

PARSONS
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BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Investigation into Proposed Green Tariff

Docket No. UM 1953

OPENING BRIEF OF WALMART INC.

OPENING BRIEF

Pursuant to the Ruling issued by the Oregon Public Utilities Commission (“Commission”) in this case on November 30, 2018, Walmart Inc. (“Walmart”) hereby submits its Opening Brief.

I. INTRODUCTION

Walmart has established aggressive and significant company-wide renewable energy goals. However, Walmart also has aggressive cost goals. Therefore, the renewable energy goals must be balanced against Walmart’s business needs. Consequently, as a general rule, Walmart will not enter into premium structures or programs with no opportunity to save money and only a guarantee of additional costs to our facilities. Rather, Walmart seeks renewable energy resources that deliver industry leading cost, including renewable and project specific attributes such as renewable energy credits (“REC”), within structures where the value proposition allows the customer to receive potential benefits brought about by taking on the risk of being served by that resource instead of, or in addition to, the otherwise applicable resource portfolio. Accordingly, Walmart would likely only support a green tariff program in Oregon that provides an option to subscribers, who are

paying the incremental cost of and assuming the incremental risk of taking service from the renewable resource, to realize the incremental benefits of doing so.

II. POSITION

As noted in Walmart's testimony, to the extent the Commission approves a program in this docket, Walmart supports including the following proposed elements: (a) the ability to participate up to 100 percent of annual energy usage; (b) the choice of 5, 10, 15, and 20-year contract terms; and (c) PGE's proposed REC treatment.¹ If an administrative charge is adopted, it must only recover actual related administrative costs.² No risk adjustment should be adopted at this time because the only one proposed is arbitrary and has not been proven to be just and reasonable.³

Walmart supports a "bring your own resource" option, but disagrees with the limitation that only loads meeting or exceeding 10 aMW be eligible for this option. As PGE noted at the hearing, some large customers have the sophistication to identify a good renewable resource, and there are also large national accounts who have contacts with many energy providers across the country that might have buying power at least as good or better than PGE.⁴ Since PGE intends to apply the same rigor in evaluating the green tariff contracts and resources under a "bring your own resource" as it does in acquiring system resources,⁵ there is no need for a 10 aMW limitation. Walmart may not have 10 aMW load in PGE's service territory, but it does have the sophistication to know the "customary requirements in a Power Purchase Agreement," "the potential risks and

¹ Walmart/200 at 2 (Oct. 22, 2018).

² *Id.*

³ *Id.*

⁴ Hr'ing Tr. 35:1-8 (Nov. 20, 2018).

⁵ *Id.* 34:14-25.

value drivers of the underlying resource” and “the capability of the developer behind the proposed contract”⁶ as well as having contacts with energy providers to enable Walmart to identify and bring a competitive contract to the table. Walmart should not be precluded from a “bring your own” option by a false limitation.

In addition, the Commission should order PGE to offer subscribers of the program a floating energy credit structure that is cost based and relevant to how the renewable resource would operate within the utility’s system. This will ensure that subscribers and non-subscribers do not cross-subsidize each other and will allow subscribers who are willing to take on the risk of resource performance, the opportunity to save money on their bills.

The Commission should reject Staff’s proposal to prohibit the total rate under the green tariff from being below the total rate under cost of service.⁷ As Staff testified at hearing, cost of service customers no longer have a price risk when the program has a floating credit.⁸ Any cap or prohibition against the credit going negative is not a concern regarding cost shifting, but instead is meant to make the green tariff less attractive than direct access.⁹ That is not a legitimate basis for designing a tariff.

III. CONCLUSION

Based on the foregoing, Walmart requests that the Commission approve a green tariff for PGE that (a) provides the ability to participate up to 100 percent annual energy usage; (b) offers the choice of 5, 10, 15, and 20-year contract terms; (c) adopts PGE’s proposed REC treatment; (d)

⁶ *Id.* 47:17-48:2.

⁷ *See* Staff/100 at 6:1-2.

⁸ Hearing Tr. 87:9-14.

⁹ *Id.* 71:8-72:21, 93:6-16, 86:12-87:8.

allows only for an administrative charge that recovers actual related administrative costs; (e) rejects a risk adjustment; (f) allows a “bring your own resource” option with no customer load limitation; and (g) offers a floating credit option with no cap or floor.

DATED this 11th day of December, 2018.

/s/ Vicki M. Baldwin

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CERTIFICATE OF SERVICE

Docket No. UM 1953

I hereby certify that on this 11th day of December 2018, I caused to be served, a true and correct copy of the foregoing **OPENING BRIEF OF WALMART INC.**, via electronic mail, to:

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