

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1953**

**IN THE MATTER OF)
)
PORTLAND GENERAL ELECTRIC)
COMPANY,)
)
INVESTIGATION INTO PROPOSED GREEN)
TARIFF)**

RESPONSIVE TESTIMONY AND EXHIBITS OF

STEVE W. CHRISS

ON BEHALF OF

WALMART INC. AND SAM'S WEST, INC.

JULY 16, 2020

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1 **Introduction**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.**

3 A. My name is Steve W. Chriss. My business address is 2608 SE J St., Bentonville,
4 AR 72716. I am employed by Walmart Inc. as Director, Energy Services.

5 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?**

6 A. I am testifying on behalf of Walmart Inc. and Sam's West, Inc. (collectively,
7 "Walmart").

8 **Q. ARE YOU THE SAME STEVE W. CHRISS THAT TESTIFIED EARLIER IN THIS DOCKET?**

9 A. Yes.

10

11 **Purpose of Testimony and Summary of Recommendations**

12 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

13 A. The purpose of my testimony is to respond to the testimony of Portland General
14 Electric ("PGE" or "Company") witnesses regarding their proposed updates for the
15 Green Energy Affinity Rider ("GEAR").

16 **Q. PLEASE SUMMARIZE WALMART'S RECOMMENDATIONS TO THE COMMISSION AS
17 STATED IN YOUR PHASE II OPENING TESTIMONY.**

18 A. Walmart's recommendations to the Commission from my Phase II testimony are as
19 follows:

20 1) The Commission should approve a floating credit methodology as part of this
21 phase of the docket in order to provide customers a known structure within
22 which they can evaluate projects under the Customer Supply Option.

- 1 2) For the purposes of this phase of the docket, Walmart recommends the
2 Commission adopt the Alliance of Western Energy Consumers' ("AWEC")
3 proposed credit methodology for the customer supply option.
- 4 3) The Commission should reduce the minimum size for the Customer Supply
5 Option and allow customers larger than 5 average MW to participate. *See*
6 Walmart/300, Chriss/2, 5-13.

7 **Q. BASED ON YOUR REVIEW OF PGE'S TESTIMONY, DOES WALMART HAVE ANY**
8 **ADDITIONAL RECOMMENDATIONS TO THE COMMISSION?**

9 A. Yes. Walmart's additional recommendations to the Commission are as follows:

- 10 1) For the purposes of this phase of the docket, Walmart does not oppose the
11 Company's proposed cap increase.
- 12 2) For the purposes of this docket, Walmart does not oppose the Company's
13 proposal to expedite future cap increase requests.
- 14 3) Walmart continues to recommend that the Commission reject the proposed
15 risk adjustment as it is arbitrary, and it cannot be determined that the
16 resulting charge would be just and reasonable. If the Commission
17 determines that a risk adjustment is warranted, the Commission should
18 require PGE to specifically identify each risk that will be examined in setting
19 the fee and the methodology to be applied for each risk.

20 **Q. DOES THE FACT THAT YOU MAY NOT ADDRESS AN ISSUE OR POSITION**
21 **ADVOCATED BY THE COMPANY OR OTHER PARTIES INDICATE WALMART'S**
22 **SUPPORT?**

1 A. No. The fact that an issue is not addressed herein or in related filings should not be
2 construed as an endorsement of, or agreement with, or consent to any filed
3 position.

4

5 **Phase II and Future Cap Increases**

6 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED CAP INCREASE?**

7 A. My understanding is that the Company proposes to increase the cap on GEAR
8 participation from 300 MW to 500 MW. *See PGE/700, Wenzel-Halley/13, 3-8.*

9 **Q. DOES WALMART OPPOSE THE COMPANY'S PROPOSED CAP INCREASE?**

10 A. For the purposes of this phase of the docket, Walmart does not oppose the
11 Company's proposed cap increase.

12 **Q. DOES PGE PROPOSE A PROCESS FOR CAP INCREASES TO BE REQUESTED AFTER THE**
13 **CONCLUSION OF PHASE II?**

14 A. Yes. PGE proposes an expedited 60-day review period for cap increases requested
15 after the conclusion of Phase II. The Company proposes this to allow for the cap size
16 to better meet customer demand and provide clarity for customer decisions
17 regarding participation. The Company proposes that any changes not related to cap
18 size would still be subject to the "standard" ten-month regulatory period. *See*
19 *PGE/700, Wenzel-Halley/23, 5-10.*

20 **Q. DOES WALMART OPPOSE THE COMPANY'S PROPOSAL FOR FUTURE CAP SETTING?**

21 A. For the purposes of this docket, Walmart does not oppose the Company's proposal
22 to expedite future cap increase requests.

1

2 **Risk Adjustment Fee**

3 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED RISK**
4 **ADJUSTMENT FEE?**

5 A. My understanding is that the Company proposes to continue to include a risk
6 adjustment fee in the GEAR program. *See* PGE/700, Wenzel-Halley/15, 7-16.

7 **Q. DOES THE COMPANY PROVIDE A METHODOLOGY FOR THE CALCULATION OF THE**
8 **FEE?**

9 A. No. The Company does not propose a methodology for the calculation of the risk
10 adjustment fee because "each resource and contract will be different, making a
11 comprehensive formulaic approach that applies broadly challenging." *Id.*

12 **Q. DOES PGE PROPOSE A "MAGNITUDE" FOR THE RISK ADJUSTMENT FEE?**

13 A. Yes. PGE proposes the risk adjustment fee be no more than ten percent. *See*
14 PGE/701, Wenzel-Halley/35.

15 **Q. WALMART STATED CONCERN WITH THE RISK ADJUSTMENT FEE AS FAR BACK AS**
16 **PHASE I. DOES WALMART CONTINUE TO BE CONCERNED WITH THE**
17 **IMPLEMENTATION OF THE RISK ADJUSTMENT FEE?**

18 A. Yes. As described by PGE, the risk adjustment fee continues to be arbitrary and, as
19 PGE has proposed the fee to be as high as ten percent of PPA price, potentially very
20 expensive and a barrier to bringing new renewable resources to bear. Additionally,
21 by leaning on the differences in resources in its discussion, PGE opens up the
22 concern that the calculation of the risk adjustment fee could be unduly

1 discriminatory to different customers or resources. Finally, the black box nature of
2 the fee's calculation, with no published and tested methodology, does not lend itself
3 to audit or accountability.

4 **Q. DID THE COMMISSION APPROVE A RISK ADJUSTMENT FEE IN PHASE I?**

5 A. Yes, though it is notable that the Commission, in its approval of the fee, focused
6 solely on the risk of under-subscription. See Order No. 19-075, page 7. The
7 Commission did not address the consideration of any other risks. The Commission
8 also did not address under-subscription as it relates to the Customer Supply Option,
9 which because it matches the resource and customer, should have far lower risk of
10 under-subscription.

11 **Q. WHAT IS WALMART'S RECOMMENDATION TO THE COMMISSION ON THIS ISSUE?**

12 A. Walmart continues to recommend that the Commission reject the proposed risk
13 adjustment as it is arbitrary, and it cannot be determined that the resulting charge
14 would be just and reasonable. If the Commission determines that a risk adjustment
15 is warranted, the Commission should require PGE to specifically identify each risk
16 that will be examined in setting the fee and the methodology to be applied for each
17 risk.

18 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

19 A. Yes.