

**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 for Permission and )  
Approval and a Certificate of Public Convenience ) Case No. EA-2016-0208  
and Necessity Authorizing It to Offer a Pilot Distributed )  
Solar Program and File Associated Tariff )**

**INITIAL POSTHEARING BRIEF**

**OF**

**WALMART STORES, INC.**

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INC.

November 7, 2016

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**INITIAL POST-HEARING BRIEF OF  
WALMART STORES, INC.**

COMES NOW Walmart Stores, Inc. (“Walmart”) by and through the undersigned counsel, pursuant to the Commission’s June 24, 2016 *Order Setting Procedural Schedule and Other Procedural Requirements*, and provides its initial post-hearing brief.

While Walmart does not oppose the August 31, 2016 Non-Unanimous Stipulation and Agreement, Walmart is concerned that the structure for distributed solar generation, as contained in the settlement, does not lend itself to the widespread rollout of distributed solar generation. Specifically, the settlement does not: (1) provide for either lease payments to the partner customers or (2) allow for the customers to receive any of the energy generated by the solar facilities located on their premises. Furthermore, because the customer does not receive the solar renewable energy credits (SRECs), the customer is unable to take credit for the renewable energy in order to comply with corporate commitments, such as those described in the Renewable Energy Buyer’s Principles published by the World Resources Institute and World Wildlife Fund. Therefore, in the event that the Commission approves the, Walmart urges the Commission to make an express finding that it is not making any policy determinations regarding the preferred structure of distributed solar generation programs. In this way, Walmart hopes that a better structure, that leads to a more ubiquitous rollout of distributed solar, may develop.

## **I. PROCEDURAL HISTORY**

On April 27, 2016, Ameren Missouri filed an application for a blanket certificate of convenience and necessity to construct various small solar generation facilities in its service territory. Unlike Ameren's utility scale (5.7 MW) solar generation facility in O'Fallon, Missouri, the facilities to be constructed under this CCN consists of smaller scale, distributed solar generation facilities to be located on customer premises. Coincident with the filing of its Application, Ameren filed direct testimony.

After conducting several technical conferences for the parties, Ameren executed a Non-Unanimous Stipulation and Agreement with Staff; the Division of Energy; Missouri Industrial Energy Consumers; Renew Missouri; and United for Missouri. As reflected in its opening statement<sup>1</sup> and in this brief, Walmart does not object to the Non-Unanimous Stipulation subject to a Commission finding that it is not making any policy determinations regarding the structure of distributed solar generation facilities going forward. As indicated, Renew Missouri<sup>2</sup> and Brightergy<sup>3</sup> have also urged the Commission not to make any policy determinations regarding the structure of future distributed solar generation projects

## **II. THE STIPULATED DISTRIBUTED GENERATION STRUCTURE**

As reflected in the August 30, 2016 Non-Unanimous Stipulation and Agreement, Ameren would be granted a blanket certificate of convenience and necessity to construct one of more solar partnership pilot generating facilities. These facilities would be located on the premises of certain, as yet unidentified, solar partners. In constructing these facilities, Ameren would spend no more than \$2.20 / watt on each facility and no more than \$10 million in total. In addition to

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<sup>1</sup> Tr. 35.

<sup>2</sup> Tr. 31.

<sup>3</sup> Tr. 36-37.

providing the premises, the solar partner is expected to cover any construction costs in excess of \$2.20 / watt.

Critical to Walmart's assessment of the structure of the solar pilot program, the Non-Unanimous Stipulation does not provide for: (1) lease payments to the solar partner; (2) the use of the generated renewable energy by the solar partner; or (3) the receipt of solar renewable energy credits by the solar partner.<sup>4</sup> That said, given that this is a pilot program, the stipulating parties have identified several "learning opportunities" associated with this program. Including among these learning opportunities is to "[c]onsider how offering a lease payment, bill credit, or other form of compensation to potential site hosts would influence future program participation and cost."<sup>5</sup>

### **III. THE STIPULATED STRUCTURE IS FLAWED AND SHOULD NOT BE RELIED UPON AS A MODEL FOR FUTURE DISTRIBUTED SOLAR PROJECTS**

In his direct testimony, Mr. Chriss identified Walmart's interest in this matter:

Walmart has established aggressive and significant renewable energy goals, including: (1) to be supplied 100 percent by renewable energy and (2) to drive, by 2020, the annual production or procurement of seven billion kWh of renewable energy across the globe. The Corporate Renewable Energy Buyer's Principles, published by World Resources Institute and World Wildlife Fund and to which Walmart is a signatory, provides more detail around corporate customer renewable energy needs.<sup>6</sup>

Given its interest in renewable energy, Walmart's concern is that any Commission policy determinations lead to the successful, large scale rollout of renewable energy facilities. With this in mind, Walmart is concerned that the structure contained in the Non-Unanimous Stipulation and Agreement will not lead to the ubiquitous roll out of distributed solar generating facilities.

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<sup>4</sup> Exhibit 400, Chriss Direct, page 7.

<sup>5</sup> Non-Unanimous Stipulation and Agreement, filed August 30, 2016, at Appendix B.

<sup>6</sup> Exhibit 400, Chriss Direct, page 3.

Specifically, Walmart believes that the structure contained in the stipulation suffers from several flaws.

Specifically, Mr. Chriss points out that, while the solar partner is required to provide the premise and cover any costs in excess of \$2.20 / watt, the solar partner “would receive no lease payment, no energy, and no SRECs.”<sup>7</sup> For potential solar partners that have made commitments to the Corporate Renewable Energy Buyer’s Principles, the solar partner would be unable to count any of its investment or energy usage towards its renewable energy commitment.

Q. Are there any limitations that corporations, such as the corporations who have signed the Corporate Buyer's Guide, as to what they can make regarding renewable energy claims?

A. That is my understanding.

Q. And what is your understanding on the limitations that they can claim?

A. This is not a main area that I focus in, but what I understand is that a company would have to have the RECs or SRECs and retire them in order to be able to make the typical claims one thinks of in terms of sustainability. That doesn't prevent them from saying they have solar on their roofs, but does prevent them saying that they are using green energy per se.

Q. So what is the benefit of saying that they have solar on their roof?

A. My understanding, that it's a public relations benefit.<sup>8</sup>

As Mr. Chriss points out, “[w]ithout the SRECs, the customer’s ability to make credible claims to the production of renewable energy is very limited and the customer certainly cannot claim to use the energy on its premises.”<sup>9</sup>

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<sup>7</sup> *Id.* at page 7.

<sup>8</sup> Tr. 159-160.

In addition to the failure to provide SRECs or renewable energy to the solar partner, Walmart is also concerned about the failure to make lease payments to the solar partner. “The lack of a lease payment suggests that the portion of the customer premises where the solar panels would be sited has neither an opportunity cost nor customer costs to operate and maintain, and this suggestion is clearly not true.”<sup>10</sup> Indeed, the evidence points out that where similar programs were executed in other states, the utility provides lease payments to compensate the solar partner for these opportunity costs.<sup>11</sup>

Given these flaws in the solar partnership settlement, Walmart is concerned that the stipulated structure will not lead to the widespread rollout of distributed solar generation. Nevertheless, recognizing that this is a pilot program that will lead to certain learning opportunities, Walmart has chosen not to object to the stipulation. That said, Walmart is concerned that, through its adoption of the stipulation, the Commission may, explicitly or implicitly, make a policy determination regarding the preferred structure of distributed generation in the State of Missouri. For this reason, Walmart urges the Commission to specifically note that its adoption of the stipulation “does not serve as a precedent for future solar facility programs.”<sup>12</sup>

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<sup>9</sup> Exhibit 400, Chriss Direct, page 8.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at page 9. See also, Tr. 110-111.

Q. And then I believe you said that there were at least two that were specifically placing gen-- placing solar on customer premises?

A. Yes, sir.

Q. And do you know if in either of those situations this particular process was employed?

A. The primary difference is that in those instances, from what we understand, they actually pay a lease payment to the facility in order to site on their property. And so the primary difference that our program is we first want to approach customers who have already approached us and then to determine is there a wider base of customers who have an interest in overall promotion of sustainability. So that's what we discovered through these customers. They are interested in helping to promote the image of sustainability for both their business and for the region. And so the difference is we're going to be willingly looking at free property versus paying a fee for property.

<sup>12</sup> Exhibit 400, Chriss Direct, page 10.

Respectfully submitted,

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ATTORNEYS FOR WALMART STORES, INC.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the foregoing pleading by email, facsimile or First Class United States Mail to all parties by their attorneys of record as provided by the Secretary of the Commission.



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David L. Woodsmall

Dated: November 7, 2016