

Before the  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Act 129 Energy Efficiency and Conservation Program Phase Two

Docket Number M-2012-2289411

**Comments of  
Wal-Mart Stores East, LP and Sam's East, Inc.**

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## **I. Introduction**

Wal-Mart Stores East, LP and Sam's East, Inc. (collectively, "Walmart") submits these comments in response to the Secretary Letter issued by the Pennsylvania Public Utility Commission (the "Commission") in this proceeding on March 1, 2012. Pursuant to the ordering paragraphs, the Commission requested comments on a number of important topics that will be instrumental in designing and implementing any future phase of the Energy Efficiency and Conservation ("EE&C") Programs under Act 129.

Walmart is a national retailer with 158 facilities in the Commonwealth of Pennsylvania. These facilities include Walmart Supercenters, Discount Stores, Sam's Clubs, distribution centers and gas stations. In addition to being one of the largest electric utility customers in Pennsylvania, consuming over 630 million kWh annually, Walmart is a leader in energy efficiency and deployment of demand side management ("DSM") technology. Walmart has installed and continues to install demand side management technology in its facilities. These measures include: a centrally controlled energy management system, advanced metering systems (installed in approximately 1,355 United States facilities (including approximately 146 one minute interval data meters in Pennsylvania) and an additional 375 advanced meters in United Kingdom facilities); daylight harvesting; highly efficient HVAC; white membrane roofs; heat reclamation from refrigeration equipment; T8 and LED lighting; and indirect evaporative cooling and radiant flooring. Currently Walmart participates in more than 15 demand response programs, through both utilities and RTO/ISOs, nationwide. Additionally, Walmart invests in solar and other renewable energy technologies. All of these efforts

evidence that while Walmart is a large energy user, it is heavily focused on energy conservation and load reduction.

Walmart commends the Commission for commencing this proceeding to look to the future of the additional benefits that may be gained through a second phase of the Act 129 EE&C programs. The EE&C provisions of Act 129 have significantly contributed towards the achievement of energy efficiency and conservation goals despite the economic downturn. This Phase Two proceeding is especially important given the need to ensure that utility-sponsored EE&C programs cost-effectively meet energy efficiency and conservation goals and provide consumers the most benefit for the money they pay into the program through rates. As a large commercial customer in Pennsylvania that has heavily invested in energy efficiency technology, Walmart preliminarily responds to a select number of issues identified for comment in the Secretary Letter. Walmart is looking forward to the release of the two Statewide Evaluator studies, and notes its review of the studies and other stakeholder comments in response to the Secretary Letter may necessitate further comment.

## **II. COMMENTS OF WALMART**

### **A. Demand Response Should Be a Planned Component of Any Phase Two (Secretary Letter Issue No. 3)**

The Commission is considering contingency plans for the inclusion or exclusion of a demand response program component in any next EE&C Program. This is because the one-year demand response program will run this summer and the results of the Statewide Evaluator's study of the current peak demand program will not be available until after the summer of 2012. Walmart recommends that the Commission, at this early stage, should plan for a demand response program component in any next EE&C

program. Demand Response is a very important tool in the chest for reducing GHGs that has a reach to a subset customers that may not qualify for any of the other EE&C offerings. Demand Response participation requires individual customer investments that are of a different nature than the investment required for EE measures such as a lighting retro-fit. The systems required for Demand Response, for some customers, may not be the type of equipment that would be required in the ordinary course of business.

With regard to any concern moving ahead to ensure continuous availability of EDC Demand Response programs prior to the release of the study, the study could be used as a basis to make further improvements to the demand response programs that are to be included in Phase Two. As was articulated at the March 16 Stakeholder Workshop, stakeholders active in Demand Response are confident that the study will justify program continuation. Second, should the study results be inconsistent with the decision to include demand response in any continued Act 129 EE&C Program suite, the Commission may re-evaluate this decision at such time.

B. The Commission Should Adopt a Longer Rather than Shorter Second EE&C Program (Secretary Letter Issue 2)

For planning purposes, the Commission must determine the number of years that a second EE&C Program should run. As a customer investing heavily in energy efficiency measures in its facilities, Walmart supports a longer (up to 5 years), rather than shorter, implementation period for any Phase Two suite of EE&C Programs under Act 129. This is due to the lead time required for customer participation in EDC specific EE&C program offerings, which involve customer education, evaluation and implementation. Such an approach reduces administrative costs and offers a greater opportunity for full utilization of EDC EE&C program offerings. A longer program

period would not necessarily eliminate the ability for interim adjustments to individual program guidelines through the existing process.

C. If EDCs Achieve More Than the Statutory Phase One EE Goal are to Receive Credit Towards any Phase Two Goal, Customers Should be Reciprocally Treated (Secretary Letter Issue (7)(a))

Walmart does not oppose the concept of allowing an EDC that has exceeded its Phase One EE Program Goal to receive an equivalent credit towards any incremental Second Target that may result from this proceeding. This would encourage EDCs to continue offering programs without a blackout period which could likely chill continued customer energy efficiency investments. However, if this option is pursued, customers should be reciprocally treated: during any Phase Two, the EDCs should be required to rebate in Phase Two those Phase One “waitlisted” customers. Phase One waitlisted customers are those customers who timely complied with EDC Act 129 EDC program requirements during Phase One but were never rebated due to either “early EE goal attainment” or early exhaustion of Act 129 EE&C funding.

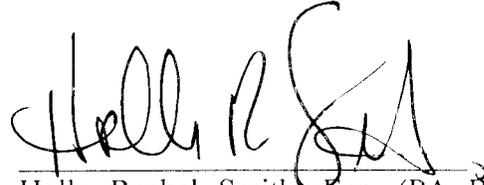
D. Additional Opportunities for Comment Would be Beneficial to the Successful Development of any Phase Two (Secretary Letter Issue 1).

A lot can be learned from the Phase One implementation of the Act 129 EE&C programs. Walmart recommends that this proceeding schedule include a reply opportunity to the comments filed in response to the Secretary Letter. Also, Walmart recommends an additional comment cycle on key issues decided in Phase One, such as a review of the process through which recommendations can be made for the employment of additional consumption reduction measures.

**III. CONCLUSION**

Walmart again thanks the Commission for this opportunity to provide input on the on the potential Phase Two Implementation of the Act 129 EE&C Programs. Walmart looks forward to an exchange of information and ideas surrounding these preliminary questions raised in the Secretary Letter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Holly R. Smith", written over a horizontal line.

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