

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

In the Matter of Idaho Power Company's)	
Application to Expand Optional Customer)	Case No. IPC-E-21-40
Clean Energy Offerings Through the Clean)	
Energy Your Way Program)	

DIRECT TESTIMONY AND EXHIBITS OF

STEVE W. CHRISS

ON BEHALF OF

WALMART INC.

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Exhibits

Exhibit SWC-1: Witness Qualifications Statement

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 Arkansas 72716. I am employed by Walmart Inc. ("Walmart") as Director, Energy
5 Services.

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

7 A. I am testifying on behalf of Walmart.

8 **Q. PLEASE DESCRIBE YOUR EDUCATION AND EXPERIENCE.**

9 A. In 2001, I completed a Master of Science in Agricultural Economics at Louisiana State
10 University. From 2001 to 2003, I was an Analyst and later a Senior Analyst at the
11 Houston office of Econ One Research, Inc., a Los Angeles-based consulting firm. My
12 duties included research and analysis on domestic and international energy and
13 regulatory issues. From 2003 to 2007, I was an Economist and later a Senior Utility
14 Analyst at the Public Utility Commission of Oregon in Salem, Oregon. My duties
15 included appearing as a witness for PUC Staff in electric, natural gas, and
16 telecommunications dockets. I joined the energy department at Walmart in July 2007
17 as Manager, State Rate Proceedings. I was promoted to Senior Manager, Energy
18 Regulatory Analysis, in June 2011. I was promoted to my current position in October
19 2016, and the position was re-titled in October 2018. My Witness Qualifications
20 Statement is attached as Exhibit SWC-1.

1 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE IDAHO PUBLIC**
2 **UTILITIES COMMISSION ("COMMISSION")?**

3 A. No.

4 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER STATE**
5 **REGULATORY COMMISSIONS?**

6 A. Yes. I have submitted testimony in over 250 proceedings before 41 other utility
7 regulatory commissions. I have also submitted testimony before legislative
8 committees in Kansas, Missouri, North Carolina, and South Carolina. My testimony
9 has addressed topics including, but not limited to, cost of service and rate design,
10 return on equity ("ROE"), revenue requirements, ratemaking policy, large customer
11 renewable programs, qualifying facility rates, telecommunications deregulation,
12 resource certification, energy efficiency/demand side management, fuel cost
13 adjustment mechanisms, decoupling, and the collection of cash earnings on
14 construction work in progress ("CWIP").

15 **Q. DO YOU HOLD ANY MEMBERSHIPS RELEVANT TO THE ISSUES COVERED IN THIS**
16 **PROCEEDING?**

17 A. Yes. I am a member of the Clean Energy Buyers Alliance Advisory Board and the
18 Customer Advisory Group for the Edison Electric Institute National Key Accounts
19 Program.

20 **Q. ARE YOU SPONSORING EXHIBITS IN YOUR TESTIMONY?**

21 A. Yes. I am sponsoring the Exhibits listed in the Table of Contents.

1 **Q. PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS IN IDAHO.**

2 A. As shown on Walmart's website, Walmart operates 27 retail units and employs over
3 9,700 associates in Idaho. In fiscal year ending 2020, Walmart purchased \$507 million
4 worth of goods and services from Idaho-based suppliers, supporting over 8,000
5 supplier jobs.¹

6 **Q. PLEASE BRIEFLY DESCRIBE WALMART'S OPERATIONS WITHIN IDAHO POWER**
7 **COMPANY'S ("IDAHO POWER" OR "COMPANY") SERVICE TERRITORY.**

8 A. Walmart has 16 retail units and related facilities served by the Company primarily on
9 Schedule 9, Large General Service.

10 **Q. HAS WALMART ESTABLISHED CORPORATE RENEWABLE ENERGY GOALS?**

11 A. Yes. Walmart has long had aggressive and significant company-wide renewable
12 energy goals, and on September 21, 2020, we announced new targets, including: (1)
13 to be supplied 100 percent by renewable energy by 2035 and (2) zero carbon
14 emissions in our operations, including our transportation fleet vehicles, without the
15 use of offsets, by 2040. We have also set a goal to transition to low-impact
16 refrigerants for cooling and electric equipment for heating by 2040.²

17 To date, Walmart has contracted for or currently takes electricity from one
18 or more renewable resources in at least 29 states and Puerto Rico. As a point of
19 reference from Idaho Power's testimony regarding programs in other states, Walmart

¹ <http://corporate.walmart.com/our-story/locations/united-states#/united-states/idaho>

² <https://corporate.walmart.com/newsroom/2020/09/21/walmart-sets-goal-to-become-a-regenerative-company>

1 is a participant in both the Puget Sound Energy Green Direct program and Xcel-Public
2 Service Company of Colorado's Renewable*Connect program. See Direct Testimony
3 of Alison Williams, page 31, line 17 to line 19.

4 **Q. CAN YOU PROVIDE INSIGHT INTO WALMART'S GENERAL FRAMEWORK FOR**
5 **EVALUATING RENEWABLE OPPORTUNITIES?**

6 A. Yes. Walmart's desire for renewable energy resources must be balanced against its
7 business needs. As a general rule, Walmart does not enter into premium structures
8 or programs that only result in additional costs to our facilities. Rather, Walmart seeks
9 renewable energy resources that deliver industry-leading cost, including renewable
10 and project specific attributes such as renewable energy credits ("RECs"), within
11 structures where the value proposition allows the customer to receive any potential
12 benefits brought about by taking on the risk of being served by that resource instead
13 of, or in addition to, the otherwise applicable resource portfolio. Additionally,
14 Walmart does not enter into programs with contract terms in excess of 15 years.

15 **Q. WHAT CHANNELS DOES WALMART UTILIZE TO SECURE RENEWABLE ENERGY**
16 **RESOURCES?**

17 A. To meet our renewable energy goals, Walmart utilizes three primary channels to
18 secure renewable energy resources:

- 19 • **Contracting for off-site resources:** These products are typically structured to
20 replace other energy, both physically and on the bill. This mechanism allows
21 Walmart to leverage its scale to drive the best project economics while
22 simultaneously minimizing transaction time and costs. To date, Walmart has

1 contracted for these resources in deregulated markets through Texas Retail
2 Energy, LLC, a competitive electric supplier wholly owned by Walmart that serves
3 as our electric supplier in most deregulated retail markets, to directly serve our
4 load. We have also entered into “Virtual Power Purchase Agreements” in
5 deregulated wholesale markets, which do not directly serve our load but allow us
6 to bring new large scale renewable resources to the market.

- 7 • **Contracting for on-site resources:** Walmart contracts for on-site, behind the
8 meter resources through power purchase agreements (“PPAs”) and leases that
9 allow performance guarantees. These resources replace grid energy and are
10 priced with the expectation that the operating costs for the site are reduced.
- 11 • **Utility partnerships:** Walmart works with its utility partners to develop useable
12 commercial and industrial programs and economic structures targeted to function
13 within the confines of the regulatory compact and with minimal impact to non-
14 participating customers. When this option is pursued, Walmart works to ensure
15 that programs it assists to develop can be used by the broader group of large
16 commercial and industrial customers, not merely Walmart. Walmart is unique in
17 the large commercial space because we have significant in-house rate and
18 regulatory expertise that we are willing to leverage to create opportunities to
19 move the entire industry forward. The largest of these partnerships that have
20 been executed to date include the development of and participation in portions
21 of Florida Power & Light Company’s 1,500 MW SolarTogether Program, Duke
22 Energy Florida’s 750 MW Clean Energy Connection Program, Georgia Power

1 Company's 177 MW Renewable Energy Development Initiative program,³
2 Alabama Power Company's 72 MW solar farm in Alabama,⁴ and PNM's Solar Direct
3 program in New Mexico.⁵ While Walmart assisted in developing these
4 opportunities, the opportunities are open to other interested large customers, not
5 just Walmart.

6
7 **Purpose of Testimony and Summary of Recommendations**

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

9 A. The purpose of my testimony is to address aspects of Idaho Power's proposed Clean
10 Energy Your Way program.

11 **Q. PLEASE SUMMARIZE WALMART'S RECOMMENDATIONS TO THE COMMISSION.**

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

- 13 1) Walmart appreciates Idaho Power's efforts to develop the initial framework
14 for the proposed Clean Energy Your Way - Subscription program and
15 recommends that the Commission approve the Company's request to be able
16 to offer the program, subject to the additional recommendations below.
- 17 2) Walmart does not take a position on the Company's proposal to bypass the
18 Oregon Public Utility Commission Request for Proposals guidelines. However,
19 Walmart notes that speed to market for the program is critical, particularly for

³ <https://www.greenbiz.com/article/how-google-and-walmart-work-utilities-procure-clean-power>

⁴ <http://www.alabamane.wscenter.com/2018/01/02/chambers-county-solar-project-now-serving-alabama-power-customers/>

⁵ <https://www.abqjournal.com/2493701/50mw-solar-array-sending-power-to-abq.html>

1 meeting customer needs in the near-term, such as renewable goals within the
2 2023 to 2025 timeframe. That said, competitive pricing is also critical, and the
3 Commission should ensure that any abbreviated process still results in the
4 lowest possible cost resources brought to the offering.

5 3) For the Subscription program, the Commission should allow customers to
6 subscribe any percentage up to 100 percent of their previous 12 months
7 usage.

8 4) For the Subscription program, in the case of oversubscription, the Commission
9 should require the Company to pro-rate submitted subscriptions to match
10 available program capacity.

11 5) In addition to the 5-year, 10-year, and 20-year term lengths proposed by the
12 Company, Walmart proposes that a 15-year term length option be added to
13 the Subscription program. This would provide additional opportunity for
14 customers who cannot sign 20-year contracts but desire a longer term and
15 lower risk and marketing cost exposure than may be afforded with a 10-year
16 term.

17 6) Walmart does not oppose the Company's proposed REC treatment, but
18 recommends that the Commission require the Company to make attestations
19 available on an annual basis to participating customers who choose to have
20 the Company retain and retire the RECs.

21 7) Walmart does not oppose the Company's proposed Subscription program cost
22 components at this time; however, close examination of how the

administration, marketing, and term adjustment components are applied to the various term lengths will be critical in the second phase of the process.

8) The Commission should require that the Subscription program credit be able to exceed the program cost if warranted by the performance of the resource(s).

9) For the purposes of this case, in which the Company has not proposed a specific Subscription program credit structure, the Commission should require a full examination of program credits in the second phase of this process.

10) Walmart recommends that the Commission broaden the Company's proposed eligibility requirements for the Construction program by opening the program to commercial and industrial customers who can aggregate more than 5 MW of load across accounts in Idaho Power's Idaho service territory regardless of service schedule.

11) The Commission should allow Idaho Power, as part of the Construction program agreement, to calculate and offer, as an option in lieu of the Company's proposed Renewable Energy Facility ("REF") On-Site charges, cost-based demand charges to recover the fixed costs included in energy charges for the customer's applicable rate schedules.

Q. DOES THE FACT THAT YOU MAY NOT ADDRESS AN ISSUE OR POSITION INDICATE WALMART'S SUPPORT?

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

1

2 **Idaho Power's Proposals**

3 **Q. WHAT IS YOUR UNDERSTANDING OF IDAHO POWER'S PROPOSALS IN THIS CASE?**

4 A. My understanding is that the Company makes the following proposals in this case:

5 1) Renaming the existing Schedule 62 to "Clean Energy Your Way Program";

6 2) Maintain and expand procurement options for the REC offering under Clean
7 Energy Your Way – Flexible;

8 3) Establish a regulatory framework for a future subscription program to be named
9 Clean Energy Your Way – Subscription;

10 4) Offer a tailored program option to Special Contract and Schedule 19 customers to
11 be named Clean Energy Your Way – Construction; and

12 5) Procure associated renewable energy resources outside of the Commission's
13 current competitive bidding procurement requirements. See Direct Testimony of
14 Alison Williams, page 3, line 3 to line 16.

15 For the purposes of this case, my testimony will discuss the Company's proposed
16 Clean Energy Your Way – Subscription and Clean Energy Your Way – Construction
17 programs.

Clean Energy Your Way – Subscription

Program Description

Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANYS CLEAN ENERGY YOUR WAY – SUBSCRIPTION PROPOSAL IN THIS CASE?

A. My understanding is that the Company is proposing a two-phase process to examine the Subscription program. The proposed first phase is the instant case, in which the Company seeks authorization to offer the Subscription program and approval for “foundational concepts” of the program structure. The Company has not proposed any specific program resources or service costs in this case. Assuming approval of the above in this case, the Company would then seek approval of resources dedicated to the Subscription program and specific program pricing. *Id.*, page 33, line 17 to page 34, line 4.

Q. WHAT IS YOUR UNDERSTANDING OF THE PROPOSED CUSTOMER ELIGIBILITY REQUIREMENTS?

A. My understanding is the Company proposes that the Subscription program be open to Residential, Small General Service, Large General Service, Large Power Service, Agricultural Irrigation Service, and Special Contract customers receiving service under rate schedules 1, 5, 9, 19, 24, 26, 29, and 30. See Exhibit 1.

Q. WHAT SUBSCRIPTION AMOUNTS PER PARTICIPATING CUSTOMER DOES THE COMPANY PROPOSE?

A. The Company proposes that participating customers be able to elect production equivalent to 50 or 100 percent of their previous 12 months usage on a kWh basis,

1 with provisions for assignment of production to new customers and customers with
2 less than 12 months usage. *Id.* The Company also proposes an individual customer
3 cap of 15 percent of program capacity; however, the Company does not define
4 “individual customer” within the context of their testimony. *See* Direct Testimony of
5 Alison Williams, page 37, line 5 to line 9.

6 **Q. WHAT PROCESS DOES THE COMPANY PROPOSE FOR ENROLLMENT?**

7 A. The Company proposes to open the Subscription program first to Residential
8 customers for six weeks, and after the six weeks, open the program to other customer
9 classes on a “block” basis. *Id.*

10 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY’S PROPOSED PROGRAM SIZE?**

11 A. My understanding is the Company anticipates a program size between 50 and 100
12 MW. *See* Exhibit 1. The Company does state that if customer demand exceeds the
13 initial offering, they would consider seeking approval for a second offering. *See* Direct
14 Testimony of Alison Williams, page 41, line 6 to line 9.

15 **Q. WHAT TERM LENGTHS DOES THE COMPANY PROPOSE?**

16 A. The Company proposes term lengths of month-to-month for Residential customers
17 only and 5-year, 10-year, and 20-year terms for all eligible customers. *See* Exhibit 1.

18 **Q. DOES THE COMPANY PROPOSE TERMINATION OR ASSIGNABILITY PROVISIONS AT**
19 **THIS TIME?**

20 A. No. My understanding is that termination and assignability provisions will be part of
21 a participant agreement to be included in the phase two filing. *See* Direct Testimony
22 of Alison Williams, page 38, line 15 to line 21.

1 **Q. WHAT REC TREATMENT DOES THE COMPANY PROPOSE?**

2 A. The Company proposes to retain and retire program resource RECs, with case-by-case
3 consideration of alternative treatments per customer request. *Id.*, line 8 to line 12.

4 **Q. WHAT DOES THE COMPANY PROPOSE AS THE SUBSCRIPTION CHARGE?**

5 A. While the Company does not propose specific pricing in this docket, the Company
6 proposes that the program charge include:

- 7 1) The cost of the resource on a \$/kWh basis;
- 8 2) Integration charges associated with the resource(s);
- 9 3) Administration and marketing costs to advertise and maintain the program; and
- 10 4) A term adjustment charge applied to terms shorter than the full 20-year term,
11 with the charge tiered relative to the length of the term selected. The 20-year
12 term would not be subject to this charge. *Id.*, page 39, line 4 to line 14 and page
13 40, line 2 to line 4.

14 **Q. WHAT DOES THE COMPANY PROPOSE AS THE PROGRAM CREDIT?**

15 A. The Company proposes that the credit be based on the energy and capacity value that
16 the specific resource brings to their system. *Id.*, line 15 to line 19. The Company also
17 proposes that the credit not exceed the program charge. *See Exhibit 1.*

Walmart's Recommendations

Q. WHAT IS WALMART'S OVERALL IMPRESSION OF THE PROPOSED SUBSCRIPTION PROGRAM?

A. Walmart appreciates Idaho Power's efforts to develop the initial framework for the proposed Subscription program and recommends that the Commission approve the Company's request to be able to offer the program, subject to the additional recommendations below.

Q. DOES WALMART OPPOSE THE COMPANY'S DECISION TO NOT SPECIFY PROPOSED RESOURCES IN THIS CASE?

A. No. From Walmart's perspective, it is important to establish a reasonable and durable framework that can accommodate future customer demand and related program growth. Walmart believes this can be done with or without proposed specific resources.

Q. DOES WALMART TAKE A POSITION ON THE COMPANY'S REQUEST TO BYPASS THE OREGON REQUEST FOR PROPOSALS GUIDELINES?

A. No. However, Walmart notes that speed to market for the program is critical, particularly for meeting customer needs in the near-term, such as renewable goals within the 2023 to 2025 timeframe. That said, competitive pricing is also critical, and the Commission should ensure that any abbreviated process still results in the lowest possible cost resources being brought to the offering.

1 **Q. DOES WALMART HAVE ANY CONCERNS REGARDING THE COMPANY’S PROPOSAL**
2 **FOR PARTICIPATING CUSTOMERS TO CHOOSE EITHER 50 OR 100 PERCENT OF THEIR**
3 **PREVIOUS 12 MONTHS USAGE FOR SUBSCRIPTION?**

4 A. Yes. Limiting customer options to either 50 or 100 percent of previous 12 months
5 usage creates two potential unintended outcomes. First, the total subscriptions do
6 not match the output of the resources selected, which may result in unsubscribed
7 energy. Second, some customers may be excluded from the program because their
8 requested block is larger than the available portion, which would oversubscribe the
9 program.

10 **Q. WHAT ARE WALMART’S RECOMMENDATIONS TO MITIGATE THESE POTENTIAL**
11 **OUTCOMES?**

- 12 1) The Commission should allow customers to subscribe any percentage up to 100
13 percent of their previous 12 months usage; and
14 2) In the case of oversubscription, the Commission should require the Company to
15 pro-rate submitted subscriptions to match available program capacity. While this
16 may preclude some customers from reaching 100 percent in the first program
17 tranche, it provides broader opportunity for customers to participate and build
18 momentum for program demand.

19 **Q. DOES WALMART PROPOSE ADDITIONAL TERM LENGTHS?**

20 A. Yes. In addition to the 5-year, 10-year, and 20-year term lengths proposed by the
21 Company, Walmart proposes that a 15-year term length option be added. This would
22 provide additional opportunity for customers who cannot sign 20-year contracts but

1 desire a longer term and lower risk and marketing cost exposure than may be afforded
2 with a 10-year term.

3 **Q. DOES WALMART HAVE A RECOMMENDATION REGARDING THE COMPANY'S**
4 **PROPOSED REC TREATMENT?**

5 A. Yes. Walmart does not oppose the Company's proposed REC treatment, but
6 recommends that the Commission require the Company to make attestations
7 available on an annual basis to participating customers who choose to have the
8 Company retain and retire the RECs.

9 **Q. DOES WALMART OPPOSE THE COMPANY'S PROPOSED PROGRAM COST**
10 **COMPONENTS?**

11 A. Not at this time; however, close examination of how the administration, marketing,
12 and term adjustment components are applied to the various term lengths will be
13 critical in the second phase of the process. This is of particular concern to large
14 customers who seek longer terms, are likely to re-subscribe at the end of their terms,
15 and will manage their program participation through existing Key Account
16 relationships.

17 **Q. DOES WALMART HAVE CONCERNS WITH THE COMPANY'S PROPOSED PROGRAM**
18 **CREDIT STRUCTURE?**

19 A. Yes. While Walmart agrees that the energy and capacity value of the resource should
20 be the basis for the credit, Walmart has two concerns with the Company's proposal.

1 **Q. WHAT IS WALMART'S FIRST CONCERN?**

2 A. First, the applicable time frames and calculation methodologies for the energy and
3 capacity values are unclear and will need to be defined as part of phase two, if not in
4 the instant case. As an example, for energy value, many programs utilize a floating
5 energy credit structure tied to the rate structures and operating conditions of the
6 specific utility. These can range from a simple fuel swap, where the customer
7 essentially replaces the fuel component of rates, with a renewable energy rate, to a
8 credit that is based on hourly liquidation at Regional Transmission Organization
9 pricing points or the utility's marginal system cost in each hour. Xcel-Public Service
10 Company of Colorado's Renewable*Connect program utilizes an annual floating
11 credit, but instead of using the retail fuel rate, the utility uses their approved small QF
12 energy component with some modification. The Renewable*Connect capacity credit
13 is based on the 10-year projection of a 50 MW solar resource and is locked in for the
14 term of the PPA utilized for the program.⁶

15 **Q. WHAT IS WALMART'S SECOND CONCERN?**

16 A. Walmart's second concern is with the Company's proposal to preclude the credit from
17 exceeding the program charge. This would prevent participating customers from
18 realizing bill savings to the extent the program resource creates cost savings on the
19 Company's system. One of the key principles of renewable program design is that

⁶ See Colorado Docket No. 16A-0055E, Non-Unanimous Comprehensive Settlement Agreement, August 15, 2016, page 50.

1 participating customers, who are paying the incremental cost of and taking on the
2 incremental risk of taking service from the renewable resource instead of or in
3 addition to their regular service, have the opportunity to realize the incremental
4 benefits of doing so. Additionally, if the energy credit should exceed the program
5 charge and that portion of savings is not included in participant bills, that portion
6 becomes a subsidy from the participating customers to non-participants.

7 **Q. WHAT ARE WALMART'S RECOMMENDATIONS TO THE COMMISSION ON THIS**
8 **ISSUE?**

9 A. Walmart has two recommendations for the Commission on this issue:

- 10 1) The Commission should require that the Subscription program credit be able to
11 exceed the program cost if warranted by the performance of the resource(s).
12 2) For the purposes of this case, in which the Company has not proposed a specific
13 Subscription program credit structure, the Commission should require a full
14 examination of program credits in the second phase of this process.
15

16 ***Clean Energy Your Way – Construction***

17 **Program Description**

18 **Q. WHAT IS YOUR UNDERSTANDING OF THE COMPANY'S PROPOSED CLEAN ENERGY**
19 **YOUR WAY – CONSTRUCTION PROGRAM?**

20 A. My understanding is that the Company proposes the Construction program as an
21 individually tailored alternative for larger customers who want to incorporate

renewable resources into their electric service. See Direct Testimony of Alison Williams, page 42, line 13 to line 16.

Q. WHAT IS YOUR UNDERSTANDING OF THE PROPOSED CUSTOMER ELIGIBILITY REQUIREMENTS?

A. My understanding is the Company is proposing to offer the Construction program to Schedule 19 and Special Contracts customers at a single service point or at multiple service points. *Id.*, line 16 to line 24. Additionally, the Company proposes to retain the right to select and reject participants, at its sole discretion, based on criteria they consider necessary to “ensure effective operation of the Program.” See Attachment 1. The Company also contemplates the program being able to support (i) multiple customers joining together under a single agreement or (ii) one customer utilizing more than one resource. See Direct Testimony of Alison Williams, page 49, line 4 to line 12.

Q. WHAT SUBSCRIPTION AMOUNTS PER PARTICIPATING CUSTOMER DOES THE COMPANY PROPOSE?

A. The Company proposes that participating customers be able to elect production up to 110 percent of their previous 12 months usage on a kWh basis. See Attachment 1.

Q. WHAT PROCESS DOES THE COMPANY PROPOSE FOR ENROLLMENT?

A. The Company proposes that participation in the program be set through negotiation between the customer and Idaho Power. *Id.*

Q. WHAT TERM LENGTHS DOES THE COMPANY PROPOSE?

A. The Company proposes that the term will be determined through negotiation. *Id.*

1 **Q. DOES THE COMPANY PROPOSE SPECIFIC TERMINATION OR ASSIGNABILITY**
2 **PROVISIONS AT THIS TIME?**

3 A. No; however, the Company does propose tariff language requiring the program
4 agreement to include a customer financial guarantee to cover stranded resource costs
5 in the event of customer default, dissolution, or relocation. *Id.*

6 **Q. WHAT REC TREATMENT DOES THE COMPANY PROPOSE?**

7 A. The Company proposes REC treatment to be subject to negotiation, with options to
8 either have Idaho Power retain and retire program resource RECs or implement
9 alternative treatments per customer request. *Id.*

10 **Q. WHAT PROGRAM CHARGES AND CREDITS DOES THE COMPANY PROPOSE?**

11 A. The Company proposes the following overall structure, which appears to be based on
12 an hourly examination of resource production and customer load:

- 13 1) When the renewable resource is not generating, the customer takes service under
14 the otherwise applicable standard rates;
- 15 2) When the resource is generating, the customer pays for generation output at an
16 agreed upon Renewable Energy Facility ("REF") price, which includes all costs
17 associated with the REF;
- 18 3) The customer will receive an agreed upon REF credit to represent the value of the
19 resource on the system;
- 20 4) If an hour of generation exceeds customer load, the customer will receive a credit
21 at an agreed upon level; and

1 5) The customer will pay all embedded fixed costs in their standard tariff energy rates
2 ("REF On-Site") plus applicable demand and service charges. See Direct Testimony
3 of Alison Williams, page 44, line 17 to page 45, line 18 and Attachment 1.

4 **Q. HOW DOES THE COMPANY PROPOSE TO CHARGE FOR THE EMBEDDED FIXED COSTS**
5 **IN THE STANDARD ENERGY RATES?**

6 **A.** The Company proposes a schedule of energy charges, by time of use period, that has
7 removed the embedded energy costs, leaving only the embedded fixed costs for each
8 period. See Attachment 1.

9
10 **Walmart's Recommendations**

11 **Q. WHAT IS WALMART'S OVERALL IMPRESSION OF THE PROPOSED CONSTRUCTION**
12 **PROGRAM?**

13 **A.** Walmart appreciates Idaho Power's efforts to develop the proposed Construction
14 program and recommends that the Commission approve the Company's request to
15 be able to offer the program, subject to the additional recommendations below.

16 **Q. IS WALMART CURRENTLY ELIGIBLE FOR THE CONSTRUCTION PROGRAM AS**
17 **PROPOSED?**

18 **A.** No. However, because of the number of sites we have across the Company's Idaho
19 service territory, the program would provide Walmart with the ability to procure
20 renewable resources in furtherance of our 100 percent renewable goal. By
21 comparison, the Subscription program would be much more limiting given the

1 Company's proposed participation caps and the timing of incremental resource
2 tranches.

3 **Q. ARE THERE ADDITIONAL CONSIDERATIONS FOR THE COMMISSION'S**
4 **DETERMINATION OF CONSTRUCTION PROGRAM ELIGIBILITY?**

5 A. Yes. First, Schedule 19 requires a metered demand of 1,000 kW or more. A multi-site
6 customer may have multiples of that demand across their fleet within the Company's
7 territory. Additionally, the proposed eligibility requirements ignore the reality that
8 single Schedule 19 or multi-site customers may have sites or individual meters at a
9 site that are not large enough to qualify for Schedule 19 but, nonetheless, are
10 intended to be included in the program by the customer.

11 **Q. SHOULD THE COMMISSION ALLOW BROADER ACCESS TO THE PROPOSED**
12 **CONSTRUCTION PROGRAM?**

13 A. Yes. However, Walmart does understand the scale of customer load required to drive
14 economies of scale in resource procurement as well as administrative efficiency in
15 program management, and therefore does not oppose eligibility limits.

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

17 A. Walmart recommends that the Commission broaden the Company's proposed
18 eligibility requirements for the Construction program by opening the program to
19 commercial and industrial customers who can aggregate more than 5 MW of load
20 across accounts in Idaho Power's Idaho service territory regardless of service
21 schedule. This proposed floor is five times the demand eligibility threshold for a
22 Schedule 19 customer.

1 **Q. DOES WALMART HAVE A CONCERN WITH THE PROPOSED REF ON-SITE CHARGES?**

2 A. Yes, as they recover fixed costs through energy charges, which is not consistent with
3 cost of service principles and good rate design practice. Walmart recognizes that
4 these charges are an artifact of the rate case rate design process, and is not requesting
5 at this time that base rate schedule structures be modified. However, because
6 Construction program agreements are negotiated and customer-specific, the
7 Commission should allow Idaho Power, as part of the Construction program
8 agreement, to calculate and offer, as an option in lieu of the Company's proposed REF
9 On-Site charges, cost-based demand charges to recover the fixed costs that otherwise
10 would have been included in energy charges for the customer's applicable rate
11 schedules.

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

13 A. Yes.