

Exhibit No.:
Issue(s):
Witness: Andrew Teague
Sponsoring Party: Walmart Inc.
Type of Exhibit:
File No.: EA-2022-0245
Date Testimony Prepared: December 21, 2022

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. EA-2022-0245

REBUTTAL TESTIMONY AND EXHIBITS OF

ANDREW D. TEAGUE

ON BEHALF OF

WALMART INC.

DECEMBER 21, 2022

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

In the Matter of the Application of Union)
Electric Company d/b/a/ Ameren Missouri) File No. EA-2022-0245
For Approval of a Subscription-based)
Renewable Energy Program)

AFFIDAVIT OF ANDREW D. TEAGUE

STATE OF ARKANSAS)
)
COUNTY OF BENTON)

COMES NOW ANDREW D. TEAGUE and on his oath declares that he is of sound mind and lawful age; that he prepared the attached Rebuttal Testimony; and that the same is true and correct according to his best knowledge and belief, under penalty of perjury.

Further the Affiant sayeth not.



Andrew D. Teague

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Exhibits

Exhibit ADT-1: Witness Qualifications Statement

1 **I. Introduction**

2 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.**

3 A. My name is Andrew D. Teague. My business address is 2608 SE J Street, Bentonville,
4 AR 72716. I am employed by Walmart Inc. (“Walmart”) as Senior Manager, Energy
5 Services.

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

7 A. I am testifying on behalf of Walmart.

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

9 A. I received a Master's of Public Affairs in 2010 from the University of Indiana School of
10 Public and Environmental Affairs. From 2011 to 2019, I was an energy management
11 contractor working with the Army and the Air Force with primary duties in Texas and
12 Oklahoma. My responsibilities included energy conservation projects, on-installation
13 utility billing, management of relationships with utility providers, and other day-to-
14 day energy and utility operations. I joined the energy department at Walmart in
15 February 2019 as Senior Manager, Energy Services. My Witness Qualifications
16 Statement is attached as Exhibit ADT-1.

17 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THE MISSOURI PUBLIC
18 SERVICE COMMISSION (“COMMISSION”)?**

19 A. Yes, I have testified before the Commission on behalf of the Midwest Energy
20 Consumers Group on Case No. ER-2021-0240 and ER-2021-0312.

1 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE OTHER STATE**
2 **REGULATORY COMMISSIONS?**

3 A. Yes, I have submitted testimonies to state regulatory commissions in Colorado,
4 Kentucky, Michigan, Nevada, Montana, Nevada, Texas, Virginia, Wisconsin, and
5 Wyoming. A full list of the dockets I have testified in can be found in Exhibit ADT-1.

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

7 A. Yes. I am sponsoring the exhibits listed in the Table of Contents.

8 **Q. PLEASE BRIEFLY DESCRIBE WALMART’S OPERATIONS IN MISSOURI.**

9 A. As shown on Walmart’s website, Walmart operates 156 retail units and four
10 distribution centers and employs over 45,000 associates in Missouri. In fiscal year
11 ending 2022, Walmart purchased \$7.8 billion worth of goods and services from
12 Missouri-based suppliers, supporting over 70,000 supplier jobs.¹

13 **Q. PLEASE BRIEFLY DESCRIBE WALMART’S OPERATIONS WITHIN MISSOURI SERVICE**
14 **TERRITORY FOR UNION ELECTRIC COMPANY.**

15 A. Walmart has 52 stores and related facilities and one distribution center that take
16 electric service from Union Electric Company D/B/A Ameren Missouri (“Ameren” or
17 “Company”) in Missouri. Walmart primarily receives electric service under 3 (M) Large
18 General Service.

¹ <https://corporate.walmart.com/about/missouri?multi=false>

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

2 A. Yes. Walmart has long had aggressive and significant company-wide renewable
3 energy goals, and on September 21, 2020, Walmart announced new targets,
4 including: (1) to be supplied 100 percent by renewable energy by 2035 and (2) zero
5 carbon emissions in its operations, including its transportation fleet vehicles, without
6 the use of offsets by 2040. Walmart has also set a goal to transition to low-impact
7 refrigerants for cooling and electric equipment for heating by 2040.² To date,
8 Walmart has contracted for or currently takes electricity from one or more renewable
9 resources in at least 29 states, including Missouri, and Puerto Rico.

10 **Q. WHAT CHANNELS DOES WALMART UTILIZE To SECURE RENEWABLE ENERGY**
11 **RESOURCES?**

12 A. To meet its renewable energy goals, Walmart utilizes three primary channels to
13 secure renewable energy resources:

- 14 • **Contracting for off-site resources:** These products are typically structured to
15 replace other energy, both physically and on the bill. This mechanism allows
16 Walmart to leverage its scale to drive the best project economics while
17 simultaneously minimizing transaction time and costs. To date, Walmart has
18 contracted for these resources in deregulated markets through Texas Retail
19 Energy, LLC, a competitive electric supplier wholly owned by Walmart that serves
20 as its electric supplier in most deregulated retail markets, directly serving its load.

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

1 Walmart has also entered into “Virtual Power Purchase Agreements” in
2 deregulated wholesale markets, which do not directly serve its load but allows it
3 to bring new large scale renewable resources to the market.

- 4 • **Contracting for on-site resources:** Walmart contracts for on-site, behind the
5 meter resources through power purchase agreements (“PPAs”) and leases that
6 allow performance guarantees. These resources replace grid energy and are
7 priced with the expectation that the operating costs for the site are reduced.

- 8 • **Utility partnerships:** Walmart works with its utility partners to develop useable
9 commercial and industrial programs and economic structures targeted to function
10 within the confines of the regulatory compact and with minimal impact to non-
11 participating customers. When this option is pursued, Walmart works to ensure
12 that programs it assists in developing can be used by broader groups of customers,
13 not merely Walmart. Walmart is unique in the large commercial space because it
14 has significant in-house rate and regulatory expertise that can be leveraged to
15 create opportunities to move the entire industry forward. These partnerships that
16 have been executed or are in the process of being evaluated to date include Public
17 Service Company of Colorado’s Renewable*Connect Program, Florida Power &
18 Light Company’s SolarTogether Program (“SolarTogether”), Georgia Power
19 Company’s Renewable Energy Development Initiative program and Alabama
20 Power Company’s 72 MW solar farm in Alabama. While Walmart assisted in
21 developing and advocating for these opportunities, the opportunities are open to
22 other interested large customers, not just Walmart.

1 **Q. DID WALMART ENGAGE IN DISCUSSIONS WITH AMEREN ABOUT THE RENEWABLE**
2 **SOLUTIONS PROGRAM?**

3 A. Yes, Ameren has engaged with Walmart in discussions in regards to the Renewable
4 Solutions Program (“RSP”). Walmart has also nominated for capacity under this
5 program.

6 **II. Purpose of Testimony and Summary of Recommendations**

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

8 A. The purpose of my testimony is to respond to the Company's request for approval of
9 the RSP and associated project authorizations, as set forth in the Company's
10 Application filed on July 14, 2022.

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

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

13 1) Walmart supports the approval of the Company's proposed Renewable
14 Solutions Program; and

15 2) Additionally, Walmart recommends changing the language in the
16 proposed RSP Rider to reflect the Company's proposal to retire RECs on the
17 customer's behalf.

18 **Q. DOES THE FACT THAT YOU MAY NOT ADDRESS AN ISSUE OR POSITION ADVOCATED**
19 **BY THE COMPANY INDICATE WALMART'S SUPPORT?**

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

1 **III. Renewable Solutions Program**

2 **Q. WHAT IS YOUR GENERAL UNDERSTANDING OF THE RSP AS PROPOSED BY THE**
3 **COMPANY?**

4 A. The proposed RSP is a utility operated renewable service program that brings new
5 renewable resources to Ameren's system supported by binding commitments from
6 customers with firm demand. As noted above, Walmart is among the customers that
7 have already made a commitment to capacity under the RSP. Additionally, this
8 program is tied to a solar project, the Boomtown Project, which is submitted for a
9 Certificate of Convenience and Necessity in this docket. See Direct Testimony of
10 Steven M. Wills ("Wills Testimony") p. 5, lines 3-10.

11 The program structure is proposed to include multiple phases and multiple
12 resource types. While there is no identified project, RSP can explicitly include wind as
13 well as solar. See Direct Testimony of Lindsey J. Forsberg ("Forsberg Testimony"), p.
14 8, lines 6-8. The pricing will be dependent on the phases. See Wills Testimony, p. 7,
15 lines 7-11. Additionally, the credit will annually escalate by 2.5 percent.

16 **Q. WHAT IS YOUR UNDERSTANDING OF WHAT HAPPENS TO RENEWABLE ENERGY**
17 **CREDITS ("RECS") GENERATED FROM THE PROGRAM?**

18 A. The testimony from Company witness Forsberg states that any RECs generated will be
19 retired on behalf of the customer. See Forsberg Testimony, p. 8, lines 6-8. However,

1 the proposed rider submitted does not make any mention of RECs. See Union Electric
2 Company Electric Service MO.P.S.C. Schedule No. 6 ("Rider RSP"), Sheet No. 83.

3 **Q. WHAT IS YOUR GENERAL UNDERSTANDING OF THE RSP RIDER DESIGN AS**
4 **PROPOSED BY THE COMPANY?**

5 A. The RSP is proposed as an optional rider that is available to customers under 3(M),
6 4(M), and 11(M) services. See Wills Testimony p. 6, lines 7-10. The rider has two
7 billing components.

8 The first component is the Renewable Resource Charge, which is a \$/kW
9 charge assessed based on the amount of program capacity contracted by the
10 customer. *Id.* p. 6, lines 15-20. This charge is designed to reflect the costs associated
11 with the resources for the phase the customer has contracted. *Id.* p. 8, lines 15-17.
12 The initial proposal is \$8.27/kW for year 1, phase 1. See Rider RSP, Original Sheet No.
13 83.6.

14 The second component is the Renewable Benefits Credit, which is \$/kWh
15 credit based on the production from the renewable energy resource. See Wills
16 Testimony p. 7, lines 3-6. This value is based on the avoided cost of non-RSP
17 resources. *Id.* p. 8, lines 11-14. This cost was established using the class cost of service
18 study, from the last rate review, File No. ER-2021-0240. *Id.* p. 13, lines 1-5. The
19 numbers were then escalated to account for the difference between the performance
20 of the study and the project year in service. *Id.* p. 16, lines 5-10. The initial proposal
21 is \$0.0388/kWh for year 1, phase 1. See Rider RSP, Original Sheet No. 83.6.

1 **Q. WILL FUTURE PROJECTS BE CHARGED WITH THE SAME RATE?**

2 A. RSP could contain multiple phases and any additional phase will have a separate rate
3 schedule. *See* Rider RSP, Original Sheet No. 83.6.

4 **Q. WHY IS THE COMPANY PROPOSING THE RSP?**

5 A. Ameren cites two main components driving their renewable program. The first is that
6 they are seeing a number of corporate customers, Walmart included, tracking carbon
7 goals and are seeking clear, near-term ways to reduce carbon emissions. The
8 consequence of failure, according to Ameren, is these customers may leave the
9 Ameren service territory. *See* Forsberg Testimony, p. 6, lines 2-6. Furthermore, the
10 RSP is seen as a step along their net zero carbon reduction goal by 2045. *Id.* p. 6, line
11 10.

12 **Q. HAS AMEREN PROPOSED SIMILAR PROGRAMS IN THE PAST?**

13 A. Yes, Ameren has proposed multiple programs in the past. The most recent program
14 is Renewable Choice, which is described as following a PPA model. *Id.* p. 10, lines 4-
15 5. However, Renewable Choice has not resulted in any projects and remains
16 unsubscribed. *See* Wills Testimony, p. 3, lines 22-23. The Company states that the
17 non-binding nature of Renewable Choice and the variable charges created
18 uncertainty, resulting in an unfavorable environment for executing resource projects.
19 *Id.* p. 4, lines 10-15.

1 **Q. HAS WALMART PARTICIPATED IN SIMILAR PROGRAMS?**

2 A. As outlined above, Walmart is a participant in a number of utility renewable programs.
3 These programs include FPL’s SolarTogether, which Ameren explicitly mentions as a
4 model for their program. *Id.* p. 10, lines 10-11.

5 **Q. WHAT HAPPENS IF A CUSTOMER NEEDS TO TERMINATE THE AGREEMENT?**

6 A. As stated above, the program is described as being based on firm commitments.
7 However, Ameren acknowledges that a subscriber may need to terminate at some
8 point in the 15-year period. If this is the case, Ameren will attempt to find a
9 replacement subscriber. If Ameren fails to find a replacement, the original subscriber
10 will be assessed a fee. *Id.* p. 19, lines 11-19. The proposed tariff identifies this period
11 in which the Company will search for a replacement subscriber as 60 days or the
12 original subscriber may find their own replacement in an existing customer. *See Rider*
13 *RSP, Original Sheet No. 83.4.*

14 **Q. DOES THE COMPANY PROPOSE A PORTABILITY PROVISION FOR CUSTOMERS**
15 **MOVING WITHIN THE SERVICE TERRITORY?**

16 A. Yes, it does. The provisions allow for the transfer of the RSP subscription for one
17 account to another as long as the net subscription for the receiving account does not
18 exceed the allowable subscribed amount, i.e., the current, if any, subscription for the
19 recipient account plus the received subscription capacity does not exceed 100 percent
20 of the recipient account’s annual usage. *Id.*

1 **Q. WHAT ARE WALMART’S RECOMMENDATIONS TO THE COMMISSION?**

2 A. Walmart supports the approval of the Company’s proposed Renewable Solutions
3 Program.

4 Additionally, Walmart recommends changing the language in the proposed
5 RSP Rider to reflect the Company’s proposal to retire RECs on the customer’s behalf.

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

7 A. Yes.

Andrew D. Teague, CEM

Senior Manager, Energy Services

Walmart Inc.

Business Address: 2608 SE J Street, Bentonville, Arkansas 72716

Business Phone: (865)-696-4687

EXPERIENCE

February 2019 – Present

Walmart Inc., Bentonville, AR

Senior Manager, Energy Services

March 2011 – March 2019

AGEISS, Inc., Fort Sill, OK

Energy Conservation Program Support

EDUCATION

2010 University of Indiana

MPA, Environmental Policy and Natural
Resource Management; Sustainable
Development

2008 Emory University

B.S., Environmental Studies

2006 Oxford College of Emory University

A.A.

FILED TESTIMONY

2022

Public Service Commission of Montana Docket No. 2022.07.078: In RE NorthWestern Energy's Application for Authority to Increase Retail Electric and Natural Gas Utility Service Rates and for Approval of Electric and Natural Gas Service Schedules and Rules and Allocated Cost of Service and Rate Design.

Issue: General rate case.

Public Service Commission of Wyoming Docket No. 20003-214-ER-22, Record No. 17072: In the Matter of the Application of Cheyenne Light, Fuel and Power Company D/B/A Black Hills Energy for a General Rate Increase of \$15,366,026 per Annum and Authority to Revise its Power Cost Adjustment Mechanism.

Issue: General rate case.

Public Utility Commission of Colorado Proceeding No. 22A-0230E: In the Matter of the Application of Black Hills Colorado Electric, LLC for (1) Approval of its 2022 Electric Resource Plan and Clean Energy Plan, and (2) Approval of its 2023-2026 Renewable Energy Standard Compliance Plan.

Issue: Approval of renewable resource plans.

New Mexico Public Regulation Commission Case No. 22-00178-UT: In the matter of Southwestern Public Service Company's Application for Authorization to Implement Grid Modernization Components that Include Advanced Metering Infrastructure and Recover the Associated Costs through a Rider, Issuance of Related Accounting Orders, and other Associated Relief.

Issue: Approval of AMI deployment and grid modernization.

Public Utilities Commission of Nevada Proceeding No. 22-06014: In the Matter of the Application by Sierra Pacific Power Company D/B/A NV Energy, Filed Pursuant to NRS 704.110(3), Addressing Its Annual Revenue Requirement for General Rates Charged to All Classes of Electric Customers.

Issue: General rate case.

Public Service Commission of Wisconsin Docket No. 5-UR-110: Joint Application of Wisconsin Electric Power Company and Wisconsin Gas LLC for Authority to Adjust Electric, Natural Gas and Steam Rates.

Issue: General rate case.

Public Service Commission of Wisconsin Docket No. 6690-UR-127: Application of Wisconsin Public Service Corporation for Authority to Adjust Electric and Natural Gas Rates.

Issue: General rate case.

Public Utilities Commission of Nevada Proceeding No. 22-03028: Joint Application of Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy for approval to merge into a single Corporate entity, to transfer Certificates of Public Convenience and Necessity ("CPC") 685 Sub 20, 688, And 688 Sub 6 from SPPC to NPC, and to consolidate Generation assets.

Issue: Utility merger.

Public Utility Commission of Colorado Proceeding No. 22AL-0130E: In the Matter of Advice No. 1881-Electric of Public Service Company of Colorado for Approval of a Resiliency Service Program in Its Colorado PUC No. 8 – Electric Tariff Effective April 24, 2022

Issue: Approval to implement resiliency service program tariff.

2021

Public Utility Commission of Texas Case Docket No. 52389, SOAH Docket No. 473-22-0009: Southwestern Electric Power Company's Request for Approval of Advanced Metering System (AMS) Deployment Plan, AMS Surcharge and Non-Standard Metering Service Fees

Issue: Approval to implement AMS and recover costs through an additional surcharge.

Missouri Public Service Commission Case No. ER-2021-0312: In The Matter Of The Request Of The Empire District Electric Company D/B/A Liberty For Authority To File Tariffs Increasing Rates For Electric Service Provided To Customers In Its Missouri Service Area

Issue: General Rate Case.

Public Utility Commission of Texas Case Docket No. 52195, SOAH Docket No. 473-21-2606:
Application of El Paso Electric Company to Change Rates

Issue: General Rate Case.

Missouri Public Service Commission Case No. ER-2021-0240: In the Matter of the Union Electric Company d/b/a Ameren Missouri's Tariffs to Adjust its Revenues for Electric Service

Issue: General Rate Case.

New Mexico Public Regulation Commission Case No. 21-00148-UT: In the matter of Southwestern Public Service Company's Application for Authorization to Implement Grid Modernization Components that Include Advanced Metering Infrastructure and Recover the Associated Costs through a Rider, Issuance of Related Accounting Orders, and other Associated Relief.

Issue: Approval of AMI deployment and grid modernization.

Virginia State Corporation Commission Case No. PUR-2021-00127: Petition of the Virginia Electric and Power Company, for approval of a plan for electric distribution grid transformation projects pursuant to §56-585.1 A 6 of the Code of Virginia.

Issue: Approval of a Customer Information Platform and Phase II AMI deployment.

Public Utility Commission of Texas Docket No. 52040, SOAH Docket No. 473-21-2607:
Application of El Paso Electric Company for Advanced Metering System (AMS) Deployment Plan, AMS Surcharge, and Non-Standard Metering Service Fees.

Issue: Approval to implement AMS and recover costs through an additional surcharge.

Michigan Public Service Commission Case No. U-20963: In the matter of the application of Consumers Energy Company for authority to increase its rates for the generation and distribution of electricity and for other relief.

Issue: General rate case.

Commonwealth of Kentucky Public Service Commission Case No. 2020-00350: Electronic Application of Louisville Gas and Electric Company for an Adjustment of its Electric and Gas Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit.

Issue: General rate case.

Commonwealth of Kentucky Public Service Commission Case No. 2020-00349: Electronic Application of Kentucky Utilities Company for an Adjustment of its Electric Rates, a Certificate of Public Convenience and Necessity to Deploy Advanced Metering Infrastructure, Approval of Certain Regulatory and Accounting Treatments, and Establishment of a One-Year Surcredit.

Issue: General rate case.

PRESENT MEMBERSHIPS

Association of Energy Engineers, Member

Utah Association of Energy Users, Board Member

INDUSTRY TRAINING

- 2020 Practical Regulatory Training for the Electric Industry, Center for Public Utilities, New Mexico State University College of Business
- 2020 IPU Accounting and Ratemaking Course, Michigan State University

KEY ACCOMPLISHMENTS

Oversaw the roll out of the Meter Data Management System at Fort Sill.

Performed meter audits and surveys at Joint Base San Antonio.

Managed meter data for natural gas, electric, wastewater, and water for Joint Base San Antonio and Fort Sill. Developed customer utility rates and managed billing for Joint Base San Antonio and Fort Sill.

Supported utility management for natural gas, electric, wastewater, and water billing with city, public utility, and privatized utility providers.

Supported energy savings performance contract endeavors at Fort Sill and Joint Base San Antonio, including a \$143 million contract.

Audited historic energy savings performance contracts for compliance for the Air Force Civil Engineering Center.

Maintained and expanded Walmart's Rate Engine with the addition of dozens of utilities' and distributed generation providers' interval data and cataloging and modeling hundreds of different utility rates.