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**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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Relating to the Commission’s Proceeding to Develop a Policy Statement Addressing Alternatives to Traditional Cost of Service Ratemaking.

Docket No. U-210590

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**COMMENTS OF WALMART INC.**

Walmart Inc. (“Walmart”) files these comments in response to the Washington Utilities and Transportation Commission’s (“Commission”) December 13, 2023 Notice of Resuming Proceeding and Opportunity to File Written Comments.

**I. BACKGROUND**

This proceeding was opened by the Commission on July 30, 2021, for the purpose of developing a policy statement with input from interested stakeholders that addresses alternatives to traditional cost of service ratemaking, including performance measures or goals, targets, performance incentives, and penalty mechanisms. Walmart filed Comments in this proceeding on April 27, 2022, and has participated in many of the workshops. Walmart appreciates the opportunity to have been involved early and continuously throughout this process and looks forward to its continued participation.

**II. COMMENTS**

As discussed in more detail in its Comments filed on April 27, 2022, Walmart generally supports traditional cost of service-based ratemaking that assigns costs to the customer classes who cause the utility to incur those costs through a process that allows for scrutiny by the Commission and other interested parties. When diverging from cost of service-based rates through alternative rate making structures such as a Multi-Year Rate Plans (“MYRP”) and/or Performance Based

Rates (“PBR”), it is important that any such cost recovery method is shown to provide a benefit to customers, is clearly identifiable, can be quantitatively measured in order to track its success, and does not create subsidization between or within customer classes. Within that context, Walmart provides the following Comments in response to the Commission’s questions set forth in its Notice dated December 13, 2023.

Question 1: What connection should be made, if any, between the work in this docket and the performance measures in a Multi-Year Rate Plan (MYRP) as required under RCW 80.28.425(7)?

- a. Connection: How do you see the metrics and direction from this docket working with metrics and performance measures identified in and approved in future MYRPs, Clean Energy Implementation Plans (CEIPs), or other existing reporting requirements?

Answer:

Metrics across multiple reporting requirements should be coordinated with one another and not create ambiguities or direct contradictions by being specific, clear, measurable, and reasonably attainable by the utility.

- b. No Connection: How do you propose the various avenues for metric proposals be kept distinct from one another?

Answer:

Walmart does not take a position on the avenues for metric proposals at this time, but Walmart reserves the right to address this issue in future pleadings, filings, and/or at any hearings in accordance with the procedures established by the Commission.

Question 2: Please identify which of the proposed metrics for which Advanced Metering Infrastructure (AMI) can provide insight or relevant data?

Answer:

As discussed in the November 7, 2022, Phase I workshop, many metrics may fall under the AMI umbrella. Ultimately, the goal of an AMI investment is the collection of relevant data for

both the utility and customer that can then be used to develop and improve utility-based programs around reliability, energy management, resiliency, distributed energy resources (“DERs”), and other initiatives that focus on managing customer usage. Specifically, the following metrics may be informed by data collected through AMI technology:

Metric No. 1: Equity in Reliability (SAIDI) for Named Communities and Non-Named Communities.

Metric No. 2: Equity in Reliability (SAIFI) for Named Communities and Non-Named Communities.

Metric No. 3: Equity in Reliability: Length of Power Outages.

Metric Nos. 1, 2, and 3 may be grouped together in that the data collected from AMI will show the outage details and durations on a very granular basis. This, together with resource and distribution planning, can address continued outages and resiliency issues on a meter and circuit level.

Metric No 13: Average Energy Burden

Collecting interval data is a key component of AMI metering as these data points can help the utility better understand customer usage patterns and identify sources of excessive or inefficient energy consumption that can drive up customer bills. Additionally, these data points can help the utility develop, market, and support energy savings programs for specific customer classes with the goal of reducing energy usage, especially at critical peak times.

Metric No. 14: Net Benefits of DERs and GETs

The effectiveness and cost benefits of DERs is often demonstrated by providing evidence of how the deployment of a DER replaces a customer’s use of power that is normally provided by the utility, especially during extreme weather events. As a recent example, in a January 3, 2024,

article from Energy News Network, Shelly Hudson Robbins explains how a DER program offered through the PJM Interconnection (“PJM”) far exceeded expectations by over performing during winter storm Elliot, on December 24, 2022. Because of the availability and performance of DER assets, PJM was able to meet the enormous demand without having to disrupt power through forced load shedding. This was in stark contrast to their neighbors at Duke Energy, whose DER program is much smaller and during this event was less effective. Unlike PJM, Duke Energy was required to shut off entire circuits in an effort to maintain reliability. As this article explains, DERs are an important resource that provides benefits not only to the customer who deploys the DER but to all customers as well. The data collected through AMI is a critical component to quantifying this impact that DERs have on customer power usage and the resiliency and cost savings provided through various DER programs.

Question 3: Distributed Energy Resources (DERs) are the subject of multiple metrics (Proposed Metrics Nos. 14, 15, 25, 26, and 30). A least-cost requirement exists under the current regulatory framework. The Clean Energy Transformation Act (CETA) requires the equitable distribution of energy benefits and burdens. These two requirements are potentially at odds with one another. Where should the Commission focus its efforts in developing incentives and/or data collection at this time given that multiple iterations of the PBR process are likely necessary? Please provide the rationale for your proposed DER focus.

Answer:

As discussed in more detail above, generally, DER programs with positive cost to benefit ratios can provide a mechanism through which customers are able to contribute towards lower short-term and long-term energy costs for all customers while providing greater resiliency for the utility’s system. The type of DER that is deployed will determine the economics for a particular program, the type of generation or demand-side resource that is used, and the duration of deployment.

Specifically, the Commission should focus on an array of programs that can be utilized across all classes of customer, ensure that participation and benefits are equitably focused to address load constraint limits on the transmission and distribution systems and improve power quantity and quality for all circuits, and aggregate and optimize DER resources to reach as many resources as possible as well as overcome limitations in resource run times.

Question 4: The Commission is interested in an alternative proposal for Metric 20 Customers Who Participate in One or More Bill Assistance Programs. Specifically, how should the recent approval of Bill Discount Program Tariffs be reflected in the performance metric?

Answer:

Walmart does not take a position on Bill Assistance Programs at this time, but Walmart reserves the right to address this issue in future pleadings, filings, and/or at any hearings in accordance with the procedures established by the Commission.

Question 5: The Commission is interested in proposals for an Electric Vehicle (EV) and/or Electric Vehicle Supply Equipment (EVSE) metric. Consideration should be given to the Interagency Electric Vehicle Coordinating Council's statewide Transportation Electrification Strategy, impacts for urban versus rural geographies, and low-income customers.

Answer:

Walmart has substantial experience with offering EV charging to its customers and is actively growing its presence in the EV charging space. Specifically, Walmart currently hosts more than 1,200 public Direct Current Fast Chargers ("DCFC") at 285 different locations and across 43 states. As announced recently, Walmart intends to build its own EV fast-charging network at thousands of Walmart and Sam's Club locations across the U.S. over the next few years. Walmart retail sites are ideally situated for EV charging stations because of their large parking lots, easy public access, and multi-site locations. Walmart seeks to site EV charger locations to provide value to Walmart and its customers. Walmart seeks to balance the risks and costs of installing and

maintaining EV charging infrastructure by participating in various EV-specific programs offered through states or utility companies, such as rebate programs and make ready programs. Additionally, the economics of a particular EV charging station is informed, in part, by the tariff under which the electricity is provided from the utility to the owner of the EV charger. As such, Walmart recommends these areas be considered when establishing metrics for Transportation Electrification Strategies.

### III. CONCLUSION

Walmart appreciates the Commission's efforts and the desire to grow new programs and benefit the state of Washington. These are important topics and will affect every citizen and business in the state. Walmart recommends that the Commission considers every customer class, and the impacts decisions make across the board. Walmart appreciates the opportunity to provide comments in the continued proceeding and looks forward to further participation in the matter.

DATED this 7<sup>th</sup> day of February, 2024.

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**CERTIFICATE OF SERVICE**

Docket No. U-210590

I hereby certify that on this 7th day of February, 2024, I caused a true and correct copy of the foregoing document, **COMMENTS OF WALMART INC.**, to be served via electronic mail to the following:

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