

COMISIÓN DE ENERGÍA DE PUERTO RICO
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COMISIÓN DE ENERGÍA DE PUERTO RICO	
Recibido por:	<i>Quincy Torres</i>
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**IN RE: PETITION FOR APPROVAL OF TRANSITION
ORDER FILED BY THE PREPA REVITALIZATION
CORPORATION**

CASE NO: CEPR-AP-2016-0001

Intervenor Pre-Filed Testimony

Pursuant to the Puerto Rico Energy Commission's *Nunc Pro Tunc* Resolution dated April 22, 2016, PVP Properties, Inc., Coto Laurel Solar Farm, Inc., Windmar PV Energy, Inc., and Windmar Renewable Energy, Inc. (collectively, "WindMar Group") as Intervenors and by their Attorney Marc Roumain hereby respectfully state and pray the following;

On April 26, 2016 the Puerto Rico Energy Commission (the "Commission") accepted WindMar Group's Petition to Intervene. As intervenor WindMar Group, in compliance with the abovementioned Resolution, hereby provides its Pre-Filed Testimony.

We intend to mainly address and comment two aspects of the Petition for Restructuring Order ("Petition") filed by the Puerto Rico Electric Power Authority Revitalization Corporation ("Corporation"). The first aspect is whether or not the Petition satisfies the "criteria for distributing Financing Costs among Customer classes". The Petition distributes the financing costs between two classes Residential and Non-Residential.

The second aspect we will address is if the proposed financing costs distribution and the proposed charges to PREPA's customers whom generate all or part of their own energy demand is contrary to public policy established by both the Commonwealth of Puerto Rico and the Federal government.

Concerning the "criteria for distributing Financing Costs among Customer classes", the Corporation proposes applying different methods to the Residential and Non-Residential classes it establishes. The resident class group, approximately 1.3 million customers, represents 38% of total current electric sales. The non-resident class is composed of approximately .12 million customers and represents 62% of total current electric sales. Their aggregate sales are less than total sales for the consumption from Municipalities is not included.

The proposed fixed charge method applied to resident customers penalizes low energy (small) consumers and rewards high energy (large) consumers. Further, it will provide no incentive to self-supply, demand response schemes, or reduce consumption. Utilities prefer large energy consumers.

Currently 98.5% of the energy sold by PREPA comes from fossil fuel sources. Only 1.5% come from PREPA's hydro, from wind and solar utility scale PPOAs and from distributed generation PV customers. The Petition puts too big a burden to residential renewable energy producers and proposes to extend that burden to non-residential renewable energy producers. It seems that for the Petition to work, business as usual namely generation of energy from imported fossil fuels needs to be safeguarded. The Petition achieves this goal by placing excessive costs and restriction to distributed generation customers that generate part or all of their energy from renewable sources.

It is our understanding that rather than a single class for residential customers a 5-tier system will be more equitable in distributing the restructuring cost. We can assist the Commission and the Corporation in establishing this 5-Tier system easily if we are provided further information such as the number of PREPA's residential customers that have a flat charge rate as well as their actual consumption and the revenue collected from them. Additionally it will help to know how many customers are; at or below 50% of average consumption, at or below 50% of average consumption, at or above 25% of average consumption, at or above 100% of average consumption and at or above 200% of average consumption as well as their annual consumption and how much revenue they provided the utility. We are confident that with this information we can clearly prove that statements made in the Petition such as "A Transition Charge based on kWh usage would place a significantly higher burden on these Customers ("low income users") than the per service agreement basis." are incorrect and untruthful.

The second and final aspect we hereby testify to is the fact the Petition calls for a charge to renewable energy providers for the capacity of their system. It has been established in other jurisdictions that such charges should be based on "cost causation" not on assuring greater revenue to the utility or to controvert public policy. Also, a customer exercising his choice for clean energy should not be penalized. After all, it's a federal and Commonwealth mandate to move toward more renewable energy and less imported fossil fuel derived energy. *When considering this proposed charge did the Corporation estimate both the cost to the grid and the savings to the grid of renewable energy generation systems connected to distribution system?*

I hereby certify that this Motion was notified on this date via email to the following:

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Respectfully submitted this 9th day of May, 2016.

Por:



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