

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

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

**REPLY AND CROSS-ANSWERING TESTIMONY AND EXHIBITS OF**

**STEVE W. CHRISS**

**ON BEHALF OF**

**WALMART INC. AND SAM'S WEST, INC.**

**OCTOBER 22, 2018**

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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 testimonies of the Alliance of  
15 Western Energy Consumers ("AWEC"), the Northwest and Intermountain Power  
16 Producers Coalition ("NIPPC"), Portland General Electric ("PGE"), and Staff.

17 **Q. PLEASE SUMMARIZE WALMART'S RECOMMENDATIONS TO THE COMMISSION AS**  
18 **STATED IN YOUR DIRECT TESTIMONY.**

19 A. Walmart's recommendations to the Commission are as follows:

20 1) The proposed GER has several features that Walmart believes are important  
21 for a utility green tariff; however, the treatment of program resources as  
22 system resources and the prospect that participating customers will not have

1 an opportunity to save money is a concern, and several aspects of the program  
2 require clarification and refinement in order to ensure that the program is  
3 attractive to potential subscribers and results in equitable and just and  
4 reasonable rates.

5 2) To the extent that the Commission approves a program in this docket, the  
6 following proposed program aspects should be included:

- 7 a. The ability to participate up to 100 percent of annual energy usage;
- 8 b. The choice of 5, 10, 15 and 20-year contract terms; and
- 9 c. The Company's proposed REC treatment.

10 3) The Commission should require PGE to develop an option for customers to  
11 choose a floating energy credit structure that would allow the customer to  
12 take on the risk of resource performance for the opportunity (not the  
13 guarantee) to save money on their bills.

14 4) The Commission should require that the Company develop and propose for  
15 examination in this docket an administrative charge for the recovery of non-  
16 project specific administrative costs.

17 5) Without a discussion of the level and probability of risks or a proposed  
18 methodology for how the proposed risk adjustment would be calculated, the  
19 Commission should reject the proposed risk adjustment at this time as it is  
20 arbitrary and it cannot be determined that the resulting charge would be just  
21 and reasonable.

1 Q. BASED ON YOUR REVIEW OF THE TESTIMONIES OF OTHER PARTIES IN THE DOCKET,  
2 DOES WALMART HAVE ANY CHANGES TO ITS RECOMMENDATIONS?

3 A. No.

4 Q. BASED ON YOUR REVIEW OF THE TESTIMONIES OF OTHER PARTIES IN THE DOCKET,  
5 DOES WALMART HAVE ANY ADDITIONAL RECOMMENDATIONS TO THE  
6 COMMISSION?

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

8 1) The Commission should reject Staff's recommendation number 11. In any  
9 approved program resulting from this docket, the Commission should allow  
10 participants to realize bill savings to the extent those savings materialize as a  
11 result of participation.

12 2) Walmart does not oppose AWEC's proposed credit methodology.

13 3) Walmart affirmatively supports a customer's ability to bring their own  
14 renewable resource to the program.

15 4) The Commission should adopt AWEC's proposed bring your own resource  
16 language with the following modification:

17 "Customers ~~with loads exceeding 10 MW~~ may solicit bundled RECs on  
18 their own behalf, which are deliverable to the Company's system. The  
19 Company must review and approve any such solicitation and remains  
20 ultimately responsible for contracting with the seller. The Company shall  
21 allow the customer to participate in the contract negotiation process with  
22 the seller."

23

1 **Credit Methodology**

2 **Q. HAVE OTHER PARTIES SUBMITTED TESTIMONY REGARDING THE CREDITS TO BE**  
3 **APPLIED TO THE MWH PRODUCED BY PROGRAM RESOURCES?**

4 A. Yes.

5 **Q. DOES PGE PROVIDE SUPPLEMENTAL TESTIMONY REGARDING THE APPLICATION OF**  
6 **A FLOATING CREDIT TO THE PROGRAM?**

7 A. Yes. PGE states that they are willing to offer the product with a floating credit  
8 structure. *See PGE/300, Sims-Tinker/4, line 8.* As I discuss in my direct testimony,  
9 programs in which Walmart participates in Alabama and Georgia use floating credits.

10 **Q. ARE THERE ADDITIONAL EXAMPLES YOU CAN OFFER IN THIS ROUND OF**  
11 **TESTIMONY?**

12 A. Yes, as follows:<sup>1</sup>

13 1) **Puget Sound Energy Schedule 139 (Washington):** PSE's Voluntary Long Term  
14 Renewable Energy Purchase Rider utilizes the utility's power cost component  
15 of their energy charges to set the credit for the program. The credit value  
16 changes with each general rate case, power cost only rate case, or other power  
17 related filings. *See Puget Sound Energy Electric Tariff G, 3<sup>rd</sup> Revision of Sheet*

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<sup>1</sup> Reference to a section of an existing or proposed program or tariff in another jurisdiction does not constitute an endorsement of the program as a whole or of non-referenced sections.

1 139-E.<sup>2</sup> Walmart has recently announced participation in the second tranche  
2 of this program.<sup>3</sup>

3 2) **Xcel-Public Service Company of Colorado Renewable Connect (Colorado):**  
4 PSCO's Renewable Connect program utilizes a credit that has a floating energy  
5 component and a frozen capacity component. The energy component is  
6 updated once a year. See Public Service Company of Colorado, Colorado PUC  
7 No. 8, Sheet No. 109C.<sup>4</sup> Walmart is participating in this program as well.

8 3) **Duke Energy Carolinas and Duke Energy Progress Proposed Green Source**  
9 **Advantage Program (North Carolina):** The credits for the Green Source  
10 Advantage Program are proposed to be based on the day-ahead hourly system  
11 prices on the respective Duke Energy operating company systems and in some  
12 hours can include a capacity portion to represent the renewable resource  
13 capacity value in capacity-constrained hours. See North Carolina Docket E-2,  
14 Sub 1170 and Docket E-7, Sub 1169, Agreement and Stipulation of Partial  
15 Settlement, page 2.<sup>5</sup>

16 4) **Ameren Missouri Renewable Choice Program (Missouri):** The Ameren  
17 program uses revenues received from the hourly production of the renewable

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<sup>2</sup> <https://www.pse.com/Data/Content-Query/Electric-Rate-Schedules/20180913-Electric-Schedule-139--Voluntary-Long-Term-Renewable-Energy-Purchase-Rider>

<sup>3</sup> <https://cleantechnica.com/2018/10/19/puget-sound-energy-launches-green-direct-to-support-100-renewable-goals/>

<sup>4</sup> <https://www.xcelenergy.com/staticfiles/xcel/PDF/Regulatory/CO-Rates-&-Regulations-Entire-Electric-Book.pdf>

<sup>5</sup> <https://starw1.ncuc.net/NCUC/ViewFile.aspx?Id=c070e75f-874f-4851-86f5-a91b75008a84>

1 resource in the wholesale market to set the energy credit. See Union Electric  
2 Company, MO P.S.C. Schedule No. 6, Original Sheet 94.2.<sup>6</sup>

3 5) **Dominion Virginia Proposed Schedule RG (Virginia):** The proposed Dominion  
4 program would use the net of wholesale charges and credits from the  
5 production of the renewable resource, including capacity credits, to set the  
6 program credit. See Virginia Case No. PUR-2017-00163, Application, ¶125.

7 **Q. THERE ARE NOTICEABLE DIFFERENCES IN THE DERIVATION OF CREDITS AMONGST**  
8 **THE PROGRAMS. DOES WALMART FIND THIS TO BE PROBLEMATIC?**

9 A. No. The floating credits generally reflect the rate structures and operating conditions  
10 of each utility, so there is a good deal of variation in how the credits are derived.  
11 Ultimately it is important that the credit structure is both relevant to how the  
12 renewable resource operates within the utility's system and is cost-based, in order to  
13 avoid cross-subsidization to the participants from non-participants or from  
14 participants to non-participants.

15 **Q. DOES STAFF RECOMMEND THAT ANY PROGRAM APPROVED IN THIS DOCKET NOT**  
16 **ALLOW PARTICIPATING CUSTOMERS TO REALIZE A BENEFIT ON THEIR BILLS IF THE**  
17 **RESOURCE PERFORMS BETTER THAN THE CREDIT MECHANISM?**

18 A. Yes. Staff, in their recommendation number 11, proposes that the tariff prevent "the  
19 total rate from the VRET from being below the total rate under COS." See Staff/100,  
20 Kaufman/6, line 1 to line 2.

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<sup>6</sup> <https://www.ameren.com/-/media/rates/files/missouri/uecesheet94.ashx>



1       **Q.       DOES WALMART OPPOSE STAFF’S RECOMMENDATION?**

2       A.       Yes. One of the key principles of green tariff design is that participating customers,  
3               who are paying the incremental cost of and taking on the incremental risk of taking  
4               service from the renewable resource instead of or in addition to their regular service,  
5               be able to realize the incremental benefits of doing so. This means that participating  
6               customers should have the opportunity to see bill savings should savings result – as I  
7               stated in my direct testimony, this is an opportunity, not a guarantee.

8       **Q.       DOES FORBIDDING A PARTICIPANT FROM REALIZING SAVINGS HAVE SUBSIDY**  
9               **IMPLICATIONS?**

10      A.       Yes. If the energy credit exceeds the program charge and the portion that constitutes  
11              savings is not included in the participant’s bill, that portion becomes a subsidy from  
12              the participating customer to non-participants.

13      **Q.       DOES STAFF’S PROPOSAL APPEAR TO VIOLATE THE PLAIN LANGUAGE OF HOUSE BILL**  
14              **4126?**

15      A.       While I am not an attorney, it appears so. The relevant language states (emphasis  
16              mine):

17                      **“All costs and benefits** associated with a voluntary renewable energy tariff shall  
18                      be borne by the nonresidential customer receiving service under the voluntary  
19                      renewable energy tariff.” See HB 4126, Section 3(4).

20              Staff’s proposal would ensure that all benefits do not go to the participant.

21      **Q.       WHAT IS WALMART’S RECOMMENDATION TO THE COMMISSION ON THIS ISSUE?**

22      A.       The Commission should reject Staff’s recommendation number 11.

23      **Q.       HAVE YOU REVIEWED THE CREDIT METHODOLOGY PROPOSED BY AWEC?**

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

6 **Q. DOES WALMART OPPOSE AWEC’S PROPOSED CREDIT METHODOLOGY?**

7 A. No.

8

9 **Bring Your Own Resource**

10 **Q. HAVE YOU REVIEWED THE PROPOSAL BY NIPPC TO ALLOW CUSTOMERS TO “BRING**  
11 **THEIR OWN PPA” TO THE PROGRAM?**

12 A. Yes. See NIPPC/100, Kahn/7, line 10 to Kahn/8, line 2. As a point of clarification,  
13 Walmart will refer to this ability as “bring their own resource,” as in our experience  
14 this option typically necessitates a three-way agreement, with price and term  
15 negotiated by the customer and developer, with the actual PPA being a contract  
16 between the developer and the utility in order to satisfy limitations brought about by  
17 franchise and/or other statutory provisions.

18 **Q. DOES AWEC ALSO SUPPORT THIS OPTION FOR CUSTOMERS?**

19 A. Yes. AWEC proposes adding the following language to PGE’s proposed tariff:

20 “Customers with loads exceeding 10 aMW may solicit bundled RECs on their own  
21 behalf, which are deliverable to the Company’s system. The Company must  
22 review and approve any such solicitation and remains ultimately responsible for  
23 contracting with the seller. The Company shall allow the customer to participate

1 in the contract negotiation process with the seller.” See AWEC/100/Mullins/7,  
2 line 21 to line 26.

3 **Q. DOES WALMART AFFIRMATIVELY SUPPORT A CUSTOMER’S ABILITY TO BRING THEIR**  
4 **OWN RESOURCE TO THE PROGRAM?**

5 A. Yes. Having this option provides a customer the opportunity to employ their own  
6 resources to competitively source the renewable resource, appropriately size the  
7 resource, and set the term of the PPA based on their internal contracting and risk  
8 preferences and practices.

9 **Q. CAN YOU PROVIDE EXAMPLES OF THIS CAPABILITY IN OTHER STATES?**

10 A. Yes, as follows:

11 1) **Rocky Mountain Power Schedule 32 (Utah):** Schedule 32 has been approved  
12 by the Utah Public Service Commission and contains specific provisions  
13 regarding contracting for resources chosen by the participating customer. See  
14 Rocky Mountain Power, P.S.C.U. No. 50, Original Sheet No. 32.9.<sup>7</sup>

15 2) **Rocky Mountain Power Schedule 34 (Utah):** Schedule 34 has been approved  
16 by the Utah Public Service Commission and contains a specific provision  
17 allowing the resource to be owned by Rocky Mountain Power, the  
18 participating customer, or another entity. See Rocky Mountain Power, P.S.C.U.  
19 No. 50, First Revision of Sheet No. 34.3.<sup>8</sup>

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[https://www.rockymountainpower.net/content/dam/rocky\\_mountain\\_power/doc/About\\_Us/Rates\\_and\\_Regulation/Utah/Approved\\_Tariffs/Rate\\_Schedules/Service\\_From\\_Renewable\\_Energy\\_Facilities.pdf](https://www.rockymountainpower.net/content/dam/rocky_mountain_power/doc/About_Us/Rates_and_Regulation/Utah/Approved_Tariffs/Rate_Schedules/Service_From_Renewable_Energy_Facilities.pdf)

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[https://www.rockymountainpower.net/content/dam/rocky\\_mountain\\_power/doc/About\\_Us/Rates\\_and\\_Regulation/Utah/Approved\\_Tariffs/Rate\\_Schedules/Service\\_From\\_Renewable\\_Energy\\_Facilities.pdf](https://www.rockymountainpower.net/content/dam/rocky_mountain_power/doc/About_Us/Rates_and_Regulation/Utah/Approved_Tariffs/Rate_Schedules/Service_From_Renewable_Energy_Facilities.pdf)

1           3)     **Duke Energy Carolinas and Duke Energy Progress Proposed Green Source**  
2                   **Advantage Program (North Carolina):** The proposed Green Source Advantage  
3                   program contains the option for the participating customer to self-supply the  
4                   resource to be used in the program, subject to the terms of a standard PPA to  
5                   be used by Duke Energy for purchase of the energy from the developer. See  
6                   North Carolina Docket No. E-2 Sub 1169, Green Source Advantage Self Supply  
7                   PPA filed August 29, 2018.<sup>9</sup>

8     **Q.     DOES WALMART AGREE WITH AWEC’S PROPOSAL TO SET THE MINIMUM**  
9     **CUSTOMER SIZE AT 10 AMW?**

10    A.     No, as the limit is arbitrary and would limit the universe of potential resource  
11           development opportunities for customers and communities in PGE’s territory. All  
12           customers who qualify to take service under the tariff should have the ability to bring  
13           their own resource to the program.

14    **Q.     WHAT IS WALMART’S RECOMMENDATION TO THE COMMISSION ON THIS ISSUE?**

15    A.     Walmart recommends the Commission adopt AWEC’s proposed language with the  
16           following modification:

17                   “Customers ~~with loads exceeding 10 AMW~~ may solicit bundled RECs on their own  
18                   behalf, which are deliverable to the Company’s system. The Company must  
19                   review and approve any such solicitation and remains ultimately responsible for  
20                   contracting with the seller. The Company shall allow the customer to participate  
21                   in the contract negotiation process with the seller.”

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on/Utah/Approved\_Tariffs/Rate\_Schedules/Renewable\_Energy\_Purchases\_for\_Qualified\_Customers\_5000kW\_and\_Over.pdf  
<sup>9</sup> <https://starw1.ncuc.net/NCUC/ViewFile.aspx?Id=a9a86ee4-95d2-4712-a8b8-f416f8c34b27>

1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

2 A. Yes

**CERTIFICATE OF SERVICE**

Docket No. UM 1690

I hereby certify that on this 22<sup>nd</sup> day of October, 2018, I caused to be served, a true and correct copy of the foregoing **REPLY AND CROSS-ANSWERING TESTIMONY AND EXHIBITS OF STEVE W. CHRISS ON BEHALF OF WALMART INC. AND SAM'S WEST, INC.**, via electronic mail, to:

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