STATES and PRAYS:

I. Introduction

1. On July 15, 2016, the Honorable Energy Commission issued an Order and Resolution in the above-captioned case in which it set specific requirements for persons or entities interested in intervening. Particularly, it orders petitioners to file a duly completed form, attached as Annex B of the Resolution and Order, which is aimed to establishing that interested persons and entities have sufficient resources and the technical, professional, academic, or practical knowledge needed to guarantee an informed and active intervention that would result in the enrichment of the proceeding.

2. The Energy Commission's Order and Resolution further provides that the Commission has discretion to approve or deny any petition to intervene after considering the following:

- (1) Whether the petitioner has a legitimate and specific interest that could be adversely affected by this proceeding;
- (2) Whether there are no other legal means for the petitioner to adequately protect his interests;
- (3) Whether the petitioner's interests are already or will be adequately represented by the Puerto Rico Electric Power Authority ("PREPA"), the Commonwealth Energy Public Policy Office ("CEPPO"), the Independent Consumer Protection Office ("ICPO") or other intervenors in the proceeding;
- (4) Whether the petitioner's participation, in light of his or her professional and/or academic credentials, may reasonably help to prepare a more complete docket of the proceeding;
- (5) Whether the petitioner's participation may result in repetitive testimony or may extend or delay the proceeding excessively;
- (6) Whether the petitioner represents or is the spokesperson of other groups or entities in the community;

- (7) Whether the petitioner can contribute information, expertise, specialized knowledge or technical advice which is otherwise not available in the proceeding.
- (8) Any other factor that the Commission deems relevant when reviewing an intervention request.¹

Because, as discussed below, it complies with the foregoing requirements, Sunnova hereby petitions the Energy Commission to accept Sunnova's intervention.

II. Basis for Sunnova's Intervention

- A. *Sunnova has a legitimate and specific interest in the proceeding that could be adversely affected by this proceeding.*

3. Sunnova is a corporation organized under the laws of the State of Delaware, duly authorized to do business in the Commonwealth of Puerto Rico. Sunnova is a leading residential solar provider serving customers in numerous states and territories throughout the U.S. Sunnova and its wholly owned subsidiaries own, operate, and provide support for solar systems on residential rooftops in Puerto Rico, which supply energy to customers at economical rates pursuant to long-term contracts. The company currently has ten (10) employees in Puerto Rico who conduct or coordinate many aspects of its business. Sunnova has, Island-wide, approximately 8,600 clients and 2,700 projects installed and in service. As of this date, Sunnova has collectively invested over \$84 million in Puerto Rico, which in turn has led to the creation of approximately 800 direct and indirect jobs, mostly related to the installation of residential solar systems. Sunnova plans to continue investing and creating jobs throughout the island, provided doing business in Puerto Rico remains feasible.

4. Based on Sunnova's current review of available documents on the record, PREPA's petition does not adequately address or discuss the impact the approval of new rates would have on net metering customers, a significant portion of which customer class is comprised of Sunnova's clients. The petition includes the testimony of Mr. Ralph Zarumba, who states that customers without distributed energy resources ("DER") are subsidizing customers with DER and that net metering will increase the rates to non-participating customers. Mr. Zarumba refers to documents for which PREPA has made a claim of confidentiality, are not currently available to Sunnova, and presumably will not be available in the future unless Sunnova is admitted as an intervenor. Mr. Zarumba also addresses potential solutions for tackling costs in connection with DERs, proposals of credits for DER-operating clients, and recommendations regarding cost recovery for excess compensation of net metering clients. See Testimony of Ralph Zarumba,

¹ The Energy Commission also references the Regulation on Adjudicative, Notice of Noncompliance, Rate Review and Investigation Procedures, Department of State Regulation 8543. Section 5.05 of the foregoing provides that "[a]ny person with a legitimate interest in a case before the Commission may present a duly grounded petition to intervene or participate in said case. The Commission shall evaluate and attend to the petition according to the criteria established in Act No. 170 of the 12 of August of 1988, as amended, known as the Uniform Administrative Procedure Act, and its interpretative case law."

PREPA Ex. 4, pp.30-35. It does not, for example, base its analysis on whether any of the proposed charges are fair and reasonable to net metering clients, whether charges assessed by PREPA cover operational and administrative costs of services received by net metering clients, whether the benefits provided by distributed solar outweigh any costs, or whether such charges would hinder the further development of renewable energy projects, as required by Section 29 of the PREPA Revitalization Act, Act No. 4 of February 16, 2016.

5. Net metering customers with DERs, as stated in paragraph 3, comprise Sunnova's customer base. The lack of a detailed discussion in this proceeding of DERs and net metering customers, as well as the absence of discussion of the benefits of solar systems to the grid the environment, and to non-participating ratepayers, can adversely affect Sunnova's business interests in Puerto Rico.

B. *There are no other legal means for Sunnova to adequately protect its interests.*

6. This is the proceeding provided for by Act 57-2014 for the approval of new rates proposed by PREPA. That is, the legislation specifically designed this procedure to address changes in electricity rates. Sunnova has no means, other than participating as an intervenor, to protect its interests as regards to the approval of rates which may adversely impact its customer base, and consequently, Sunnova's interests. As the Honorable Commission has already stated in its Restructuring Order, dated June 21, 2016:

In the pending rate case and in other proceedings, the Commission will explore, fully and deeply, all feasible ways to ensure that the maximum amount of cost-effective renewable energy is developed in Puerto Rico. And we will explore, just as fully and deeply, how to allocate the benefits and costs of that renewable energy consistently with elementary (and statutorily mandated) principles of economic efficiency, justness and reasonableness and nondiscrimination. For example, if distributed generation bears its fair share of infrastructure costs, it is entitled to consideration of the value it contributes (such as the "capacity value" created by reducing future load or producing output at peak periods). We look forward to inviting and assessing this type of analysis.

See Restructuring Order, dated June 21, 2016, in case CEPR-AP-2016-0001. Hence, this proceeding is the ideal proceeding in which Sunnova can properly look after its interests.

C. *Sunnova's interests are not and will not be adequately represented by PREPA, CEPPPO, ICPO nor other intervenors in the procedure.*

7. As explained in paragraph 3, Sunnova is the leading solar renewable energy company in the residential sector in Puerto Rico. Its interest in such market is very particular. Its intervention in this proceeding would therefore be tailored to safeguard such interest. This proceeding entails the discussion of multiple and complex elements that go into the establishing of electric

rates. It is unlikely then that entities such as PREPA, CEPPO, ICPO, which are public entities, or any other intervenor (including other solar companies) will represent the unique interests Sunnova, a private company, in Puerto Rico, where Sunnova has thousands of customers. Sunnova's seeks to ensure that any discussion about DERs and net metering takes Sunnova's interests into consideration.

- D. *Sunnova's participation, in light of its professional and/or academic credentials, may reasonably help to prepare a more complete docket of the proceeding;*
- E. *Sunnova can contribute information, expertise, specialized knowledge or technical advice which is otherwise not available in the procedure.*

8. Given the interrelationship of the foregoing factors, we discuss them together. Sunnova is the leading solar residential company in Puerto Rico. It employs professionals who have worked in the Puerto Rico solar industry since 2014. It is also active in 18 U.S. states, the United States Virgin Islands, Guam, and Saipan, and a number of such jurisdictions have had discussions similar to the captioned case. Thus it has extensive experience on installation, financing, maintenance and operation of thousands of customer systems nationwide, including their relationship with the electric utilities at each location where Sunnova does business. Sunnova, therefore, possesses singular experience, technical expertise, and broad perspective in connection with rate cases of other utilities or government entities that will undoubtedly contribute to the preparation of a more complete administrative record. Sunnova would address aspects of the rate approval case such as: support of the proposed revenue requirement by accurate numbers and transparent assumptions; consistency of the proposed revenue requirement with efficient and satisfactory performance; provision of the proposed rates for the full and timely payment of PREPA's financial obligations; fairness and reasonableness of the allocation of PREPA's costs among customer classes and design of rates for individual customers; and accuracy and transparency of PREPA's bills to customers. See Order and Resolution, dated July 15, 2016, p. 4. For example, Sunnova could shed light on fairness and reasonableness of any proposed charge upon net metering customers pursuant to Section 29 of Act No. 6 (see paragraph 4).

- F. *Sunnova's participation will not result in repetitive testimony nor will it extend or delay the proceeding excessively.*

9. Sunnova is aware that the proposed rates are subject to a timeline. Therefore, Sunnova will be mindful of the process and will comply with applicable timetables, as it has done in other proceedings before the Energy Commission. Sunnova's participation will be in good faith and will not prolong the case unduly.

- G. *Sunnova does not represent and is not the spokesperson of other groups or entities in the community.*

10. Although Sunnova does not represent nor is it the spokesperson for other groups or entities, its experience and proposals could shed light on other solar companies' experience in Puerto Rico and could be adopted by such companies.

H. *Any other factor that the Commission deems relevant when reviewing an intervention request.*

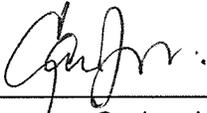
11. Sunnova is available to present to the Honorable Energy Commission any additional information it may need in order to better evaluate Sunnova's petition to intervene.

WHEREFORE, Sunnova respectfully requests that intervention status be granted so that full rights as an intervening party be accorded to Sunnova.

I HEREBY CERTIFY that the foregoing was notified via e-mail to the following persons: n-ayala@aeep.com; c-aquino@aeep.com; glenn.rippie@r3law.com; michael.guerra@r3law.com; john.ratnaswamy@r3law.com; afigueroa@energia.pr.gov; tnegron@energia.pr.gov; and legal@energia.pr.gov.

Respectfully submitted this 5th day of August, 2016, in San Juan, Puerto Rico.

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