

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

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

PHASE II OPENING TESTIMONY AND EXHIBITS OF

STEVE W. CHRISS

ON BEHALF OF

WALMART INC. AND SAM'S WEST, INC.

JULY 26, 2019

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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 2001 SE 10th St., Bentonville,
4 AR 72716-0550. I am employed by Walmart Inc. as Director, Energy and Strategy
5 Analysis.

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

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

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

10 A. Yes.

11

12 **Purpose of Testimony and Summary of Recommendations**

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

14 A. The purpose of my testimony is to respond to the issues specified by the Commission
15 for further litigation and the recommendations contained in the testimony of Brett
16 Sims and Jay Tinker on behalf of Portland General Electric ("PGE" or the "Company").

17 **Q. WHAT IS YOUR UNDERSTANDING OF THE ISSUES SPECIFIED BY THE COMMISSION
18 FOR FURTHER LITIGATION?**

19 A. My understanding is that the Commission specified the following issues:

20 1) How the voluntary renewable energy tariff ("VRET") program is addressed and
21 incorporated within the integrated resource planning process;

22 2) Appropriate size of customers eligible for the customer supply option; and

1 3) A review of the nine conditions outlined in Order 16-251. See Order 19-075, March 5,
2 2019.

3 **Q. PLEASE SUMMARIZE WALMART’S RECOMMENDATIONS TO THE COMMISSION IN**
4 **THIS PHASE OF THE DOCKET.**

5 A. Walmart’s recommendations to the Commission are as follows:

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

9 2) For the purposes of this phase of the docket, Walmart recommends the Commission
10 adopt the Alliance of Western Energy Consumers’ (“AWEC”) proposed credit
11 methodology for the Customer Supply Option.

12 3) The Commission should reduce the minimum size for the Customer Supply Option and
13 allow customers larger than 5 aMW to participate.

14 **Q. DOES THE FACT THAT YOU MAY NOT ADDRESS AN ISSUE OR POSITION ADVOCATED**
15 **BY THE COMPANY OR OTHER PARTIES INDICATE WALMART’S SUPPORT?**

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

1 **Credit Methodology**

2 **Q. DID THE COMMISSION ADDRESS THE FLOATING CREDIT ISSUE IN ORDER 19-075?**

3 A. Yes. The Commission stated:

4 “However, we note that as customers and PGE explore potential PPAs we will
5 entertain individual applications for arrangements with a floating credit, which do not
6 guarantee net savings to a participant, but may result in net participant savings. In
7 such a circumstance, participants and not cost of service customers would bear credit
8 inaccuracy risk. Allowing such applications as part of the Customer Supply Option will
9 provide the opportunity to gain experience with allocating these risks and benefits to
10 participants, and a floating credit option could in the future be made part of the
11 program as a whole.” See Order 19-075, page 5 to page 6.

12 **Q. DOES WALMART HAVE CONCERNS ABOUT THIS SECTION OF THE ORDER?**

13 A. Yes. While Walmart appreciates the Commission’s willingness to “entertain”
14 individual applications for arrangements with a floating credit, the Order language is
15 vague and offers no guidelines or guardrails towards successful engagement.
16 Ultimately, the sentiment stated in the order is insufficient to provide customers with
17 a level of reasonable certainty that the application would be sufficient to be approved
18 by the Commission.

19 **Q. DOES THIS UNCERTAINTY CREATE A SIGNIFICANT BARRIER TO ACTION BY**
20 **CUSTOMERS?**

21 A. Yes, for two primary reasons. First, this uncertainty creates a situation in which a
22 customer would attempt to evaluate the benefits and costs of a renewable project
23 without any insight in to what the credit might be. Second, the Commission’s
24 language adds a significant layer of regulatory risk and litigation cost to a potential
25 project. The Commission should recognize that project development is not a costless

1 endeavor, and the uncertainty created by the Order language, in addition to working
2 through the regulatory process, could dissuade customers from putting forth the
3 necessary time and effort to both find and negotiate with a developer for a resource
4 and to negotiate the arrangement with PGE.

5 **Q. HAS PGE INDICATED THAT IT WILL CONSIDER ENTERING INTO FLOATING CREDIT**
6 **ARRANGEMENTS?**

7 A. Yes. *See* PGE/500/Sims-Tinker/9/1-5.

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

9 A. The Commission should approve a floating credit methodology as part of this phase
10 of the docket in order to provide customers a known structure within which they can
11 evaluate projects under the Customer Supply Option.

12 **Q. DID YOU REVIEW THE CREDIT METHODOLOGY PROPOSED BY AWEC IN PHASE I OF**
13 **THIS DOCKET?**

14 A. Yes. My understanding of AWEC's proposed credit methodology is that it would utilize
15 the marginal cost of capacity and energy from the marginal cost of generation study
16 in the most recent PGE rate case at the time of crediting. The credit would be set in
17 a rate case to be used until reset in a subsequent rate case – essentially creating a
18 floating credit. *See* AWEC/100, Mullins/9 to Mullins/12.

1 **Q. DID WALMART OPPOSE AWEC’S PROPOSED CREDIT METHODOLOGY IN PHASE I OF**
2 **THIS DOCKET?**

3 A. No. For the purposes of this phase of the docket, Walmart recommends the
4 Commission adopt AWEC’s proposed credit methodology for the Customer Supply
5 Option.

6

7 **Customer Supply Option Qualification**

8 **Q. WHAT IS YOUR UNDERSTANDING OF THE SIZE QUALIFICATION TO BE ABLE TO TAKE**
9 **SERVICE UNDER THE CUSTOMER SUPPLY OPTION?**

10 A. My understanding is that a customer interested in the Customer Supply Option needs
11 to have 10 aMW of load to participate. My understanding is that PGE is concerned
12 about the potential administrative burden of assessing a greater number of potential
13 opportunities that would be allowed with a lower qualification size. See
14 PGE/500/Sims-Tinker/10/2-3.

15 **Q. DOES WALMART QUALIFY UNDER THE 10 AMW STANDARD?**

16 A. No. Walmart’s annual consumption is typically just over half of the minimum
17 standard.

18 **Q. DOES WALMART OPPOSE THE INITIAL PROPOSAL BY AWEC TO SET THE MINIMUM**
19 **CUSTOMER SIZE AT 10 AMW?**

20 A. Yes, as the limit is arbitrary and would limit the universe of potential resource
21 development opportunities for customers and communities in PGE’s territory.

22 **Q. WILL THIS LIMIT WALMART’S OPPORTUNITY WITHIN PGE’S TERRITORY?**

1 A. Yes, particularly because the Commission has ruled that only the Customer Supply
2 Option can (potentially) utilize a floating credit. As a result, the Customer Supply
3 Option is the only option that would not be subject to a fixed premium and thus the
4 only option that meets the parameters by which Walmart participates in utility
5 renewable programs.

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

7 A. Walmart recommends the Commission allow customers larger than 5 aMW to
8 participate in the Customer Supply Option.

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

10 A. Yes.