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**BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON**

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In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY,

Investigation into Proposed Green Tariff

Docket No. UM 1953

**OPENING BRIEF OF WALMART INC.**

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**OPENING BRIEF**

Pursuant to the Memorandum and Ruling issued by the Public Utility Commission of Oregon (“Commission”) in this case on October 16, 2020, Walmart Inc. (“Walmart”) hereby submits its Opening Brief.

**I. INTRODUCTION**

On March 5, 2019, in Order 19-075, the Commission approved Portland General Electric’s (“PGE”) voluntary renewable energy tariff (“VRET”) with certain modifications, adopting PGE’s proposal to review policy issues related to this docket in two phases.<sup>1</sup> Thereafter, on April 15, 2020, PGE filed its updated proposal for Phase II of its VRET known as the Green Energy Affinity Rider (“GEAR”). After rounds of testimony by the parties, the Commission held a hearing on October 8, 2020.

**II. POSITION**

Walmart continues to support a floating credit methodology for calculating credits; reduction of the eligibility size for the customer supply option (“CSO”) to 5 aMW; and rejection

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<sup>1</sup> Order No. 19-075 Amended (Jan. 31, 2020).

of PGE’s risk adjustment proposal because it is arbitrary, cannot be determined to be just and reasonable, and has not been shown to bear any relationship to actual risk.<sup>2</sup>

PGE supports Staff’s proposal that customers below 10 aMW be allowed to petition the Commission for approval of a lower eligibility size threshold to participate in the CSO.<sup>3</sup> At this time, Walmart accepts this compromise and requests that the Commission continue this provision in Phase II of PGE’s GEAR. However, Walmart also encourages the Commission to order PGE to continue to evaluate expanding the eligibility of the CSO program.

Similarly, PGE currently supports Staff’s proposal that a floating credit option be available in the CSO program on a case-by-case basis subject to Commission approval.<sup>4</sup> As noted by the Oregon Citizens’ Utility Board (“CUB”), “[c]redits should [also] reflect the value that non-participant customers receive due to the green tariff customer developing their own resource and subsequently bringing that resource to the system,”<sup>5</sup> and therefore, credits should be updated regularly.<sup>6</sup> Accordingly, Walmart also accepts PGE’s compromise on the floating credit and requests that the Commission continue this provision in Phase II of PGE’s GEAR, but also requests that the Commission order PGE to look into this option more thoroughly with the possibility of later including it in the PGE-supplied option (“PSO”).

Finally, PGE continues to support some form of arbitrarily determined risk adjustment mechanism beyond the under-subscription risk adjustment approved by the Commission for the

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2 UM 1953 – Walmart/400/Chriss/1:20-2:19.

3 UM 1953 – PGE/800/Wenzel-Faist/36:2-13.

4 UM 1953 – PGE/701/Wenzel-Haley/38:14-42:17.

5 UM 1953 – CUB/200/Jenks/3:6-8.

6 *Id.* Jenks/10:7-11.

PSO program in its Order No. 19-075, such as the lesser of cost of equity or cost of debt.<sup>7</sup> Walmart strongly opposes such an arbitrary mechanism.

Any risk adjustment should be directly tied to the specific risk of the specific case and should be transparently set.<sup>8</sup> This is especially true in the CSO program because the customer and the resource are matched.<sup>9</sup> This results in very minimal risk and the opportunity to develop a specific risk adjustment based on the specific circumstances of the case. As PGE admits, each resource and each contract will be different,<sup>10</sup> and therefore, a formulaic approach is unacceptable.

### **III. CONCLUSION**

Based on the foregoing and the record in this case, Walmart requests that the Commission order (a) the continuation of allowing customers with an aggregated load below 10 aMW to petition the Commission for participation in the CSO and that PGE continue to evaluate this option for the PSO; (b) the continuation of allowing the use of a floating credit option in the CSO program with Commission approval and that PGE look into this option more thoroughly for the PSO program; and (c) determination of a risk adjustment charge on a case-by-case basis and rejection of PGE's proposed risk adjustment mechanism.

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7 UM 1953 – PGE/800/Wenzel-Faist/39:9-40:4.

8 UM 1953 – Walmart/400/Chriss/2:14-19.

9 *Id.* Chriss/5:5-10.

10 UM 1953 – PGE/700/Wenzel-Halley/15:7-16.

DATED this 3rd day of November 2020.

/s/ Vicki M. Baldwin

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