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August 1, 2022

VIA HAND DELIVERY

Ms. Terri Lemoine Bordelon
Louisiana Public Service Commission
Galvez Building, 12th Floor
602 North Fifth Street
Baton Rouge, LA 70802

Re: Timely Disclosure of Facts and Notices, Regarding Such Matters as MaxGen Alerts, to Commission and Commissioners, and Related Matters (LPSC Docket No. R-34758)

2022 AUG - 1 PM 2:29
LA PUBLIC SERVICE
COMMISSION

Dear Ms. Bordelon:

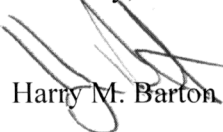
On behalf of Entergy Louisiana, LLC ("ELL" or the "Company"), please find enclosed for your further handling an original and three copies of the Initial Winterization Report of Entergy Louisiana, LLC, Pursuant to General Order (No. R-34758). Please file the original and the appropriate number of copies into the record and return a date-stamped copy to our courier.

Please note that the filing contains information that is designated Highly Sensitive Protected Material ("HSPM"), which is being provided to you under seal pursuant to the provisions of the LPSC General Order dated August 31, 1992, and Rules 12.1 and 26 of the Commission's Rules of Practices and Procedures. The confidential materials included in the filing consist of competitively sensitive information. For this reason, this material is confidential and commercially sensitive. The disclosure of the information contained herein would subject not only the Company, but also its customers and vendors, to a substantial risk of harm. Accordingly, it is critical that this information remain confidential.

Please retain a copy of the Highly Sensitive version for your files and return to the courier a date-stamped copy. Any additional copies of the Highly Sensitive Protected Material will be made available to the appropriate reviewing representatives who executed a confidentiality agreement in this docket. Thank you for your assistance.

Should you have any questions, please do not hesitate to contact me.

Sincerely,



Harry M. Barton

HMB/lp
cc: Official Service List R-34758 (via electronic email)
Enclosures

Hand

CERTIFICATE OF SERVICE
LPSC Docket No. R-34758

I, the undersigned counsel, hereby certify that a copy of the above and foregoing has been served on the persons listed below by facsimile, by hand delivery, by electronic mail, or by depositing a copy of same with the United States Postal Service, postage prepaid, addressed as follows:

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New Orleans, Louisiana, this 1st day of August 2022.



Harry M. Barton

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

IN RE: TIMELY DISCLOSURE OF)
FACTS AND NOTICES, REGARDING)
SUCH MATTERS AS MAXGEN)
ALERTS, TO COMMISSION AND)
COMMISSIONERS, AND RELATED)
MATTERS)

DOCKET NO. R-34758

2022 AUG -1 PM 2:29
LOUISIANA PUBLIC SERVICE
COMMISSION

Initial Winterization Report of Entergy Louisiana, LLC

Pursuant to General Order (No. R-34758)

August 1, 2022



This Report is being submitted by Entergy Louisiana, LLC (“ELL” or the “Company”) in compliance with the requirements outlined in Section 1 of the Louisiana Public Service Commission (“LPSC” or “Commission”) General Order (No. R-34758) (“Winterization General Order”) dated May 31, 2022. Section 1 of the Winterization General Order notes that by August 1, 2022, all LPSC-jurisdictional utilities must file initial reports concerning current and ongoing winterization efforts related to generation, transmission, and distribution systems. The Order outlines several elements required of these initial reports. These elements include (i) assessments of strengths and weaknesses based on performance during the 2021 Winter Storms; (ii) winterization plans for each generating unit; (iii) and cost benefit¹ analyses of winterization measures undertaken or proposed to be undertaken.

Following the filing of these initial reports, the Order directs annual reports also be filed each subsequent year on or before August 1. The required elements of the reports to be filed beginning August 1, 2023, and each year thereafter, include (i) copies of winterization protocols and procedures (including information on updates to those policies and procedures); (ii) details on the frequency of winterization activities; (iii) cost benefit² analyses for winterization of generation for the prior three years; and (iv) whether winterization of generating units has prevented forced outages.³ Although many of these elements are not required by the Order until the next annual report is due, ELL has made an effort to comply with several of these elements with the instant filing, including providing the winterization policies and procedures that are not required by the order until the filing of the 2023 Annual Winterization Report.

Prior to addressing these elements of the Order, ELL believes it is important to address a recent change to the Winterization General Order that will reduce the Commission’s ability to achieve the Order’s stated objectives, voluntarily limits the Commission’s authority, and potentially jeopardizes reliability of the entire regional electric grid. The Order, per a recommendation in Commission Staff’s January 24, 2022 Report (“Staff’s Report”), included a requirement mandating that “any regulated utility which relies on generation provided from a wholesale provider shall bear the burden of providing required generation performance information to the Commission and should ensure in its contracts that it has the ability to receive this information and share it with the Commission.”⁴ This recommendation resulted from Staff’s experience with electric distribution cooperatives (“Co-ops”) being unable or unwilling to provide information that the Commission requested from all utilities concerning the performance of generation serving their load. For reasons discussed immediately below, the Commission’s ability to obtain and review this information is essential for preserving the reliability of the entire

¹ As is discussed further herein, the Order does not define or offer additional clarity around what benefits should be considered or how these benefits should be quantified on a monetary basis to facilitate comparison with the cost of the winterization measures undertaken or proposed to be undertaken.

² Again, the Order does not define what such benefits are or how they should be quantified.

³ It is unclear to the Company how this element of the report can be proven or known, and the Order does not provide clarity on this point.

⁴ See, Order at pg. 27.

regional electric grid, not just the portions of the grid serving Co-op customers. Nonetheless, at the July 2022 Business and Executive Session, the Commission opted to suspend the effectiveness of this aspect of the Order until the conclusion of Docket No. R-36263, at an unknown future date. This decision voluntarily limits the LPSC's authority to investigate and remediate sub-optimal or unacceptable generator performance and will impede the Commission's ability to ensure that Louisiana is prepared for future winter weather events, and other grid emergencies, and can be better positioned to avoid load shed events like those seen in the 2021 Winter Storms.

As ELL has thoroughly documented in recent filings, the importance of ensuring that adequate physical generating capacity exists in Louisiana to serve Louisiana load cannot be understated in terms of maintaining a reliable electric grid, especially during emergency events like the 2021 Winter Storms. LPSC-jurisdictional utilities are load-serving-entities ("LSE") in either the Midcontinent Independent System Operator ("MISO") or the Southeast Power Pool ("SPP"). The obligation of providing reliable service to all customers in Louisiana is shared by all LSEs in Louisiana. This means that it is incumbent upon all LSEs to plan a reasonable amount of physical generation to meet their respective loads. The consequence of a lack of physical generation is that the reliability of all LSEs suffers. The duty that Louisiana LSEs owe to plan adequate resources has not changed since many LSEs in Louisiana became part of MISO. LSEs are responsible for obtaining the physical capacity necessary to ensure resource adequacy, subject to the oversight of their regulators, just as they were prior to MISO integration. However, the effect of resource adequacy on reliability has changed since many of the LSEs in Louisiana became part of MISO. Prior to integration in MISO, there were many balancing authorities ("BA") within the area that is now called "MISO South." If there was a lack of physical resources necessary to ensure resource adequacy, meaning that there was not enough generation to meet load, then a BA would curtail the load within that BA's area. In this way, LSEs were incentivized to own or contract sufficient generation because their own load would be curtailed if they failed to do so. This changed after MISO integration. Now, MISO is the only BA, operating throughout a larger area than any individual BA previously did. When MISO orders curtailments because generation in the region is not enough to meet the load, the amount of each LSE's load that is curtailed is determined by MISO based on the size of the individual LSE's load. MISO does not distinguish between LSEs that have adequate resources to meet their portion of the pool-wide capacity requirement and those that do not. MISO likewise does not have rules or procedures that assess the causation of resource inadequacy in determining which loads to curtail. MISO curtails load based on size and not fault. Previously, if an LSE did not have adequate resources, it would likely be that LSE whose load would be curtailed. Now, if an LSE does not have adequate resources, it may escape or limit its curtailment if other LSEs nearby have higher loads.

The Commission need look no further than Staff's Report for a recent, empirical example of how this dynamic played out in the 2021 Winter Storms. Staff's Report shows that ELL had more physical generating capacity, relative to its load, available than any

other LSE in the state during the 2021 Winter Storms.⁵ This occurrence is no accident and is owed to ELL's thorough and principled resource planning practices, as well as proactive measures taken immediately prior to the 2021 Winter Storms, which Staff's Report documents, to ensure the availability of physical generating capacity. Nevertheless, as Staff's Report also details, when MISO declared load shed events, ELL was required to shed more load in terms of both megawatts ("MW") and customers than any other Louisiana LSE within MISO.⁶ It is clear that ELL's ability to ensure reliable service to its customers is inextricably linked to the existence and performance of physical generating capacity of other LSEs. As such, the Company is concerned that the Commission has opted to excuse some Louisiana LSEs from being held accountable to provide information concerning the availability of such generation ahead of the upcoming, and potentially future, winter seasons. The availability (or lack thereof) of physical resources in or near Louisiana to serve these LSEs' loads will play a significant role in whether all Louisiana LSE customers are able to avoid curtailments of service during any extreme weather that may affect our state this winter; it is thus highly concerning that a subset of Louisiana LSEs is being relieved of the obligation to demonstrate the readiness of their resources. Having stated that concern, ELL will now address the remaining aspects of the Order.

I. Assessment of Strengths and Weaknesses Related to 2021 Winter Storms

As Staff's Report noted, ELL "conducted a review of the Winter Storms preparation, activities, and response actions to assess strengths and determine areas where improvements could be made in the planning and execution of the Company's response to the Winter Storms," and provided the results of this analysis to the Commission in a written report already submitted in this Docket. In addition, as Staff also noted, ELL provided the Commission with six follow-up reports detailing the strengths and weaknesses identified for ELL's transmission, distribution, and generation systems (along with many other aspects of the Company's response to the 2021 Winter Storms). As such, ELL's previous, proactive efforts have already complied with much of what the Order requires. Nonetheless, due to the importance of all LPSC-jurisdictional utilities undertaking reasonable measures to ensure the reliability of the electric grid during future winter weather events, ELL has provided additional information concerning the efforts ELL has undertaken, and is undertaking, to ensure it is better prepared for such events.

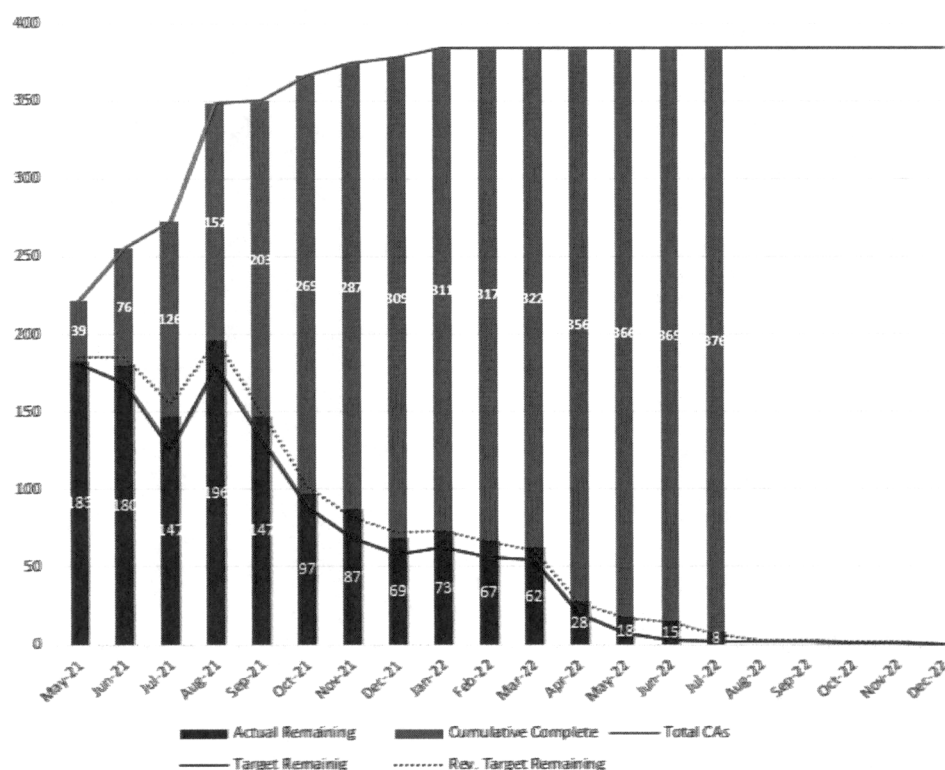
As Staff's Report noted, ELL identified and tracked several Areas for Improvement ("AFI") following the 2021 Winter Storms. Related to these AFI, the Company also identified 384 individual Corrective Actions ("CA") to undertake to improve the Company's preparation for, and response to, future winter weather events. As of the most recent update referenced in Staff's Report, the Company had completed all but ninety-five (95) of these CAs. As of this Report, the Company has completed all but eight (8) CAs, which all involve longer lead-time or continuous actions such as continuing to update winterization policies, exploring opportunities for technological enhancements and

⁵ See, e.g., Staff's Report at 10-13.

⁶ *Id.* at pgs. 14-18.

improvements, and replacing temporary, stop-gap fixes with more permanent solutions. Figure 1 below depicts the progress the Company has made with completing these actions. In reviewing Figure 1, it is important to note that the total number of CAs did increase during the course of completing the improvements as the Company's work at times revealed the need for additional CAs to effectively address the overall AFL.

Figure 1:
ALL AFL Actions



Broken down by business function, 161 CAs related to Power Generation, 50 related to the Distribution system, 24 related to the Transmission system, and 39 related to items within the purview of the Company's System Planning and Operations ("SPO") group, which group is responsible for, among other things, contracting for, and otherwise procuring, fuel supplies and interactions with MISO. The remaining CAs related to other business functions, including IT, Communications, Incident Response, and Emergency Preparedness. The Company has provided extensive detailed reports to the Commission throughout this docket on these matters, as Staff's Report acknowledged. The Highly-Sensitive-Protected Materials ("HSPM")⁷ Exhibit 1 to this Report provides a seventh

⁷ Unless otherwise specifically noted, the documents designated as HSPM in connection with ELL's Report are so designated because they are non-public documents that discuss the Company's policies, processes and procedures used to plan, prepare for, and respond to potential threats to the integrity and

detailed update to the Commission on ELL's progress with winterization efforts and other improvements in response to the 2021 Winter Storms.

ELL notes that the Order also requires an assessment "of reliability related to natural gas fuel contracts and deliverability" in relation to the 2021 Winter Storms. ELL has provided extensive information to the Commission on this issue as related to the 2021 Winter Storms, as Staff's Report documents. In terms of a forward-looking assessment of such issues, Section 3 of the Order also requires that "Before December 31, 2022, all LPSC-jurisdictional electric utilities are required to conduct an investigation into, and submit a report on the findings of, the potential costs and benefits of the procurement of: 1) longer-term gas contracts during winter months; 2) additional financial natural gas contracts as a stability mechanism for short-term price spikes; 3) additional natural gas storage resources/facilities in close proximity to each of their natural gas generating units, and establishing firm transportation between the two, as a means of ensuring fuel stock availability for their natural gas generators during prospective natural disasters." The Company is presently undertaking the required assessments and anticipates providing the required information to the Commission on or before December 31, 2022.

The remainder of ELL's Report addresses items required by the Order for the specific business functions of Power Generation, Transmission and Distribution and identifies the policies and procedures⁸ that have been provided herewith in an effort to comply with requirements for the initial Winterization Reports, as well as some of the elements of annual Winterization Reports that are required beginning in 2023 and beyond.

II. Power Generation

Staff's Report thoroughly documents the performance of ELL's generating units during the 2021 Winter Storms, noting, among other things, that ELL "had sufficient generation available to allow it to offer more generation into the Real-Time Market than its required load" throughout the Winter Storms.⁹ ELL was the only utility assessed by the Staff's Report that was able to offer generation to meet its full load requirements throughout the event. Similarly, ELL's generation was dispatched at a higher level than any other utility assessed in Staff's Report. ELL was able to achieve these results in no small part because of the thorough way in which the Company engages in Integrated Resource Planning, both through the Commission's IRP process and otherwise, and because the Company accepts the reality that load must be served with physical generating capacity to ensure reliability of the electric grid.

security of the electric grid, including emergency weather events. Providing these documents in a public forum creates a risk that the information contained therein could be misused for harmful purposes. As such, ELL believes the designation is warranted, in accordance with Section 1 of the Order.

⁸ These policies and procedures are attached collectively hereto as HSPM Exhibit 2.

⁹ See, Staff's Report at pg. 62.

Nonetheless, room for improvement exists. Staff's Report noted that during the 2021 Winter Storms ELL experienced 22 generation outages or derates due to unprecedented winter weather conditions and 6 outages or derates due to suppliers' inability to deliver fuel. The Company takes these issues seriously and, as a result, engaged in the thorough and proactive process of documenting and executing on AFIs and CAs, as summarized in Staff's Report and described in exhaustive detail in materials previously submitted to the Commission. The types of CAs completed in relation to these assessments for Power Generation include (i) performing and completing plant specific engineering design assessments, (ii) implementing both temporary and permanent measures in response to these assessments, (iii) updating and improving winterization policies and plans for each generating unit, (iv) taking steps to ensure availability of demineralize water in future winter weather events, and (v) analyzing a comprehensive strategy for mitigating fuel related issues experienced during the 2021 Winter Storms, as described above and as required by the Order.

As part of the updating and improving of winterization plans for generating units, the Company required the development and implementation of site-specific policies and procedures for each unit, all of which are provided as HSPM attachments to this Report.¹⁰ Generally speaking, these policies require that Winter Readiness Preparation begins by May 1 and is completed by October 31 each year. The focus areas for these preparations generally include addressing permanent and temporary freeze protection (heat trace, insulation, enclosures, and heaters), storm related precipitation (snow and freezing rain) and protection of equipment, protection of the primary fuel supply, verification of alternate fuel supply capability, and staffing.

Visual examples of the protection measures the Company has implemented since the 2021 Winter Storms and pursuant to these policies are provided in the figures contained on the next several pages of the Company's Report.

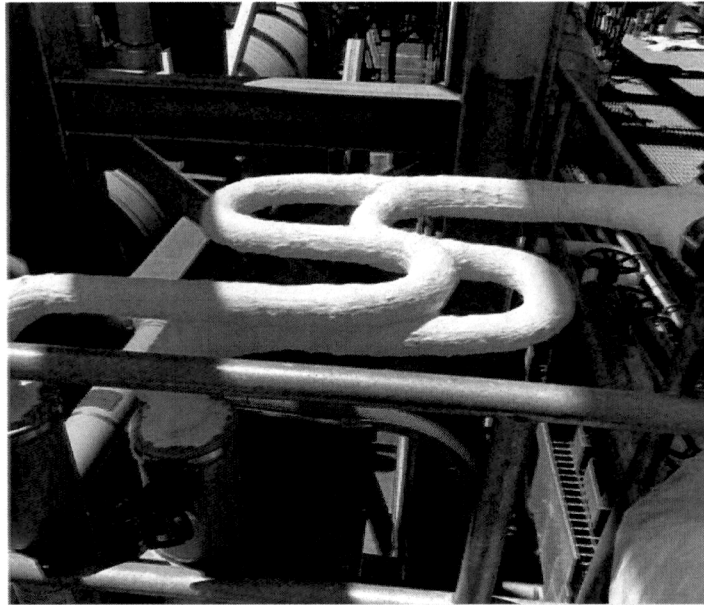
¹⁰ It is important to note that the Company's Winter Readiness policies are reviewed and revised, as warranted, each year. However, this review is completed during August of each year. As such, the policies attached to this Report will have been updated shortly after the due date for filing this Report.

Figure 2: New Enclosure Designs Around Critical Equipment



Figures 3 and 4: Additional and New Insulation Materials and Methodologies





Figures 5 and 6: Drum Level Transmitter Enclosure



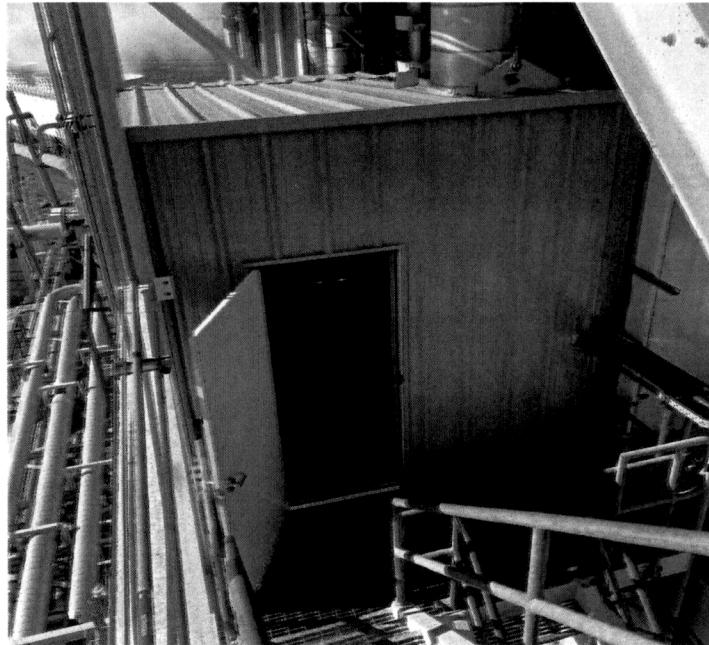


Figure 7: Deluge House Enclosure

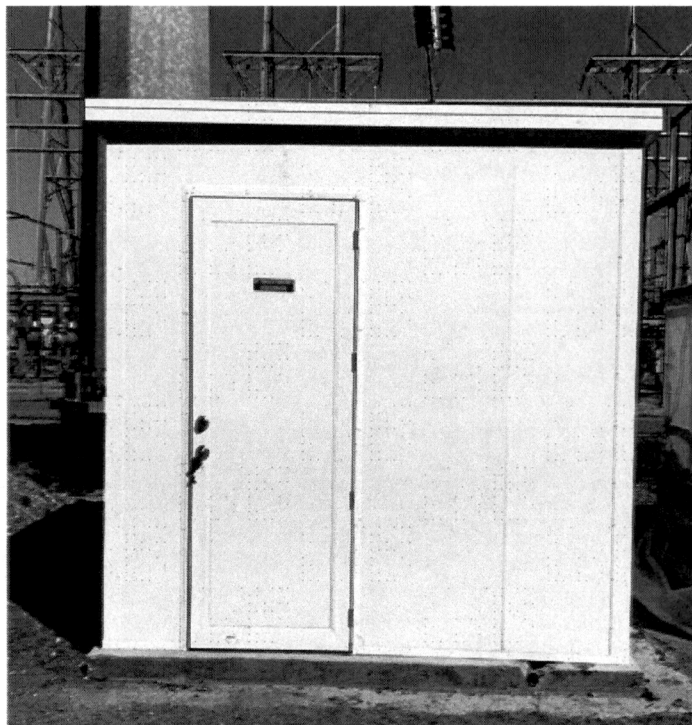


Figure 8: Heat Trace Panels

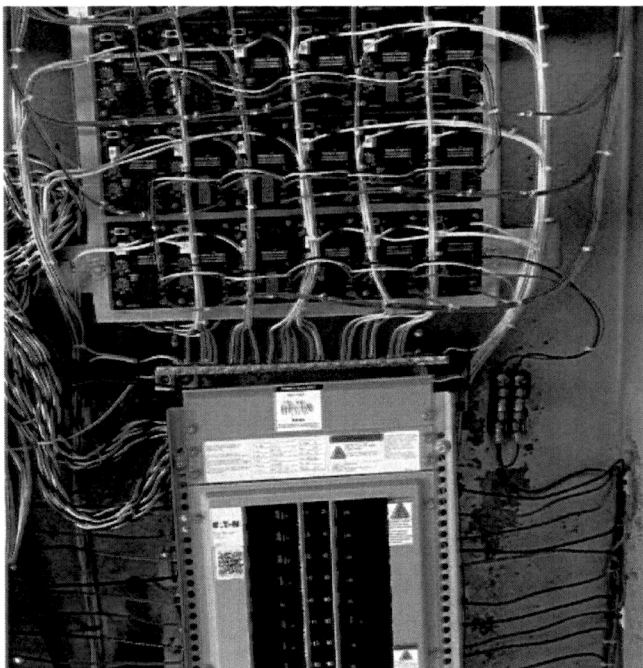


Figure 9: New HT Panels



Figure 10: Auxiliary Boiler Chemical Tote Blankets and Enclosures



Figure 11: Heated Blankets on Cones Downspout of Silos



Figure 12: Additional Heaters Installed

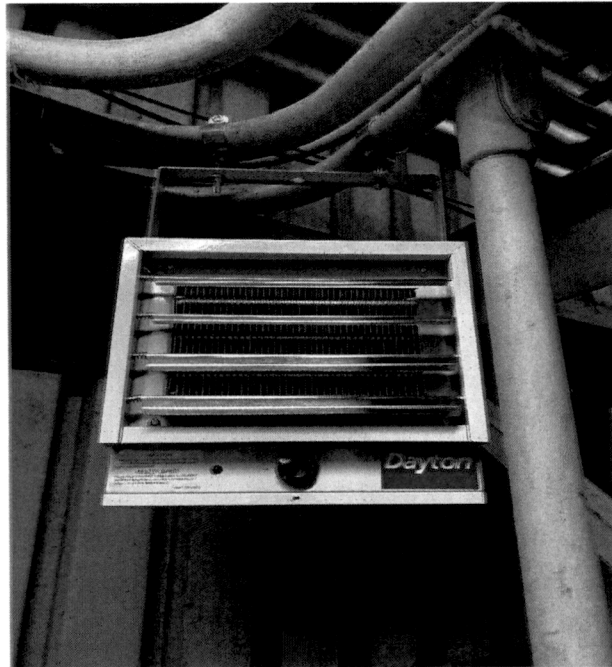


Figure 13: New Line Enclosures



Figure 14: O'Brien Boxes for Transmitters

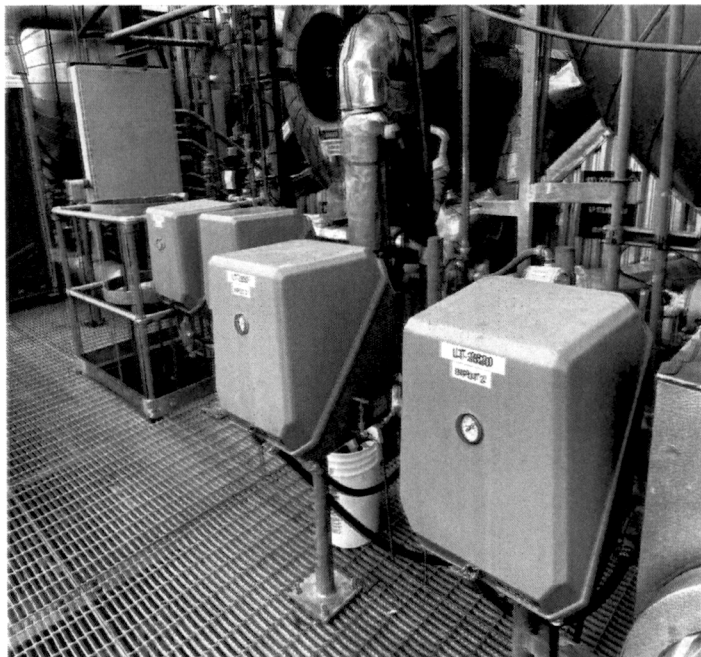


Figure 15: Flash Tank Enclosure



In addition to identifying specific winter preparations for each plant, the winterization policies for ELL's generating units also specify procedures to be utilized in three winter storm scenarios: (i) Action Level 1: temperatures forecasted to be below 35 degrees Fahrenheit for greater than 8 hours; (ii) Action Level 2 (Polar Vortex): temperatures forecasted to be below 25 degrees Fahrenheit for greater than 8 hours; and (iii) Action Level 3: a significant snow or ice forecasted. The policies require that employees are trained in the response protocol for each of these action levels, as well as many other aspects of winter preparations, as is detailed further in the HSPM attachments.

As noted above, the Order also requires a discussion of a cost/benefit analysis of weatherization measures and separately requires a discussion of whether such measures have prevented forced outages. However, the Order does not provide any details on what benefits should be assessed for those analyses or how those benefits should be quantified on a monetary basis to facilitate comparison to the amount spent on winterization measures at generating units. As to identifying whether such measures have prevented forced outages or derates, it is unclear to the Company how it is possible to attribute the absence of an outage or derate to specific winterization measures, as opposed to a myriad of other variables and the Order does not provide clarity on this point. Setting aside this ambiguity and in an effort to comply with the Order, ELL reports that, in 2021, ELL spent approximately \$7.9 million on winterization projects at its generating units. For 2022, ELL projects it will spend approximately \$9.2 million on such projects by the end of the year. ELL can report that it experienced no forced outages or derates at any of its generating units during the winter of 2022.

III. Transmission and Distribution

As Staff's Report noted, ELL did experience issues related to the Transmission and Distribution systems during the 2021 Winter Storms and identified several AFIs and CAs designed to improve the performance of these systems and the Company's management of their operation during future winter weather events. The information ELL has previously provided to the Commission documents these actions thoroughly, as the Staff's Report noted. The HSPM Exhibit 1 provides ELL's seventh update to the Commission on the exact nature of these actions and the status of their implementation.

One of the more significant issues that the unprecedented conditions presented during the 2021 Winter Storms revealed related to protocols and processes for managing and executing emergency load sheds during such events. In response to the challenges from the 2021 Winter Storms, the Company has taken several important steps related to this issue, including but not limited to participating in the cross-functional review of the load shed program, improving the categorization of feeders based on knowledge of critical customers, reviewing the load shed program list to ensure accuracy with feeder lists, and performing drills and simulations on a semi-annual basis. The Company's Load Shed Procedure (OPS-702, included with the collective HSPM Exhibit 2) was revised to document these and other steps, including: the categorization of feeders (Sections 4.8, 5.11.4, 5.11.5, 5.11.6, and 5.11.10), inclusion of category 3 circuits not already on a load

shed list (Section 5.6.2.1), and an annual update process with due dates, responsible parties, and system controls (Section 5.11). These revisions were largely driven by lessons learned from the 2021 Winter Storms. The Company can also report that it now performs load shed drills on a semi-annual basis, which include simulations that attempt to replicate different scenarios (including Max Gen events) that may occur. Such drills and simulations allow operators to gain additional experience and better prepare for emergency events.

Another issue of note from the 2021 Winter Storms involved identifying ways to improve the handling of cold load pick up. This issue arises when a distribution circuit is restored after an extended outage and the demand can be much greater than before the outage during extreme temperature conditions. Because the power supply has been unavailable for a period of time, the load has reached a “cold” state whereby larger amounts of demand exists that exceed equipment ratings and capabilities. Since in most cases cold load pickup current is greater than pre-outage current, cold load pickup affects fault detection. That is, protective relays can misinterpret the cold load pickup condition as a fault and initiate de-energization of an un-faulted circuit – ultimately delaying restoration times. In response to the events experienced during the 2021 Winter Storms, the Company implemented several corrective actions designed to improve awareness and readiness related to this issue. These CAs include implementing new tools, analyses, and guidelines (OPS-704 (Attachment I)) to support cold load pick up during future winter weather events.

In terms of the Commission’s request for winterization budgets and cost benefit analyses thereof related to Transmission and Distribution systems, the Company is not able to specifically provide such analyses because, although the Company’s planning takes into account both winter and summer peak demands, budgeting for these functions does not occur in a manner that singles out investments designed solely to address threats from winter weather. While the Transmission and Distribution organizations do not specifically budget winterization or winter readiness investments into capital budgets, the Company’s planning processes and the related capital and O&M spending addresses winterization in a number of ways. The Company has provided a summary of how winterization is included in the overall planning process for these groups below.

As noted in Procedure TR-PC-AD-001 (Seasonal Readiness Program), the purpose of this program is to identify seasonally-critical transmission lines and autotransformers and ensure that all related critical assets are in proper working condition and adequately maintained in order to perform their functions during summer and winter seasons. Work tasks are identified through planning studies, scheduled, and performed throughout the year. These tasks are effectively part of the Company’s normal maintenance process. For the upcoming winter season, the Company plans on completing the following tasks that are expected to mitigate winter season risks: (i) completing aerial patrols of all NERC applicable transmission lines (>200kV) within 90 days prior to the start of the winter season; (ii) identifying and addressing any critical maintenance or vegetation risks; and (iii) evaluating upcoming construction and maintenance activities through the Company’s risk review process.

Furthermore, recently completed and soon-to-be completed transmission upgrades performed for system and local reliability have resulted in greater operational flexibility and generally reduce risks, including those risks associated with winter weather events like the 2021 Winter Storms. Such upgrades include the following: (i) Waterford to Vacherie 230 kV Line Upgrade, (ii) Golden Meadow to Clovelly 115 kV Rebuild, (iii) West Monroe Area 230 kV Reliability Improvement Plan, (iv) Sellers LeBlanc Project, (v) Adams Creek 230 kV Substation Upgrade, and (vi) Natchez to Red Gum 115 kV Line Rebuild.

From a Distribution perspective, Procedure OPS-704 (Distribution Operations Winter Readiness) outlines the process and actions to be undertaken in preparation of the winter season. These activities include (i) evaluating and developing projects to resolve existing or forecasted overload and voltage issues during winter peak events in accordance with Distribution Planning Guidelines, and (ii) reviewing the projects and associated execution and funding risks for projects identified to address potential overload, low voltage, and cold load pickup challenges at the annual Substation, Planning, Operations, and Transmission (SPOT) meetings. With respect to testing and maintenance, the Company routinely reviews its designations of critical systems and components, and the Distribution Operations group inspects and patrols the critical systems and components and determines the required actions to reduce the risk of service interruptions under any conditions, including extreme winter weather.

IV. Other Business Units and Associated Functions

In addition to the functionalities specifically called out in the Order, ELL has also undertaken several improvements to other areas of its operations following the lessons learned in the 2021 Winter Storms. The nature of these improvements has been extensively reported to the Commission throughout this process, as Staff's Report notes, and the HSPM Exhibit 1 provides the seventh update to the Commission on the Company's progress in addressing these areas. The operations and functionalities the Company has addressed following the 2021 Winter Storms include (i) improving the IT infrastructure related to managing and reporting customer outages, (ii) strengthening communications and transparency between ELL and MISO during load sheds and other emergency events, and (iii) examining and improving the processes used for communicating with customers, the Commission, and other external stakeholders during future winter weather events.

V. Conclusion

ELL takes its obligation to provide reliable service to its customers in all conditions seriously and as documented throughout this proceeding, has taken steps to learn from the 2021 Winter Storms and improve performance in such events in the future. ELL looks forward to continuing to work with the Commission to improve reliability in future winter weather events and hopes the LPSC will apply equally rigorous standards to all LSEs within Louisiana to help ensure reliable electric service for the State and its residents. As noted above, failure to apply equally rigorous oversight to even one LSE has the potential to jeopardize reliability to the entire electric grid serving Louisiana.

Initial Winterization Report of Entergy Louisiana, LLC

Pursuant to General Order (No. R-34758)

August 1, 2022

**HIGHLY SENSITIVE
PROTECTED MATERIAL**

INTENTIONALLY OMITTED

AUGUST 1, 2022

