

Exhibit No.:
Issue(s):
Witness: Andrew Teague
Sponsoring Party: Walmart Inc.
Type of Exhibit:
File No.: EA-2022-0245
Date Testimony Prepared: January 18, 2023

MISSOURI PUBLIC SERVICE COMMISSION

FILE NO. EA-2022-0245

SURREBUTTAL TESTIMONY AND EXHIBITS OF

ANDREW D. TEAGUE

ON BEHALF OF

WALMART INC.

JANUARY 18, 2023

**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 Surrebuttal 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

Contents

I. Introduction..... 1

II. Response to Cunigan Rebuttal on Renewable Solutions Program 2

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. ARE YOU THE SAME ANDREW D. TEAGUE WHO FILED DIRECT TESTIMONY IN THIS**
9 **DOCKET ON DECEMBER 21, 2022?**

10 A. Yes, I am.

11 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

12 A. The purpose of my surrebuttal testimony is to respond to portions of the Rebuttal
13 Testimony of Cedric E. Cunigan (“Cunigan Rebuttal”) filed on behalf of Staff on
14 December 21, 2022.

15 **Q. DOES THE FACT THAT YOU MAY NOT ADDRESS AN ISSUE OR POSITION ADVOCATED**
16 **BY ANY PARTY TO THIS DOCKET INDICATE WALMART’S SUPPORT?**

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

19

1 **II. Response to Cunigan Rebuttal on Renewable Solutions Program**

2 **Q. DOES STAFF WITNESS CUNIGAN REFERENCE WALMART IN HIS REBUTTAL**
3 **TESTIMONY?**

4 A. No. However, Walmart is included in references to Union Electric Company's D/B/A
5 Ameren Missouri's ("Ameren") Renewable Solutions Program ("RS Program") both as
6 a potential participant and as a large commercial customer. See Cunigan Rebuttal, p.
7 5, lines 11-13. In my Direct Testimony, Walmart is identified as both a large
8 commercial customer and a customer that has already nominated capacity to
9 participate in the RS Program. See Direct Testimony of Andrew D. Teague, p. 4, lines
10 13-15 and p. 5, lines 4-5.

11 **Q. DOES STAFF WITNESS CUNIGAN TAKE A POSITION ON WHETHER AMEREN SHOULD**
12 **OFFER THE RS PROGRAM TO LARGE COMMERCIAL AND INDUSTRIAL CUSTOMERS?**

13 A. Yes. In his rebuttal testimony, Staff witness Cunigan states that the RS Program is not
14 needed. See Cunigan Rebuttal, p. 5, line 16.

15 **Q. WHAT REASONS DOES STAFF WITNESS CUNIGAN PROVIDE TO SUPORT HIS CLAIM**
16 **THAT THE RS PROGRAM IS NOT NEEDED?**

17 A. Staff witness Cunigan's primary reason for claiming that the RS Program is not needed
18 is based on the assumption that potential participants, all of which are large energy
19 consumers, have the resources that would enable them to either participate in
20 purchased power agreements ("PPAs") or own generation assets outright. However,
21 this assertion is ambiguous and not supported by any actual quantification or
22 qualification of customers' ability to secure these types of resources. Additional

1 concerns Staff witness Cunigan has are that the fixed limit to the costs could expose
2 non-participating customers all other ratepayers in the early stages of the program to
3 additional costs, and whether the program is needed for renewable energy standard
4 compliance since the renewable energy credits would be retired on behalf of the
5 participants and not the Company. *Id.*, p. 5, lines 16-24.

6 **Q. DOES WALMART BELIEVE THE RS PROGRAM IS IMPORTANT FOR LARGE**
7 **CUSTOMERS?**

8 A. Yes. Walmart believes the RS Program is a valuable program for its potential
9 participants. As indicated in the Company's testimony, the RS Program is fully
10 subscribed and Walmart is among the subscribers. See Direct Testimony of Steven M.
11 Wills, p.19, lines 1-2. The fact that this program is already fully subscribed makes it
12 clear that eligible customers not only want to participate in the RS Program but are
13 also interested in utility-offered renewable programs as an important pathway to
14 meeting their renewable energy needs.

15 With regard to Walmart, I have described in my rebuttal testimony the various
16 pathways Walmart uses to meet its renewable energy goals. When deciding which of
17 these pathways to pursue for a particular location, Walmart is often constrained by
18 other cost, risk, and operational factors that influence what renewable opportunities
19 are ultimately viable within a given area. For example, while I am not a lawyer, it is
20 my understanding that Missouri law grants an electrical corporation, such as Ameren,
21 the exclusive right to supply electricity to its customers. This exclusive right to sell
22 electricity forecloses Walmart's ability to enter into a direct Power Purchase

1 Agreement (“PPA”) for a solar resource to serve its stores in Missouri. When other
2 pathways to renewable power are unavailable, as is the case with direct PPAs, the
3 availability of utility-backed programs, like the RS Program, become an increasingly
4 important tool for customers to meet their renewable energy needs.

5 **Q. IS THIS PROGRAM IMPORTANT FOR AMEREN TO STAY COMPETITIVE WITH ITS**
6 **UTILITY PEERS?**

7 A. Yes. As stated above, large customers, such as Walmart, who have renewable and
8 carbon free energy goals are currently unable to meet those goals solely through
9 existing grid power under Ameren. A customer’s inability to achieve its renewable
10 and carbon-free goals through grid power could result in the customer locating its
11 facilities in a different area or state. For example, U.S. Steel recently announced the
12 building of a new steel mill in Arkansas because of the available renewable energy
13 from the local utility - Entergy Arkansas.¹

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

15 A. As stated in my Direct Testimony, the Commission should approve the RS Program as
16 it is beneficial for large customers and helps Ameren to stay competitive.

17 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

18 A. Yes.

¹ <https://www.arkansasonline.com/news/2022/oct/05/entergy-solar-project-will-be-states-largest/>