

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2024

In the Matter of)	
)	
ALLIANCE OF WESTERN ENERGY)	PHASE I CLOSING COMMENTS OF
CONSUMERS,)	WALMART INC.
)	
Petition for Investigation Into Long-Term)	
Direct Access Programs)	

INTRODUCTION

Pursuant to the Administrative Law Judge’s February 20, 2020 and March 27, 2020 Orders in this docket, Walmart Inc. (“Walmart”) hereby submits reply comments on long-term direct access issues.

Walmart is an international retailer based in Bentonville, Arkansas and has 45 stores and one distribution center in Oregon, and we employ over 11,800 associates in the state. Additionally, in our 2020 fiscal year, we spent over \$850 million with Oregon suppliers, supporting over 20,000 jobs in the state.¹

Walmart has established aggressive and significant company-wide renewable energy goals, including: (1) to be supplied 50 percent by renewable energy by 2025, and, ultimately (2) to be supplied 100 percent by renewable energy.² Additionally, Walmart has set a science-based target to reduce emissions in our operations by 18 percent by 2025 through the deployment of energy efficiency measures and the consumption of renewable energy.³ To date, Walmart has contracted for or currently takes electricity from one or more renewable resources in at least 29 states, including Oregon, and Puerto Rico.

¹ <https://corporate.walmart.com/our-story/locations/united-states/oregon?multi=false>

² <http://corporate.walmart.com/global-responsibility/environmental-sustainability>

³ <http://news.walmart.com/2016/11/04/walmart-offers-new-vision-for-the-companys-role-in-society>

Walmart strongly supports direct access, as it gives customers the freedom to choose a supplier that best meets their business goals with service offerings that provide choices on price, reliability, generation portfolio mix, and risk management. We currently participate in direct access in 16 jurisdictions in the U.S. as well as in the United Kingdom, and we directly serve our load in 11 of those jurisdictions and the UK through Texas Retail Energy, a wholly owned subsidiary of Walmart.

In our experience, the benefits of direct access are clear. Looking at cost, when we compare our cost per kWh in 2019 to our cost per kWh in 2007, we find that our cost in jurisdictions that fully implemented direct access, including utility divestiture of generation, decreased by more than three percent on average. In contrast, our cost in jurisdictions without or with limited customer choice, which includes Oregon, increased by 22 percent on average. Additionally, direct access is a transparent and easily transactable channel for renewable energy production. As an example, we have contracted for renewable resources in ERCOT and PJM that replace other energy in the supply stack for Texas Retail Energy.

REPLY COMMENTS

Recognizing that the procedure in this investigation allows for four phases, including a litigated third phase, as well as the comprehensive opening comments filed by parties in the docket describing the universe of issues to be considered, Walmart will limit its comments to the framing of the Commission's consideration in the docket.

In its opening comments, the Alliance of Western Energy Consumers ("AWEC") restated their purpose for requesting that the instant docket be opened, which is to "ensure viable long-term direct access programs that work for both participating and non-participating customers."⁴ AWEC also proposed the following principles:

- 1) Only fix what is broken;

⁴ Opening Comments of AWEC, page 1.

- 2) Keep it simple; and
- 3) Do not let the perfect become the enemy of the good.⁵

Walmart supports AWEC's proposed principles as a thoughtful and practical framework for the Commission's consideration of issues in this docket. Walmart recognizes that the optimal structures that have led to the success of direct access programs elsewhere – namely, robust wholesale markets, regional transmission organization structures, and utility divestiture of generation assets – are not present in Oregon and are not likely to result from this docket. However, as have been introduced in parties' comments and will be discussed during future phases of the docket, many of the issues that prevent current direct access programs from seeing better utilization and providing value to customers do not require a complete revision of what has been put in place and can benefit from thoughtful and practical changes.

CONCLUSION

Walmart appreciates the opportunity to submit these reply comments and looks forward to engaging in the upcoming phases of the docket.

Dated this 6th day of May, 2020.

/s/ Vicki M. Baldwin

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⁵ *Id.*, page 2 to page 3.