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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request to opt-out of cost)
recovery for investor-owned electric) Docket No. 140226-EI
utility energy efficiency programs)
by Wal-Mart Stores East, LP and) Filed: June 22, 2015
Sam's East, Inc. and Florida)
Industrial Power Users Group.)

WAL-MART STORES EAST, LP'S AND SAM'S EAST, INC.'S PREHEARING STATEMENT

Wal-Mart Stores East, LP and Sam's East, Inc. (collectively referred to as "Walmart"), pursuant to Commission Order No. PSC-15-0149-PCO-EI, issued on April 1, 2015, hereby file their Prehearing Statement in this case.

A. APPEARANCES

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B. WITNESSES AND EXHIBITS

Walmart will call the following witnesses, who will address the issues indicated next to each witness's name, and who will sponsor the exhibits listed below.

<u>Witness</u>	Issues
Kenneth E. Baker	1,2,3
Steve W. Chriss	1,2,3

Exhibits

Kenneth E. Baker

- KEB-1 Qualifications of Kenneth E. Baker
- KEB-2 Energy Efficiency and Demand Side Management Programs of the Companies
- KEB-3 Oklahoma Administrative Code Section OAC 165:35-41-3
- KEB-4 Public Service Company of Oklahoma and Duke Energy Carolinas' South Carolina DSM-EE tariffs
- KEB-5 PSC of South Carolina, Order No. 2008-251-E

Steve W. Chriss

- SWC-1 Witness Qualifications Statement of Steve W. Chriss
- SWC-2 Utility Proposed Energy and Demand Allocations and ECCR Rate Calculations
- SWC-3 Illustrative Part E and Part D Rates for Florida Investor-Owned Utilities
- SWC-4 Public Service Company of Oklahoma Demand Side Management Cost Recovery Rider Factor Calculation

C. WALMART'S STATEMENT OF BASIC POSITION

Walmart has established itself as an industry leader in energy conservation, renewable energy, and sustainability by making operational and financial commitments to environmental stewardship in many aspects of our business. In 2005, Walmart

made commitments to be supplied 100% renewable energy, to create zero waste; and to sell products that sustain people and the environment in the United States and throughout the world.

Additionally, in 2013, Walmart made two additional commitments:

1. To scale renewable energy through driving the annual production or procurement of seven billion kWh of renewable energy across Walmart's global footprint by December 31, 2020 - an increase of over 600 percent compared to 2010; and

2. To accelerate energy efficiency by reducing the energy intensity - measured in kilowatt-hours per square foot of commercial space - required to power our buildings around the world by 20 percent by December 31, 2020 as compared to 2010 levels.

In this docket, Walmart respectfully asks the Commission to require Florida's investor-owned utilities to separate their Energy Conservation Cost Recovery expenditures into two categories, one for Energy Efficiency (EE) programs and the other for Demand Side Management (DSM) programs, and that the Commission then allow pro-active non-residential customers who implement their own Energy Efficiency programs, at their own expense, and meet certain other criteria to opt out of participating in a utility's EE programs and not be required to pay the cost recovery charges for the utility's EE programs approved by the Commission

pursuant to Section 366.82, Florida Statutes. These steps will enable Walmart and other eligible commercial and industrial customers to implement energy efficiency measures that will be best tailored to those customers' facilities, thereby maximizing the energy conservation benefits provided. Energy efficiency implemented at the expense of such self-directing measures customers will provide significant system benefits at zero cost to the utility or its other customers. Walmart proposes that the utilities should be allowed to count the estimated or reported energy savings achieved by customers who opt out toward meeting the respective utilities' energy efficiency and demand side management goals. In order to provide the utilities with adequate advance information regarding the plans of customers who will implement energy efficiency measures on their own initiative, and at their own expense, Walmart further does not oppose an "opt-out notification window," i.e., a defined time period within which any customer planning to opt out must give the utility formal notice of its plans to do so.

Walmart recommends the following criteria for a customer to be eligible to opt out of EE program participation and charges:

 Aggregated consumption by a single customer of more than 15 million kWh of electricity per year across all eligible accounts, meters, or service locations within each Company's service area.

- 2. To be designated an eligible account, a specific account at a specific service location may not have taken benefits under designated EE programs within 2 years before the period for which the customer is opting out.
- 3. An eligible account may not opt in to participate in the designated EE programs for 2 years after the first day of the year of the period in which the customer first opts out.
- The customer must certify to the Company that the customer 4. either (a) has implemented, within the prior 5 years, EΕ measures that have reduced the customer's usage, measured in kWh per square foot of space, or other similar measure as applicable, by a percentage at least as great as the Company's energy efficiency reductions through its approved EE programs, expressed as a percentage of the Company's total retail kWh sales as measured over the same time period; or (b) has performed an energy audit or energy use analysis within the three-year period preceding the customer's opt out request and confirms to the utility, that the customer has either implemented the recommended measures or that the customer has a definite plan to implement qualifying EE programs within 24 months following the date of the opt out request.

Regarding the calculation and structure of the proposed separate charges for EE and DSM programs, the Commission should

require that the ECCR rates be split into two components: (1) ECCR "Part E", for energy program-related costs and (2) ECCR "Part D", for demand program-related costs. For a given customer class or group of classes, the Part E rate would be calculated as the energy-related revenue requirement allocated to the class or group by the applicable kWh k₩ billing divided or of classes determinants for that class or group of classes. The Part D rate would then be calculated as the demand revenue requirement divided by the applicable kWh or kW billing determinants for that class or group of classes.

For purposes of calculating the ECCR Part E and Part D rates, Walmart does not oppose the use of each respective utility's approved classification of its energy conservation program costs into energy-related and demand-related components.

D. WALMART'S STATEMENT OF ISSUES AND POSITIONS

Walmart provides this statement of positions on the issues set forth in Order No. PSC-15-0149-PCO-EI, issued April 1, 2015, in accordance with Section III of the Order Establishing Procedure.

ISSUE 1: Should the Commission require the utilities to separate their Energy Conservation Cost Recovery expenditures into two categories, one for Energy Efficiency programs and the other for Demand Side Management programs?

WALMART'S POSITION:

Yes.

ISSUE 2: Should the Commission allow pro-active non-residential customers who implement their own energy efficiency programs and meet certain other criteria to opt out of the utility's Energy Efficiency programs and not be required to pay the cost recovery charges for the utility's Energy Efficiency programs approved by the Commission pursuant to Section 366.82, Florida Statutes?

WALMART'S POSITION:

Providing this opportunity for eligible customers Yes. will enable those customers to proactively implement energy efficiency measures that meet or exceed the percentage energy savings from the utility's own EE programs, and that are best tailored to the selffacilities directing (or opt-out) customers' and operations, thereby maximizing the energy efficiency benefits provided by the self-directing customers' Self-directing customers will be implementing efforts. energy efficiency measures at their own expense, which will benefit the utility, the utility's other customers, and the State of Florida at no cost to the utilities or their other customers.

ISSUE 3: If the Commission allows pro-active customers to opt out of participating in, and paying for, a utility's Energy Efficiency's programs, what criteria should the Commission apply in determining whether customers who wish to opt out are eligible to do so.

WALMART'S POSITION:

The eligibility criteria should be as set forth in the surrebuttal testimony of Mr. Kenneth E. Baker, filed in this docket on May 20, 2015.

E. STIPULATED ISSUES

None at this time.

F. PENDING MOTIONS OR OTHER MATTERS

None at this time.

G. WALMART'S REQUESTS FOR CONFIDENTIAL CLASSIFICATION

Walmart's First Request for Confidential Classification, filed on June 22, 2015.

H. REQUIREMENTS OF PREHEARING ORDER

There are no requirements of the Prehearing Order with which Walmart cannot comply.

I. OBJECTIONS TO WITNESSES' QUALIFICATIONS

None.

Respectfully submitted this 22nd day of June, 2015.

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Attorneys for Wal-Mart Stores East, LP and Sam's East, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail this 22nd day of June 2015, to the following:

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