GOVERNMENT OF PUERTO RICO
PUBLIC SERVICE REGULATORY BOARD
PUERTO RICO ENERGY BUREAU

IN RE: PUERTO RICO ELECTRIC POWER AUTHORITY RATE REVIEW

CASE NUM. NEPR-AP-2023-0003

Rate Review Proceeding

Testimony of Victor L Gonzalez
November 3, 2025

Summary of Testimony of
Victor L Gonzalez

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TESTIMONY OF Victor L Gonzalez

Q.1 What is your name?

Victor Luis Gonzalez

Q.2 Where do you live?

San Juan, Puerto Rico

Q.3 What do you do?

I am a businessman. I am one of the founders of Windmar Group. I am also the managing partner of Puerto Rico Land and Fruit.

Q.4 How long have you been involved with energy issues in Puerto Rico?

Since 1980

Q.5 What is your academic background?

I have a BSE from the Wharton School of the University of Pennsylvania and a MFS from the Yale School of the Environment.

Q.6 Have you participated in the previous rate case?

Yes

Q.7 What topics will you be presenting or discussing?

Renewable energy, both utility scale and from prosumers.

Q.8 Have you reviewed the docket of this case?

I have.

Q.9 In what panels will you participate?

Generation Costs, Transmission Costs, Distribution Costs and Rate design Single panel.

Q.10 Can you provide a summary of what your position is regarding Generation Costs?

My position regarding generation costs is my contention that generation from renewable resources at the transmission and distribution level is a better solution to current fossil fuel generation; and that excess generation from roof top solar prosumers provides the lowest cost energy to the system. Neither Luma, Genera or PREPA adequately address the costs of the above-mentioned generation. I also will like to address QF and avoided cost determination.

Q.11 Can you provide a summary of what your position is regarding transmission and distribution costs?

My position regarding transmission costs is that costs is only one part of the equation when discussing integrating renewables. Renewables also provide benefits.
Renewable energy utility scale projects in the past payed for the transmission upgrade costs and pay for the Transmission Center interconnection equipment.

My position regarding BESS at transmission centers, substations and distribution feeder lines is that the lowest cost energy to load the BESS comes from PV systems .
The closer the BESS is to the consumer the lower the line losses.
My position regarding distribution costs is that the failure to tackle energy theft represents an addition cost of hundreds of millions of dollars to the consumers. I also understand that this case is not the forum to address the costs and benefits of distributed renewable energy (net-metering) yet the records is full of statements against net-metering. Finally, I also argue that renewable generation at the distribution level is a viable solution to reliability and resiliency issues. Neither LUMA, GENERA or PREPA address costs and savings associated with allowing generation at the distribution level.

Q.12 What is your position regarding potential impacts of this rate case to net-metering ?

If the revenue requirements and the rate design do not incorporate the perceived costs imputed to net-metering customers, I have no issues. I just want to make sure net-metering is off the table, and I want to be able to respond to any attempt against net-metering.

Q.13 Can you give a brief summary of what your position is regarding the different issue of the Rate design Single panel,..?

My main issue is the proposed increase to the residential and small commercial fix rate and its impact on renewable energy, energy efficiency, energy conservation, prosumers and rate payers out of pocket expenses.

Q.14 What date will you be relying on?

The main date that I will use is the PREPA (LUMA) published excel data labeled- “Generacion, consumo, costo, ingreso y clients del sistema electrico” from 1999 to September 2025. Also, the data from the enclosed tables from E.I.A.

Q.15 How will you frame your arguments against the increase in fix costs using that date?

If one multiplies the number of residential, commercial, and industrial customers by the proposed fix rate increase; the residential customers will end up paying 66% of the fix rate collected yet these customers represent only 42% of consumption.

If ones look at the historical consumption of industrial customers one realizes that their percentage of consumption has decrease by almost half, this ongoing reduction of industrial customers consumption strands assets. On the opposite side, residential customers have increased and their per customer consumption has also increase. No assets are being stranded because of residential customers. Commercial customers have also increase and their per customer consumption has also increase.

Besides the alleged fact that the growth of self-generation by residential customers is mainly due to their desire for reliability more than the actual cost of a system versus the rate, one could also argue that adding self-generation and energy efficiency equipment and retrofits have allowed customers to increase their actual consumption of electricity from the grid. The fact is that 12% of residential customers currently self-generate part of their electricity, yet the consumption per customer of the residential class continues to increase.

As to residential electricity costs, the E.I.A Tables show how Puerto Rico residential electricity costs compare to the residential electricity costs of the states and of electric power enterprises.

I also believe that the PV+BESS of prosumers is an untapped grid-asset that a TOU rate could easily put to work for the benefit of all customers. LUMA has claimed that they are not capable of implementing it, even though they see it as a very desirable cost reduction tool. Luma doesn't include any revenue request to make it happen.

Similarly, new smart meters will go a long way to reduce the burden to ratepayers of electricity theft.

ATTESTATION

Affiant, Victor L Gonzalez states the following under penalty of perjury:

The prepared Testimony constitutes my Testimony in the above-styled case before the Puerto Rico Energy Bureau. I further state that the facts and statements provided herein are my Testimony and, to the best of my knowledge, are true and correct.

In Culebra, Puerto Rico , November 3, 2025.

Victor L Gonzalez