BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DIXIE ELECTRIC MEMBERSHIP CORPORATION, AMITE SOLAR, LLC, AND AMITE ENERGY STORAGE, LLC, EX PARTE

DOCKET NO. U-_____

In re: Joint Application for Certification and Approval of Battery Energy Storage Agreement and Related Amendment No. 3 to Amite Solar Power Purchase Agreement and Request for Expedited Review.

JOINT APPLICATION FOR CERTIFICATION AND APPROVAL
OF BATTERY ENERGY STORAGE AGREEMENT AND RELATED AMENDMENT
NO. 3 TO AMITE SOLAR POWER PURCHASE AGREEMENT
AND REQUEST FOR EXPEDITED REVIEW

EXHIBIT "E"
Pre-Filed Direct Testimony of Mr. Travis J. Stewart
(Rule 12.1 Confidential/HSPM Version Removed From Public Version)

DIRECT TESTIMONY

of

RONNIE J. DONALDSON

on behalf of

DIXIE ELECTRIC MEMBERSHIP CORPORATION

November 2025

PUBLIC VERSION

I. Background

Q: PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

A: My name is Ronnie Donaldson, and my business address is 4170 Ashford Dunwoody Road, Suite 550, Atlanta, GA 30319. My current position is Chief Operating Officer and Managing Partner at EnerVision, Inc. ("EnerVision" or "EVI").

Q: ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS MATTER?

A: I am testifying on behalf of Dixie Electric Membership Corporation ("DEMCO").

Q: PLEASE DESCRIBE ENERVISION.

A: EnerVision is an independent consulting firm headquartered in Atlanta, Georgia, with more than 26 years of experience providing power supply planning, financial analysis, resource procurement support, and regulatory services exclusively to electric cooperatives and public power utilities. EnerVision has been engaged by Dixie Electric Membership Corporation ("DEMCO") since 2020 and has provided continuous power supply consulting services to DEMCO, including the 2021 full-requirements RFP that resulted in the current Full Requirements Power Supply Agreement ("FRPSA") with NextEra Energy Marketing, LLC ("NEM"), as well as the financial and resource-planning analysis supporting the current application for certification of the Energy Storage Agreement ("ESA") between DEMCO and Amite Energy Storage, LLC for the Amite Battery Energy Storage System ("Amite BESS").

Q: WHAT IS YOUR CURRENT ROLE AT ENERVISION?

A: I oversee the firm operations and serve as the senior advisor on portfolio strategy, risk management, wholesale power procurement, long-term planning, and financial evaluation of resource alternatives. I regularly assist clients with cost-benefit analyses of new

generation, storage, and power purchase opportunities, and I have presented such analyses to numerous cooperative boards and public service commissions.

Q: WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?

A: I hold a Bachelor of Science in Industrial Engineering from the Georgia Institute of Technology and a Master of Business Administration from the University of North Carolina Kenan-Flagler Business School with a concentration in Data Analytics and Decision Making. I have worked exclusively in the electric utility power supply area for over sixteen years, primarily serving electric cooperatives in MISO, SPP, PJM, and SERC.

Q: HAVE YOU PREVIOUSLY OFFERED TESTIMONY BEFORE ANY PUBLIC UTILITY REGULATORY COMMISSION?

A: Yes. I filed direct testimony on behalf of DEMCO in Docket No. U-36133 in support of certification of the current FRPSA with NEM and the associated Amite Solar Power Purchase Agreement. I filed similar testimony on behalf of Jefferson Davis Electric Cooperative, Inc. in Docket No. U-36135. I have also been involved in providing supplemental information for testimonies before the Federal Energy Regulatory Commission ("FERC"), the Georgia Public Service Commission, and the North Carolina Utilities Commission.

II. Purpose and Summary of Testimony

Q: WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A: My testimony has four purposes:

1. To explain how the proposed Amite BESS ESA fits into DEMCO's long-term resource plan and works within the FRPSA;

2. To present EnerVision's financial evaluation showing that the project provides strong net economic value under a wide range of future conditions;
3. To explain why a competitive RFP is neither required nor appropriate for this unique surplus-interconnection opportunity; and
4. To describe the significant strategic and reliability value the Amite BESS brings to DEMCO's portfolio, particularly in light of the ongoing challenges in the Amite South load pocket and DEMCO's current position relative to the Commission's Minimum Capacity Obligation ("MCO") requirements.

III. Resource Planning

Q: PLEASE DESCRIBE DEMCO'S RESOURCE PLANNING FRAMEWORK AND THE ROLE OF THE FRPSA WITH NEM.

A: DEMCO's wholesale power supply is provided under the FRPSA with NEM that was executed July 15, 2021, and certified by this Commission on October 19, 2022, in Docket No. U-36133. The initial term of the FRPSA runs through December 31, 2033.

The FRPSA is a full-requirements contract that supplies all of DEMCO's energy, capacity, ancillary services, and other MISO-related products. It employs a systematic, layered hedging strategy that delivers both short-term rate stability (via an annual fixed Wholesale Power Charge) and long-term flexibility. The contract contains an explicit "Buyer Resources" provision that allows DEMCO to acquire or control specific resources that are then credited against NEM's supply obligation. Current Buyer Resources include DEMCO's SWPA hydroelectric allocation and the existing 100 MW Amite Solar facility. The Amite BESS will become the third Buyer Resource.

The Buyer Resource mechanism is valuable because it permits DEMCO to capture site-specific or time-sensitive opportunities that are more economic than what NEM could obtain in the open market, while still allowing NEM to optimize dispatch and market sales of the resource for DEMCO's account. When a new Buyer Resource is added, it directly reduces the volume of capacity and energy that NEM must procure on the open market, lowering overall portfolio risk and typically reducing the fixed Wholesale Power Charge paid by DEMCO in subsequent years.

Q: HOW DOES THE PROPOSED AMITE BESS FIT INTO DEMCO'S COMPLIANCE WITH THE COMMISSION'S MCO RULE?

A: The LPSC Staff's October 1, 2025, MCO Compliance Report in Docket No. X-37566 indicates that DEMCO is not yet fully compliant with the MCO rule for all future planning years. The report identifies capacity deficiencies for DEMCO ranging from 1% to 7% in the 2028/2029 Planning Year. The Amite BESS, with a commercial operation date targeted for November 30, 2027 (and potentially earlier), will provide 100 MW of accredited capacity starting in the 2027/2028 Planning Year and will directly assist DEMCO in closing the identified compliance gap. Accordingly, the Amite BESS is therefore essential for closing DEMCO's remaining MCO compliance gap and doing so with a resource located *inside* the Amite South load pocket, where the Commission has emphasized a particular need for local capacity.

IV. Financial Analysis

Q: PLEASE SUMMARIZE THE FINANCIAL ANALYSIS YOU PERFORMED.

A: EnerVision performed a full probabilistic discounted cash-flow evaluation of the approximate 23-year ESA for the 100 MW / 400 MWh Amite BESS facility. The model

covers every year from initial commercial operation (target November 30, 2027, with revenue recognition beginning in 2028) through the end of the contract term in 2050. The model incorporated:

- The fixed ESA pricing and performance guarantees provided by Amite Energy Storage, LLC;
- Charging costs were derived from the last five complete years of actual MISO Louisiana Hub hourly LMPs, adjusted across natural gas price sensitivities of $3.00, $3.50 (base), and $5.00/MMBtu. The gas price assumptions are not symmetrical since DEMCO's overall portfolio risk is on the higher gas price scenario, a scenario in which the battery should provide a particularly attractive hedge.
- Energy discharge revenues calculated from the same hourly price set, assuming daily cycling with charging in the lowest-priced hours (typically 1 a.m.–5 a.m.) and discharging into the highest-priced hours (typically 5 p.m.–8 p.m.)
- Ancillary service revenues and capacity accreditation forecasts supplied directly by Mr. Stewart, whose modeling includes full co-optimization between energy arbitrage and frequency regulation.
- DEMCO's weighted-average cost of capital of 5.0% as the discount rate and 2.5% general inflation.

Q: WHAT ARE YOUR RESULTS?

A: In our base case, which assumes Mr. Travis's moderate DLOL case at approximately a 65% average accreditation over the 23-year period for BESS and $3.50/MMBtu natural

gas price, the project produces a net present value benefit to DEMCO members of approximately $65 million over the 23 years.

[redacted], which is comfortably below the $12.04/kW-month levelized gross cost of new entry ("CONE") for a combustion turbine in MISO Zone 9, and with asymmetrically favorable extrinsic value in the event gas prices are higher than $3.50/MMBtu.

When we layer in Mr. Stewart's co-optimized regulation revenue (which is realistically achievable given the battery's sub-4-second response time and MISO South's growing need for fast frequency response), the NPV increases by nearly $30 million and the levelized cost drops by over $2.00/kW-month.

In a best-case scenario, high accreditation of around 90%, a higher gas price ($5.00), and a higher volatility case, the NPV approaches $200 million and the levelized cost falls to under $7.00/kW-month.

And, even in the most conservative scenario, accreditation averaging ~60%, low $3.00 gas prices, and minimal volatility, the project is only marginally negative on an arbitrage-only basis. However, once Mr. Stewart's co-optimized ancillary revenue is included (which adds over $30 million in present value terms to that scenario), the project again turns positive and the levelized cost falls by as much as $3.34/kW-month, still below the CONE in MISO.

The graphic below provides a summary of the results based on the assumptions described previously on a levelized $ per kW per month basis. The intent is to show the expected net cost range on the same basis as the range of annual capacity accreditation results and the estimated CONE in MISO. EVI developed a more simplified approach using actual

historical LMP prices converted to implied heat rates (Btu/kWh) and standard deviations adjusted to various gas price assumptions which reasonably converges to Mr. Stewart's more robust co-optimized analysis.

The bar range is the expected levelized net cost of BESS over the contract term at various annual average capacity accreditation results ranging between 60% to 100% over the contract term. The shaded green section is the estimated levelized CONE in MISO. If the range bar above the capacity accreditation percentage falls below the green section that signifies a positive net benefit. [redacted]

[redacted]. From EVI's analysis, a 60% to 70% BESS accreditation would indicate a generally positive net cashflow in line with Mr. Stewart's co-optimized results.

[redacted]

V. RFP Process

Q: DID DEMCO ISSUE A COMPETITIVE SOLICITATION (RFP) FOR THE PROPOSED STORAGE RESOURCE?

A: No. A formal RFP was neither feasible nor in the public interest. Only the existing interconnection customer, Amite Solar, LLC, can request Surplus Interconnection Service at this point of interconnection. No competing developer could have bid on this site or replicated the economics associated with surplus capacity. By contrast, any standalone project in MISO's Definitive Planning Phase ("DPP") queue would face far higher upgrade costs, materially later in-service dates, and would not provide accredited capacity in time for DEMCO's 2028/2029 MCO obligations. An RFP would therefore produce no viable alternatives and would jeopardize both project timing and member benefits.

The Amite BESS is being developed through MISO's Surplus Interconnection Service process at the existing Amite Solar point of interconnection. Surplus Interconnection Service can only be requested by the existing interconnection customer — in this case Amite Solar, LLC, a NextEra Energy Resources, LLC affiliate. No other party could have applied for this specific surplus capacity. DEMCO therefore had no ability to solicit competing bids for this site.

Moreover, any standalone storage project proceeding through MISO's current Definitive Planning Phase queue would face (i) substantially higher interconnection costs (network upgrades routinely $15–$40 million in MISO South), (ii) significantly longer development timelines (typically 4–6 years), and (iii) no realistic possibility of achieving commercial operation before the 2028/2029 Planning Year. An RFP therefore could not have produced a comparable project in the required timeframe or at a comparable cost.

Q: HOW IS DEMCO'S APPROACH CONSISTENT WITH THE COMMISSION'S GENERAL ORDERS?

A: While I am not an attorney, the MBM allows exceptions where a competitive solicitation would not serve the public interest. That is the case here for four reasons:

1. The surplus interconnection opportunity is unique and non-replicable
2. Delay for an RFP would jeopardize the November 2027 COD and DEMCO's ability to close the MCO compliance gap in the 2028/2029 Planning Year
3. Market quotes received by DEMCO and NEM for shorter-term capacity show that the long-term pricing in the Amite BESS ESA is highly competitive
4. The Amite Solar facility was already certified by this Commission; adding surplus storage at the same point of interconnection arguably constitutes a change in status of a previously certified resource, which is expressly exempt under the MBM General Order.

For all these reasons, DEMCO is respectfully requesting that the Commission grant an exception from any otherwise applicable RFP requirement.

VI. Strategic Importance

Q: WHY IS THE AMITE BESS STRATEGICALLY IMPORTANT TO DEMCO BEYOND ITS DIRECT ECONOMIC VALUE?

A: The Amite BESS provides multiple layers of value that are difficult to replicate with any other resource type:

- It is located **inside** the chronically constrained Amite South load pocket where, as Mr. Stewart notes in his testimony in this matter, and Commission Staff confirmed at the October 2025 B&E Session, import capability remains severely limited and

fast-start capability is scarce. The 2025 Memorial Day load-shed event demonstrated the pocket's ongoing vulnerability. A 100 MW fast-ramping resource located in the pocket directly improves reliability and reduces future load-shed risk.

- When paired with Amite Solar, the hybrid resource will receive aggregate availability accreditation under MISO's forthcoming hybrid rules — materially increasing the accredited capacity value of both the solar and storage components compared to stand-alone accreditation.
- The project provides DEMCO with a long-term, fixed-price hedge against MISO capacity price volatility at a time when Zone 9 reserve margins are tightening and capacity prices are rising.
- It allows DEMCO to capture the full upside of higher natural gas prices (which would be expected to cause off- and on-peak LMP prices to widen in $/MWh terms) and future ancillary-service revenue streams without bearing construction risk — a particularly attractive structure for a not-for-profit cooperative.

In short, the Amite BESS is uniquely positioned, economically compelling, and directly responsive to the reliability issues the Commission has recently highlighted in Amite South. It strengthens DEMCO's portfolio precisely where additional flexible, local resources are most needed.

Q: DOES THIS CONCLUDE YOUR TESTIMONY?

A: Yes, it does.

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AFFIDAVIT OF WITNESS

Parish/County: Dekalb

State: Georgia

I, Ronnie Donaldson, being duly sworn, depose

that the Direct Testimony in the

above referenced matter on behalf of

Dixie Electric Membership Corporation,

is true and correct to the best of my knowledge, information, and belief.

Ronnie Donaldson

Subscribed and sworn before

me this 11th day of

November 2025.

My commission expires: 5-19-2029

DARRYL LYONS NOTARY PUBLIC DEKALB COUNTY, GA EXP. May 19, 2029