

**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

***IN RE:* APPLICATION OF ENTERGY)
LOUISIANA, LLC FOR APPROVAL TO)
CONSTRUCT VOTAW AND SEGNO SOLAR)
FACILITIES, AND FOR COST RECOVERY)**

DOCKET NO. U-_____

DIRECT TESTIMONY

OF

PHONG D. NGUYEN

ON BEHALF OF

ENTERGY LOUISIANA, LLC

PUBLIC REDACTED VERSION

NOVEMBER 2025

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EXHIBIT LIST

Exhibit PDN-1	List of Previous Testimony
Exhibit PDN-2	2021 Request for Proposals for Solar Photovoltaic Resourced for Entergy Texas, Inc.
Exhibit PDN-3	2022 Request for Proposals for Renewable Resourced for Entergy Texas, Inc.
Exhibit PDN-4 (HSPM)	Independent Monitor’s final report for 2021 Solar RFP
Exhibit PDN-5 (HSPM)	2022 Report of the Independent Monitor
Exhibit PDN-6 (AEO)	ELL 3GW RFP Model Segno Votaw Workpaper

1 Q4. WHAT ARE YOUR RESPONSIBILITIES AS DIRECTOR, ADVANCED ECONOMIC
2 PLANNING FOR ESL?

3 A. I am responsible for conducting economic and financial evaluations of generation supply
4 resources for the EOCs, including ELL. In that function, I manage a staff that conducts
5 decision support analyses relating to generation supply investments, including economic
6 evaluations and analyses relating to power market conditions.

7

8 Q5. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?

9 A. Yes, I have. Please see Exhibit PDN-1 for a list of my prior testimony.

10

11 Q6. DO YOU SPONSOR ANY EXHIBITS?

12 A. Yes, I sponsor the exhibits listed in the Table of Contents.

13

14 Q7. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

15 A. My testimony supports the Company's Application requesting approval and certification
16 of two long-term generation renewable resources, the Votaw Solar Facility ("Votaw") and
17 Segno Solar Facility ("Segno") (collectively with Votaw, the "Proposed Solar Facilities"),
18 that are being proposed as system resources and whose renewable attributes are proposed,
19 subject to agreement from Laidley LLC ("Laidley")² and approval from the Louisiana
20 Public Service Commission ("LPSC" or "Commission"), to be designated to fulfill, in part,

² Laidley is a wholly owned subsidiary of Meta Platforms, Inc. and is the customer whose plans to construct a new datacenter in Richland Parish, Louisiana were discussed in greater detail in LPSC Docket No. U-37425. See LPSC Docket No. U-37425, *In re: Application for approval of generation and transmission resources in connection with a single customer for a project in North Louisiana.*

1 the Group 3 Subscription by Laidley to ELL’s Rider Geaux Zero (“Rider GZ”) pursuant to
2 Laidley’s Corporate Sustainability Rider (“CSR”). In particular, I describe the Request for
3 Proposals (“RFP”) processes that were used to procure the two Proposed Solar Facilities
4 as well as the economic, viability, accounting, and deliverability assessments of the
5 proposals received through those RFPs. I also discuss the analysis for both resources that
6 demonstrates the costs for the Proposed Solar Facilities fall below the Breakeven
7 Parameters established in the Commission’s June 14, 2024 Order Number U-36697
8 (Corrected) in Docket No. U-36697³ (the “3GW Order”).

9
10 **II. THE 2021 SOLAR RFP AND 2022 RENEWABLES RFP**

11 Q8. HOW WERE THE VOTAW AND SEGNO FACILITIES PROCURED?

12 A. ESL conducted two separate RFPs⁴—the 2021 Request for Proposals for Solar
13 Photovoltaic Resources for Entergy Texas, Inc. (“2021 Solar RFP”) and the 2022 Request
14 for Proposals for Renewable Resources for Entergy Texas, Inc. (“2022 Renewables
15 RFP”)—from which Votaw and Segno were selected, respectively. The main body of the
16 2021 Solar RFP is attached to my Direct Testimony as Exhibit PDN-2. The main body of
17 the 2022 Renewables RFP is attached to my Direct Testimony as Exhibit PDN-3. I discuss
18 these RFP processes further below.

³ See LPSC Docket No. U-36697, *In re: Application for approval of an alternative market-based mechanism process seeking to secure up to 3,000 MW of solar resources, including certification of those resources, expansion of the Geaux Green Option Rider, and approval of a new renewable tariff.*

⁴ The two RFPs were originally conducted by ESL as agent for ETI, an EOC affiliated with ELL. However, as I explain further below, and as Company witnesses Michael J. Plaisance and Elizabeth C. Ingram also discuss, it was ultimately determined that, due to ETI’s continuing need to optimize the many capital investments needed for ETI customers and that ELL has a need for these resources (in particular to assist with the Company’s capacity needs and as part of the overall need to fulfill the Company’s renewable commitments to Laidley), ELL would acquire the facilities.

1 Q9. WHAT WAS YOUR ROLE IN THESE RFPS?

2 A. I oversaw the administration of these two RFPS.

3

4 Q10. PLEASE DESCRIBE THE 2021 SOLAR RFP.

5 A. The primary objective of the 2021 Solar RFP was to solicit competitive proposals that
6 could provide flexible and cost-effective solar capacity. On January 29, 2021, ESL (acting
7 on behalf of ETI) notified potential bidders of interest in procuring up to 200 MW of solar
8 through both Power Purchase Agreements (“PPAs”) and build-own-transfer (“BOT”)
9 resources that would provide cost-effective energy supply, fuel diversity, and other benefits
10 to customers. On June 9, 2021, an updated notice was issued specifying that up to 400
11 MW of solar resources would be solicited, and an updated schedule for issuance of the RFP
12 was issued. The final RFP documents were posted on July 15, 2021, with a proposal
13 submission deadline of October 15, 2021.

14

15 Q11. PLEASE DESCRIBE THE 2022 RENEWABLES RFP.

16 A. The primary objective of the 2022 Renewables RFP was to solicit competitive proposals
17 to provide flexible and cost-effective solar or wind capacity in MISO South as well as wind
18 capacity and energy from PPAs in the Southwest Power Pool (“SPP”). On August 31,
19 2022, ESL (again, on behalf of ETI at the time) notified potential bidders of interest in
20 procuring up to 2,000 MW of renewable resources through both PPA and BOT resources
21 that would provide cost-effective energy supply, fuel diversity, and other benefits to
22 customers. ESL posted the final RFP documents on October 10, 2022, with a proposal
23 submission deadline of February 6, 2023.

1 Q12. YOU MENTIONED THAT ESL ACTED ON BEHALF OF ETI FOR BOTH THE 2021
2 SOLAR RFP AND THE 2022 RENEWABLES RFP. HOW IS IT THAT RESOURCES
3 FROM THOSE TWO RFPS ARE BEING OFFERED BY ELL FOR CERTIFICATION?

4 A. As Company witnesses Michael J. Plaisance and Elizabeth C. Ingram also explain, after
5 the Votaw and Segno resources were selected from the 2021 Solar RFP and the 2022
6 Renewables RFP, respectively, ETI determined that it would no longer pursue the Votaw
7 and Segno resources due to the need for ETI to continue optimizing the many capital
8 investments needed for its customers. At the same time, ELL had identified a need for
9 additional resources to support its capacity needs as well as the renewable and
10 sustainability needs of ELL's existing and prospective customers. One such customer in
11 particular, Laidley, has executed a Corporate Sustainability Rider with the Company that
12 requires, among other things, ELL to attempt to procure 1,500 MW of solar resources by
13 2030. Based on ETI's capital-optimization needs and ELL's strategic needs, ETI and ELL
14 agreed that ELL would acquire Votaw and Segno, and ELL now seeks a finding that
15 certification of these two resources is in the public interest.

16

17 Q13. DOES THE FACT THAT THE PROPOSED SOLAR FACILITIES WILL BE LOCATED
18 IN TEXAS PRESENT AN UNREASONABLE RISK TO ELL CUSTOMERS?

19 A. No. Under the circumstances, considering ELL's current generation portfolio and the
20 Proposed Solar Facilities, the prospect of having these resources located outside the state
21 is not an unreasonable risk to ELL customers. As ELL has noted in prior proceedings, it
22 is important that a utility balance considerations of cost and reliability and that it have
23 sufficient generation resources located proximate to its load to ensure reliable service to its

1 customers, including during times of system stress; excessive reliance upon remote
2 resources would present an unreasonable risk. However, ELL presently has only one
3 resource outside Louisiana—Union Power Station—as well as a number of cost-based
4 PPAs for resources owned by EAL. The Proposed Solar Facilities represent cost-
5 competitive opportunities for ELL to obtain new solar generation and do not create
6 excessive reliance on out-of-state resources.

7 With respect to capacity pricing, the Proposed Solar Facilities are located in the
8 same MISO Local Resource Zone (MISO LRZ 9) as ELL’s load and thus do not present a
9 risk of capacity price separation.

10 In addition, the Proposed Solar Facilities will receive energy revenues in MISO tied
11 to each resource’s generator bus, and those energy prices in Texas are not expected to be
12 materially different from the amounts that ELL would be expected to be received from a
13 generator located in a non-resource constrained region in Louisiana.

14
15 **A. Economic Assessment of Proposals – RFP Evaluation Teams and Safeguards**

16 Q14. PLEASE PROVIDE AN OVERVIEW OF THE PROCESS BY WHICH THE RFP
17 EVALUATION TEAMS CONDUCTED THE ECONOMIC ASSESSMENT OF
18 PROPOSALS IN THE TWO RFPS.

19 A. The evaluation of proposals received in response to the 2021 Solar RFP and the 2022
20 Renewables RFP was carried out by various RFP Evaluation Teams, with each team having
21 a defined focus. The Economic Evaluation Team (“EET”) was responsible for evaluating
22 the economics of the proposals and the economic ranking of the proposals, considering

1 among other things assessments conducted by the Viability Assessment Team (“VAT”),
2 Accounting Evaluation Team (“AET”), and the Transmission Evaluation Team (“TET”).

3 In addition, the RFP Administration Team was responsible for (1) ensuring that
4 each RFP Evaluation Team had the information needed to perform its analysis in a manner
5 that was fair and impartial and would result in the selection of the most viable and economic
6 resources, and (2) facilitating the evaluation of proposals by all RFP Evaluation Teams so
7 that the evaluation process resulted in the proper assessment of the economics and other
8 relevant elements of the proposals. The RFP Administration Team also ensured that bidder
9 questions received concerning the RFP were addressed, with questions and answers being
10 posted on the RFP website.

11
12 Q15. PLEASE DESCRIBE HOW THE EET EVALUATED THE ECONOMICS OF THE
13 PROPOSALS.

14 A. The EET performed a customer net-benefit analysis to identify the most economic
15 proposals submitted into the 2021 Solar RFP and 2022 Renewables RFP. The economic
16 evaluation estimated a proposal’s net benefit or cost to customers by subtracting the total
17 cost of each proposal, as determined by the EET, from the associated benefits. As part of
18 the evaluation, the EET utilized a production cost model (Aurora)⁵ to measure the variable
19 supply cost savings produced by each proposal. These variable supply cost savings were

⁵ Aurora is software licensed from Energy Exemplar that is used to simulate operation of the Midcontinent Independent System Operator Inc. (“MISO”) energy market to forecast wholesale power market prices. ESL has used the software for several years to assess the variable supply cost effects of adding a particular resource or set of resources to an EOC’s portfolio.

1 coupled with capacity benefits, terminal value benefits (if applicable), and an assessment
2 of each proposal's fixed costs to determine a customer net benefit for each proposal.
3

4 Q16. PLEASE DESCRIBE THE VIABILITY ASSESSMENTS CONDUCTED BY THE
5 VIABILITY ASSESSMENT TEAM.

6 A. The VAT reviewed and assessed the non-price attributes of the resources and
7 corresponding proposals. Specifically, the VAT's risk and viability evaluations were
8 carried out by subject matter experts with expertise in the areas of, and included
9 assessments of, resource capabilities, project development risks, environmental
10 compliance risks, construction risks, completion risks, proposed commercial terms,
11 resource deliverability, regulatory considerations, and other factors that the VAT
12 determined may bear on a proposal's risk and viability. The VAT performed a qualitative
13 viability assessment of various criteria to score and compare the relative risks of proposals.
14 Criteria and weightings were defined prior to receipt of proposals. The final viability
15 assessment was factored into the evaluation of proposals by the RFP Administration Team.
16

17 Q17. PLEASE DESCRIBE THE ACCOUNTING ASSESSMENTS CONDUCTED BY THE
18 ACCOUNTING EVALUATION TEAM.

19 A. The AET reviewed each proposal to determine the accounting treatment and effects. In
20 performing the accounting assessment, the AET evaluated each proposal based on both the
21 accounting standards in effect at the time of proposal submission as well as based on the
22 accounting standards expected to be in effect during the delivery term of the proposal.
23

1 Q18. PLEASE DESCRIBE THE TRANSMISSION ASSESSMENTS CONDUCTED BY THE
2 TRANSMISSION EVALUATION TEAM.

3 A. The TET was responsible for assessing the interconnection, deliverability, and
4 transmission costs and risks associated with each proposal. The TET identified and
5 estimated the timing, scope, and costs of transmission upgrades required to interconnect
6 and deliver the energy output of the proposed resources to the point of interconnection.
7 The TET also identified and estimated the costs associated with interconnection,
8 deliverability, or transmission upgrades not identified and included in a bidder's proposal
9 through the MISO Definitive Planning Phase ("DPP") System Impact Study and Facility
10 Study processes.

11

12 Q19. IN ADDITION TO THE USE OF SEPARATE RFP EVALUATION TEAMS, WHAT
13 SAFEGUARDS WERE ESTABLISHED TO ENSURE THAT THE ECONOMIC
14 EVALUATION WAS CONDUCTED IN AN OBJECTIVE AND IMPARTIAL
15 MANNER?

16 A. A number of process safeguards and procedures were established to ensure that information
17 provided by bidders in the 2021 Solar RFP and 2022 Renewables RFP was kept
18 confidential and was not improperly disclosed to, or used by, any employee, consultant, or
19 other ESL representative or any other Entergy competitive affiliate. Each of these
20 procedures is summarized below and described in more detail in Appendix G of the main
21 body to both the 2021 Solar RFP and 2022 Renewables RFP, which are attached to my
22 Direct Testimony as Exhibits PDN-2 and PDN-3.

- 1 ▪ All employees of ESL or any EOC were required to adhere to the Entergy Affiliate
2 Rules and Codes of Conduct, which, among other things, prohibit actions that provide
3 an unfair competitive advantage or preferential treatment to competitive affiliates and
4 prohibit the inappropriate transfer of confidential information to competitive affiliates.
- 5 ▪ Each person participating in the evaluation of proposals received in response to the
6 2021 Solar RFP and 2022 Renewables RFP was required to adhere to an Evaluation
7 Confidentiality Acknowledgment, which limits and restricts the use of information.
- 8 ▪ ESL utilized an RFP Administrator (who was assisted by the RFP Administration
9 Team) to perform several duties, which included acting as an intermediary between
10 ESL and bidders to address issues relating to the 2021 Solar RFP and 2022 Renewables
11 RFP and to ensure that each evaluation team had the relevant information needed to
12 perform its respective analysis and that all information was evaluated on a collaborative
13 basis to ensure that the most viable and economic resources were selected.
- 14 ▪ A detailed process has been developed for reviewing, segregating, and evaluating
15 proposals in order to ensure the objective and impartial treatment of all bidders and
16 appropriately preserve the confidentiality of confidential information by bidders under
17 the RFPs. This process is described in both the main body and Appendix G to the RFP
18 documents.
- 19 ▪ During RFP proposal evaluation, proposal information was segregated into confidential
20 reports, which were then made available to the appropriate RFP Evaluation Teams.
21 The different teams were permitted to see only those reports that included information
22 they needed in order to carry out their party of the proposal evaluation.

- 1 ▪ Since the RFPs did not preclude self-build options from being submitted, an IM was
2 retained to oversee all aspects of the RFPs to ensure that its design, implementation,
3 evaluation, and selection processes were impartial and objective. The IM provides
4 objective, third-party perspective on ESL's efforts to ensure that all proposals are
5 treated consistently and without undue preference to any bidder.
- 6 ▪ Self-build proposals were required to be finalized with oversight from the IM and
7 submitted to the RFP Administrator prior to receipt of third-party bids.

8

9 Q20. YOU MENTIONED BOTH THE 2021 SOLAR RFP AND 2022 RENEWABLES RFP
10 WERE INDEPENDENTLY MONITORED. WHO WAS THE INDEPENDENT
11 MONITOR?

12 A. The competitive solicitation process for both RFPs was conducted under the oversight of
13 Mr. Keith J. Oliver of Merrimack Energy Group, Inc. Mr. Oliver (i) monitored the design
14 and implementation of the solicitation, evaluation, selection, and contract negotiation
15 processes to ensure their impartiality and objectivity, and (ii) provided an objective, third-
16 party perspective on efforts to ensure that all proposals were treated consistently and
17 without undue preference to any bidder. The IM at all times functioned independently of
18 ESL. Moreover, the IM submitted reports for each of the RFPs, copies of which are
19 attached as HSPM Exhibit PDN-4 (for the 2021 Solar RFP) and HSPM Exhibit PDN-5 (for
20 the 2022 Renewables RFP).

1 **B. Economic Assessment of Proposals – Components, Analyses, and Results**

2 Q21. WHAT COSTS AND BENEFITS WERE TAKEN INTO CONSIDERATION IN THE
3 ECONOMIC EVALUATION PROCESS?

4 A. The economic evaluation process considered, for each proposal as applicable, the following
5 costs and expenses:

- 6 • Acquisition costs,
- 7 • Transmission and interconnection costs,
- 8 • Land acquisition costs or land lease costs,
- 9 • Ongoing fixed operations and maintenance expenses,
- 10 • Imputed debt cost,
- 11 • All-in power PPA energy pricing, and
- 12 • Property tax and insurance expense.

13 The economic evaluation process considered, for each proposal as applicable, the following
14 benefits:

- 15 • Long-term avoided capacity value,
- 16 • ELL variable supply cost savings,
- 17 • Renewable energy credit (REC) value, and
- 18 • Terminal value benefits.

19
20 Q22. WERE ANY SENSITIVITY ANALYSES PERFORMED BY THE EET?

21 A. The EET assessed proposals based on several sensitivities related to key drivers that could
22 impact the economic ranking of the proposals. For PPA proposals that were evaluated,
23 sensitivity analyses were performed for P90 capacity factors and low gas prices with no

1 price adjustment for CO₂. For BOT proposals that were evaluated, sensitivity analyses
2 were performed to (1) assume TET-estimated costs if those costs were higher than the
3 bidder's, (2) omit balance sheet lease treatment for proposals offered with a land lease, (3)
4 treat property tax as both a cost and benefit to reflect community tax benefits provided to
5 ELL customers, (4) assume low gas prices with no price adjustment for CO₂, and (5) use a
6 generic capacity factor for certain proposals with high capacity factors relative to
7 comparable resources.

8
9 **C. Results of the 2021 Solar RFP**

10 Q23. PLEASE DISCUSS THE RESULTS OF THE 2021 SOLAR RFP.

11 A. ESL received twelve bids from a total of six proposed resources. Each proposed resource
12 was located in the Texas portion of MISO South. ESL (with ETI) evaluated each proposal
13 according to its economics and on a range of viability considerations, such as transmission
14 risk, environmental impact, credit support issues, and other potential concerns.

15 The RFP Administration team ultimately recommended selection of two PPA
16 proposals, Piney Woods and Lumberton, and the self-build proposal, Votaw. These
17 resources were recommended for primary selection because, among other reasons, the
18 portfolio of resources provided significant benefits to customers and there was a potential
19 for even greater economic benefits with tax credits for the self-build resource.

20 After making selections and beginning negotiations with the counterparties, the
21 Company began to receive feedback from all selected bidders that the market escalation

1 impacts and Department of Commerce⁶ investigation made it such that the timing and
2 pricing of the proposals could not be maintained. After several increases to the pricing of
3 the PPAs, the IM was informed of a plan to contact the next best proposal on the secondary
4 list for updated pricing to confirm that the three resources selected were still the best
5 resources for customers. At the IM's suggestion, all three remaining bidders on the
6 secondary list, as well as the three originally selected resources, were contacted for updated
7 pricing and in-service dates for their proposals. Updated pricing was received in August
8 2022 for four of the six resources that were originally proposed in the 2021 Solar RFP for
9 a total of seven proposals. One of the other two bidders responded that they would not be
10 providing updated pricing for their proposals, and the last bidder did not provide any
11 communication at all.

12 The economic evaluation and viability assessment was re-conducted for the
13 updated proposals, and ESL confirmed that the three originally selected resources were
14 still the most beneficial resources for customers.

15
16 Q24. ARE YOU PROVIDING THE RESULTS OF THE ECONOMIC EVALUATION OF
17 THE 2021 SOLAR RFP?

18 A. No. As discussed by Company witness Robert Fluth, the scope and design of Votaw has
19 changed substantially relative to the original bid proposal that was the subject of the 2021
20 Solar RFP economic evaluation. For these reasons, in my opinion, the results of that

⁶ The United States Department of Commerce announced on March 28, 2022 that it was investigating whether imports of solar panels assembled in Cambodia, Malaysia, Thailand, and Vietnam were circumventing duties intended to limit imports of solar cells and panels from China, in violation of anti-dumping rules.

1 evaluation are no longer meaningful. As I discuss below, my team has performed an
2 updated analysis of the Votaw resource that evaluates whether the costs for Votaw fall
3 below the Breakeven Parameters specified in the 3GW Order.
4

5 Q25. YOU MENTIONED THE POTENTIAL FOR ECONOMIC BENEFITS ASSOCIATED
6 WITH TAX CREDITS. IS ELL DOING ANY WORK TO SAFE HARBOR THE
7 VOTAW RESOURCE IN ACCORDANCE WITH THE GUIDANCE ISSUED BY THE
8 IRS ON AUGUST 15, 2025 IN NOTICE 2025-42?

9 A. Yes. As Company witness Robert Fluth explains in greater detail, the Company has
10 contracted for construction of a transformer, which is one of the express examples of “off-
11 site physical work of a significant nature” provided in the guidance from the IRS.
12 Importantly, this work is being completed for both Votaw and Segno, which is the resource
13 I discuss below that was selected from the 2022 Renewables RFP that ELL is now seeking
14 to develop.
15

16 Q26. WERE THERE ANY ADDITIONAL CHANGES AND DECISIONS MADE
17 ASSOCIATED WITH THE RESOURCES SELECTED FROM THE 2021 SOLAR RFP?

18 A. Yes. Most significantly, the cost estimates for Votaw changed because of a decrease in the
19 size of the project and because of the transfer from ETI to ELL that I referenced above.
20 With respect to the former, the Votaw project scope and design changed during commercial
21 negotiations due to circumstances outside the control of the Company and its affiliates,
22 which changes are discussed by Company witness Robert J. Fluth. The end result is a
23 smaller project than originally bid (141 MW versus 198 MW bid).

1 As to the latter, and as is also discussed above and by Ms. Ingram and Mr. Plaisance
2 in their respective Direct Testimony, after Votaw was selected by ETI for its resource
3 planning purposes, ELL and ETI agreed that ELL would acquire Votaw, including because
4 ELL had an identified need for solar resources that could assist with the Company's
5 capacity needs and with fulfilling, in part, Laidley's Initial Renewable Subscription
6 Amount under the CSR. As discussed by both Ms. Ingram and Mr. Plaisance, the Company
7 and Laidley remain in discussions concerning whether Laidley will subscribe to the
8 Proposed Solar Facilities, and ELL intends to supplement this Application based on the
9 results of those discussions. Further, in connection with that agreement and ELL's
10 planning needs, the anticipated commercial operation date for Votaw has been updated to
11 May 25, 2029.

12

13 Q27. ARE THERE ANY ADDITIONAL COSTS THAT WILL BE INCURRED AS A
14 RESULT OF THE DELAY ASSOCIATED WITH ACQUIRING VOTAW?

15 A. Yes. Company witness Robert J. Fluth explains the additional costs associated with
16 delaying the commercial operation date for Votaw as well as various changes in market
17 conditions. Mr. Fluth also discusses other changes to the cost estimates for Votaw,
18 including updates to sales tax estimates as a result of the fact that ELL qualifies for a
19 manufacturer exemption from sales taxes in Texas.

20

1 **D. Results of the 2022 Renewables RFP**

2 Q28. PLEASE DISCUSS THE RESULTS OF THE 2022 RENEWABLES RFP.

3 A. Twenty-five bids were received from a total of seventeen proposed resources. Of these
4 seventeen initial resources, two resources were withdrawn, along with the three proposals
5 associated with those resources, and four resources (totaling seven proposals) were in
6 negotiations with non-affiliated counterparties outside the RFP at the time of selections.
7 Of the remaining eleven resources available for selection, totaling thirteen proposals, nine
8 of the proposed resources were located in the Texas portion of MISO South, one was in
9 the Louisiana portion of MISO South, and one proposed resource was located in SPP. Each
10 of the thirteen proposals from the eleven resources was evaluated according to its
11 economics and on a range of viability considerations, such as: transmission risk,
12 environmental impact, credit support issues, and other potential concerns.

13 The RFP Administration team recommended selection of the self-build proposal
14 (Segno), one PPA proposal (Moss Hill), and a BOT proposal (Trinity River). These
15 resources were recommended for primary selection because, among other reasons, the
16 portfolio of resources provided significant benefits to customers.

17
18 Q29. WERE AGREEMENTS EVER CONFECTED WITH PINEY WOODS, LUMBERTON,
19 TRINITY RIVER, AND MOSS HILL?

20 A. No. The Piney Woods PPA was terminated by the counter-party. In the course of
21 commercial negotiations, the parties to those negotiations were unable to reach terms
22 agreeable for the Lumberton, Trinity River, and Moss Hill projects.

23

1 Q30. PLEASE DESCRIBE THE RESULTS OF THE ECONOMIC EVALUATION FOR
2 SEGNO.

3 A. As discussed, the economic evaluation included a total of thirteen proposals, of which ten
4 were PPA proposals and three were BOT proposals. Under reference assumptions, nine
5 proposals showed some potential for positive net benefits. Based on net benefits with
6 reference assumptions expressed in \$/kW-year and \$/MWh levelized real 2022 dollars, the
7 Segno BOT proposal ranked the highest in the economic evaluation.

8

9 Q31. WERE THERE ANY CHANGES WITH RESPECT TO THE SEGNO RESOURCE
10 AFTER IT WAS SELECTED?

11 A. Yes. As with Votaw, after the resource was initially selected for ETI, ELL and ETI agreed
12 that ELL would acquire Votaw and Segno, and the anticipated commercial operation date
13 for the resource was updated to March 30, 2029. Moreover, as with Votaw, an agreement
14 was reached to transfer the Segno resource to ELL in order to assist ELL's need for capacity
15 and for solar resources to fulfill the Initial Renewable Subscription Amount described in
16 the CSR between ELL and Laidley.

17

18 Q32. IS ELL UNDERTAKING STEPS TO SAFE HARBOR THE SEGNO RESOURCE IN
19 ACCORDANCE WITH THE IRS'S AUGUST 15, 2025 GUIDANCE ISSUED IN
20 NOTICE 2025-42?

21 A. Yes. As with Votaw, and as also discussed in greater detail by Company witness Robert
22 Fluth, the Company has taken steps to safe-harbor both Segno and Votaw, including by
23 contracting for the manufacture of a transformer for Segno.

1

2 Q33. ARE THERE ANY ADDITIONAL COSTS THAT WILL BE INCURRED AS A
3 RESULT OF THE DELAY ASSOCIATED WITH ACQUIRING SEGNO?

4 A. Yes, as Company witness Robert Fluth explains in greater detail, there are additional costs
5 associated with changes in market conditions and delaying the in-service date for Segno.
6 There are also other updates that have been made to the cost estimates, including with
7 respect to the sales tax exemption I discussed above. I have included the updated costs and
8 other figures in the below analysis demonstrating that the Segno resource falls below the
9 3GW Order's Breakeven Parameters.

10

11

III. BREAKEVEN ANALYSIS

12 Q34. DO THE COSTS FOR BOTH OF THE PROPOSED SOLAR FACILITIES FALL
13 BELOW THE BREAKEVEN PARAMETERS ESTABLISHED IN THE
14 COMMISSION'S 3GW ORDER?

15 A. Yes. As I explain further below, the costs for both of the Proposed Solar Facilities fall
16 below the Breakeven Parameters approved by the Commission in connection with the 3GW
17 Order.

18

19 Q35. BEFORE DISCUSSING THE BREAKEVEN ANALYSIS FOR THE PROPOSED
20 SOLAR FACILITIES, PLEASE EXPLAIN HOW THE CONTRIBUTIONS FROM
21 LAIDLEY IMPACT THE ANALYSIS.

22 A. As Company witness Elizabeth Ingram also describes, if Laidley agrees and the
23 Commission approves, the Proposed Solar Facilities will be allocated to Laidley's Group

1 3 subscription under Rider GZ (which is referred to as the Initial Renewable Subscription
2 Amount in Laidley's Corporate Sustainability Rider). As Ms. Ingram explains in greater
3 detail many of the costs from the Proposed Solar Facilities will be offset through the
4 subscription fees paid by Laidley as part of its Group 3 subscription under Rider GZ such
5 that there will be minimal impact from these costs on the bills paid by all customers. If
6 Laidley later decides to terminate its subscription to Votaw and Segno (under the terms of
7 the Corporate Sustainability Rider), ELL's customers will continue to receive the energy
8 and capacity-related benefits from the resources, but with a significant portion of the fixed
9 costs previously having been paid for by Laidley.

10
11 Q36. TURNING NOW TO THE BREAKEVEN ANALYSIS YOU PERFORMED WITH
12 RESPECT TO THE PROPOSED SOLAR FACILITIES, DID YOU USE THE SAME
13 ANALYSIS THAT WOULD BE USED FOR RESOURCES SUBMITTED FOR
14 EVALUATION AS PART OF THE 3GW ORDER'S STREAMLINED PROCUREMENT
15 PROCESS?

16 A. Yes, we used the same analysis to evaluate the Proposed Solar Facilities that is used to
17 evaluate resources submitted for review in accordance with the 3GW Order. Importantly,
18 the breakeven analysis that was first used in 2023 in connection with the 3GW Order was
19 first updated in 2024 to account for various adjustments, as I describe further below.

1 Q37. AS PART OF THE BREAKEVEN ANALYSIS, HOW DO YOU CALCULATE THE
2 PROJECT INSTALLED COST?

3 A. [REDACTED]
4 [REDACTED]
5 [REDACTED]

7 Q38. WHAT ADJUSTMENTS DO YOU MAKE TO THE PROJECT INSTALLED COST?

8 A. [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]

13 Q39. PLEASE ELABORATE ON THE [REDACTED]

14 A. [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]

19 Q40. PLEASE ELABORATE ON THE [REDACTED]

20 A. [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]

1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]
7 [REDACTED]

8
9 Q41. PLEASE ELABORATE ON THE [REDACTED]

10 A. [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]

19
20 Q42. PLEASE ELABORATE ON THE CHANGE IN TAX CREDIT MONETIZATION.

21 A. [REDACTED]
22 [REDACTED]
23 [REDACTED]

1

[REDACTED]

2

[REDACTED]

3

4 Q43. BASED ON THE APPLICATION OF THESE ADJUSTMENTS AND
5 CALCULATIONS, WHAT WERE THE RESULTS OF THE BREAKEVEN
6 ANALYSIS?

7 A. The calculations and adjustments for each of the Proposed Facilities can be seen in
8 Attorneys' Eyes Only/HSPM Exhibit PDN-6. As demonstrated by the final numbers in
9 that exhibit, the costs for both of the Proposed Solar Facilities are below the Breakeven
10 Parameters established in connection with the 3GW Order.

11

12

IV. CONCLUSION

13 Q44. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

14 A. Yes, at this time.

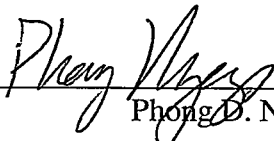
AFFIDAVIT

STATE OF Texas

PARISH/COUNTY OF Montgomery

NOW BEFORE ME, the undersigned authority, personally came and appeared, Phong N. Nguyen, who after being duly sworn by me, did depose and say:


That the above and foregoing is his sworn testimony in this proceeding and that he knows the contents thereof, that the same are true as stated, except as to matters and things, if any, stated on information and belief, and that as to those matters and things, he verily believes them to be true.



Phong N. Nguyen

SWORN TO AND SUBSCRIBED BEFORE ME

THIS 13 DAY OF November 2025



NOTARY PUBLIC

My commission expires: February 5, 2029

