

COMMONWEALTH OF PUERTO RICO
Public Service Regulatory Board
Energy Bureau
WORLD PLAZA BUILDING
268 MUÑOZ RIVERA AVE,
SAN JUAN, PR. 00918

NEPR
Received:
Oct 23, 2019
1:01 PM

IN RE: Puerto Rico Electric Power Authority's
Integrated Resource Plan

Case Number: CEPR-AP-2018-0001

Subject: Written Testimony

Motion to file Intervenor Written Testimony

COMES NOW, PVP Properties, Inc., Coto Laurel Solar Farm, Inc. and Windmar Renewable Energy, Inc. (collectively, "WindMar"), through the undersigned legal counsel, respectfully state and pray:

1. Pursuant to the Commission's Orders, Windmar hereby files the attached written testimony of Victor Luis Gonzalez Barahona in compliance with the Commission's requirements.

Respectfully submitted in San Juan, Puerto Rico, on October 23, 2019.

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CERTIFICATE OF SERVICE

We hereby certify to have notified copy of this document to the following people:

The Puerto Rico Energy Bureau through its electronic filing tool at <https://radicacion.energia.pr.gov> and through wcordero@energia.pr.gov, secretaria@energia.pr.gov; legal@energia.pr.gov; sugarte@energia.pr.gov and viacaron@energia.pr.gov, and to the Puerto Rico Electric Power Authority through the following email addresses: Katiuska Bolaños (kbolanos@diazvaz.law); Nitza D. Vázquez Rodríguez (n-vazquez@aeepr.com); Carlos M. Aquino Ramos (caquino@prepa.com); Astrid I. Rodríguez Cruz (astrid.rodriguez@prepa.com); Jorge R. Ruíz Pabón (jorge.ruiz@prepa.com), and Maralíz Vázquez (mvazquez@diazvaz.law).

We also certify that on this date we sent a copy of this document to: rtorbert@rmi.org; corey.brady@weil.com; presidente@ciapr.org; secretaria@energia.pr.gov; csanchez@energia.pr.gov; ireyes@energia.pr.gov; asanz@energia.pr.gov; bmulero@energia.pr.gov; nnunez@energia.pr.gov; gmaldonado@energia.pr.gov; sierra@arctas.com; tonytorres2366@gmail.com; cfl@mcvpr.com; gnr@mcv.com; info@liga.coop; amaneser2020@gmail.com; hrivera@oipc.pr.gov; jrivera@cnslpr.com; carlos.reyes@ecoelectrica.com; ccf@tcmrslaw.com; manuelgabrielfernandez@gmail.com; acarbo@edf.org; pedrosaade5@gmail.com; rmurthy@earthjustice.org; rstgo2@gmail.com; larroyo@earthjustice.org; jluebke@earthjustice.org; acasellas@amgprlaw.com; loliver@amgprlaw.com; epo@amgprlaw.com; robert.berezin@weil.com; marcia.goldstein@weil.com; jonathan.polkes@weil.com; gregory.silbert@weil.com; agraitfe@agraitlawpr.com; maortiz@lvprlaw.com; rnegron@dnlawpr.com; castrodieppalaw@gmail.com; voxpath@hunts.com; paul.demoudt@shell.com; sproctor@huntonak.com; giacribbs@huntonak.com; javier.ruajovet@sunrun.com; escott@ferraiuoli.com; mgrpcorp@gmail.com, and aconer.pr@gmail.com.

In San Juan, Puerto Rico, on October 23, 2019.

1

2 **I. INTRODUCTION**

3 **Q. Please state your name and business address.**

4

5 A. My name is Victor Luis Gonzalez and my business address is #206 San Francisco Street San
6 Juan, Puerto Rico 00901.

7

8 **Q. On whose behalf are you testifying?**

9

10 A. I am testifying on behalf of PVP Properties, Inc., Coto Laurel Solar Farm, Inc. and
11 Windmar Renewable Energy, Inc. (collectively, "WindMar"). I am President and majority
12 shareholder of each one of these entities.

13

14 **Q. Please summarize your educational background and professional experience.**

15

16 A. My educational background includes a BSE from Wharton School of the University of
17 Pennsylvania (1974) and a MSF from the Yale School of Forestry and Environmental Studies
18 (1977).

19 As far as my professional experience, I have been a businessman since 1977. Since then I've
20 owned and acted as President of various companies in the construction industry. Many of these

21 companies imported and distributed a large range of construction materials. I also founded a
22 cement importing business and managed it from 1995-2015.

23 I have had an interest in renewable energy since I can remember and in 2003 I registered Windmar
24 Renewable Energy, Inc. in Puerto Rico as a renewable energy developer. Since then, this entity,
25 and others I have founded such as PV Properties, Inc., Coto Laurel Solar Farm, Inc., and Windmar
26 PV Energy, Inc., have developed installed and operated renewable energy projects.

27 Our projects include large utility scale photovoltaic systems, including the first ever built on the
28 island, down to industrial, commercial and hundreds of residential solar distributed generators.

29

30 **Q. How would you summarize your testimony?**

31

32 A. In summary, I find PREPA's proposed Integrated Resource Plan (IRP) to lack depth in
33 certain areas of opportunity. Solar-plus-storage, electrical vehicles and resilient off-grid public
34 lighting should be defined and implemented as part of the IRP. Furthermore, controlling the losses
35 from energy theft is an unattended opportunity representing over \$300MM of additional income
36 for PREPA. My testimony provides details on why and how these topics can be addressed to help
37 achieve Puerto Rico's goals. Public policy on renewable energy is clear but the plan on how to
38 reach its objectives is not.

39 My suggestions can help modernize PREPA's grid and move Puerto Rico towards clean energy,
40 conservation, efficiency and resilience. What we need is an executable plan based on the island's
41 economic and social realities.

42 **Q. How is your testimony organized?**

43

44 A. My testimony is organized as follows;

45 > Solar-plus-storage

46 > Electrical Vehicles

47 > Off- grid public lighting and traffic lights

48 > Energy Theft

49

50 **II. SOLAR-PLUS- STORAGE**

51 **Q. How is PREPA considering storage alternatives?**

52

53 A. Only at the utility level. No consideration for the role that residential, commercial,
54 industrial and vehicle-to-grid (V2G) batteries could play.

55

56 **Q. Considering your experience with photovoltaics and storage, how would you
57 recommend storage be integrated to the grid?**

58

59 A. A payment for ancillary service and a simple interconnection process.

60

61 **Q. Should the storage be on-site?**

62

63 A. It is on-site in all current cases. In our experience pairing the solar with storage is the ideal
64 approach.

65

66 **Q. Considering that the IRP should determine the most economic means for Puerto
67 Rico's energy generation, are there any economic reasons for favoring on-site storage?**

68

69 A. There will be less energy losses when managing storage on-site. Additionally, the site's
70 neighbors will benefit from the energy dispatched in the case of an outage.

71

72 **III. ELECTRICAL VEHICLES**

73 **Q. Please explain what you understand electric cars may represent for Puerto Rico.**

74 A. They represent mainly two things:

- 75 a. More revenue for the grid as they can use the existing infrastructure to charge their vehicles.
- 76 b. By providing TOU incentives to the charging and through V2G the electric vehicle
77 batteries will help the grid manage its load peaks.

78

79 The electric car market is growing at an exponential rate. This represents a unique
80 opportunity for PREPA to sell more electricity and, as more of these cars are used, has the potential
81 to provide ancillary services. Plug-in electrical vehicles are similar to distributed energy storage
82 and can provide power back to the grid (V2G).

83

84 Some utilities, such as Southern California Edison, have moved quickly to accelerate this market
85 by creating a special rate for these units. The new rate is provided through meters installed
86 exclusively for measuring the electricity used to charge a car at a discounted price. In addition to
87 having these installed in homes they can also be installed on commercial properties to be used by
88 electric cars visiting the premises.

89

90 My proposal is that PREPA's IRP should consider electrical car sales scaling up which will
91 represent new customers for PREPA and can help offset PREPA's decreasing energy sales.

92

93 **Q. At the IRP hearings, PREPA representatives stated that EVs are thought by Siemens to**
94 **not be significant enough to be considered in the IRP. They claimed to have commissioned**
95 **a study that concludes it wouldn't make a difference. What are your thoughts on this**
96 **expression?**

97

98 A. They are as usual a day late and a dollar short.

99

100 **IV. OFF- GRID PUBLIC LIGHTING AND TRAFFIC LIGHTS**

101 **Q. What role do they play in emergencies.**

102 A. Street lights and traffic lights are vital for the safety of our citizens. During Maria and Irma
103 significant resources, money and personnel, were needed because traffic lights didn't operate and

104 the streets were dark. There is no reason for that to be the case. The conversion will be a win-win
105 to all. Less expensive cost to operate and a resilient resource during emergencies.

106
107 Tariff PLG is the rate for public lighting. This tariff results in a high cost when compared to other
108 rates. The lowering cost of battery storage makes it possible to provide most public lighting with
109 solar power and even wind power in some cases. Solar street lamps have been installed across the
110 island during the past few years by private and municipal investments.

111
112 Regarding PLG, I propose PREPA and the Commission to establish a rate to bill and pay forward
113 to private investors. These investors, in exchange, can provide the investment necessary to replace
114 current lamps for solar powered and battery storage lamps. These lamps could continue to work
115 even during grid failures, providing resilient lighting and improving safety during these events.
116 Each renewable energy public lighting provider can be responsible for the operation and
117 maintenance of their equipment.

118
119 The result of such agreements would not only lower the kWh cost and modernize our grid but
120 would also create much needed jobs and support meeting our legal mandate of 40% renewables
121 by 2025.

122

123 **VI. Energy Theft**

124 **Q: As a seasoned businessman in Puerto Rico's energy sector, do you have any other**
125 **suggestions regarding the IRP for the Energy Bureau Commissioners?**

126

127 A: Yes, I do. The amount of PREPA's energy generated but not sold due to "non-technical",
128 meaning theft, reasons is estimated to be near 10% of the island's generation. This represents
129 anywhere from \$300 to \$400 Million each year.

130 In previous processes before the Energy Bureau (Securitization, Rate Case and the first IRP) this
131 issue has been mostly ignored. Hours, and even days, of hearings have been dedicated to issues
132 that represent much less revenue for PREPA. The importance of this 10% of PREPA's energy
133 should not be ignored. It has the potential to be additional revenue for PREPA and add to the
134 efficiency of both present and future energy generation.

135

136 If one of the underlying purposes of the IRP is to identify the lowest cost of providing energy, we
137 should start by attacking theft and the ultimate cost burden it has upon PREPA's paying customers.

138

139 **Q. Does this conclude your direct testimony?**

140


141 A. Yes, it does.

142

ATTESTATION

The undersigned, Victor Luis Gonzalez Barahona, being of legal age, married, and resident of San Juan, Puerto Rico, in his capacity as President of Windmar Renewable Energy, Inc., PVP Properties, Inc. and Coto Laurel Solar Farm, Inc, states that the foregoing testimony, presented in written questions and answers, is true to the best of his knowledge and belief.

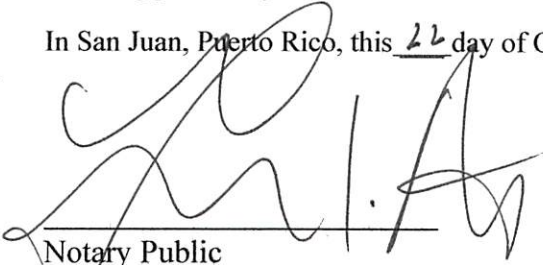
IN WITNESS WHEREOF, I have hereto signed my name this 22th day of October, 2019.


Victor Luis Gonzalez Barahona
President

Affidavit No. 6189

Acknowledged and subscribed before me by Victor Luis Gonzalez Barahona, of the personal circumstances above mentioned, in his capacities as President of the aforementioned corporations, who I give faith of knowing personally.

In San Juan, Puerto Rico, this 22 day of October, 2019.


Notary Public

