cc: NH

advanced
energy
management
alliance

PO Box 65491
Washington, DC 20035
p 202.580.8284
e info@aem-alliance.org
aem-alliance.org

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LA PUBLIC SERVICE COMMISSION

June 15, 2022

Via U.S. Postal Service
Ms. Terri Lemoine Bordelon
Louisiana Public Service Commission
Records and Recording Division
Galvez Building, 12th Floor
602 N. Fifth Street
Baton Rouge, Louisiana 70802

In Re: Louisiana Public Service Commission Docket No. I-36175, *Cleco Power LLC: Request to Initiate IRP Process (October 20, 2021) Pursuant to the General Order (Corrected) in Docket No. R-30021, Issued April 20, 2012.*

Dear Ms. Bordelon:

The Advanced Energy Management Alliance ("AEMA") hereby submits Comments following the Cleco Power LLC ("Cleco Power" or "Cleco") stakeholder webinar on March 24, 2022, regarding the above-referenced docket.

Enclosed are an original and three (3) copies. Virtual copies have been sent to all parties. Please file these comments into the record in accordance with the Commission's ~~fax filing~~ procedures.

Please do not hesitate to contact me at 202-524-8832 or Katherine @aem-alliance.org should you have any questions or require additional information regarding this filing. Thank you very much for your assistance and consideration of these Comments.

Sincerely,

Katherine Hamilton
Executive Director, Advanced Energy Management Alliance

BEFORE THE

PUBLIC SERVICE COMMISSION

OF THE STATE OF LOUISIANA

CLECO POWER LLC: REQUEST TO INITIATE INTEGRATED RESOURCE PLANNING (IRP) PROCESS (OCTOBER 20, 2021) PURSUANT TO THE GENERAL ORDER (CORRECTED) IN DOCKET NO. R-30021, ISSUED APRIL 20, 2012.	)	**DOCKET NO. I-36175**

COMMENTS OF ADVANCED ENERGY MANAGEMENT ALLIANCE

Pursuant to Rule 10 of the Louisiana Public Service Commission ("LPSC" or "Commission") Rules of Practices and Procedures, the Advanced Energy Management Alliance ("AEMA") respectfully submits the following comments in response to discussions during the stakeholder meeting on March 24, 2022,[1] in the Cleco Power LLC ("Cleco Power" or "Cleco") above-referenced Integrated Resource Plan ("IRP").[2] While AEMA signed a confidentiality agreement with Cleco Power, the comments herein are based on information available to the public and should not be considered confidential.

[1] https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/ViewFile?fileId=Bo1MOL5015Y%3D

[2] https://www.cleco.com/docs/default-source/integrated-rsource-plan/cleco-power-filing-to-initiate-irp-cycle-(oct-20-2021).pdf?sfvrsn=c123903c_2

I. Background.

AEMA is a trade association under Section 501(c)(6) of the Federal tax code whose members include national distributed energy resource ("DER") companies and advanced energy management service and technology providers, including demand response ("DR") providers, as well as some of the nation's largest demand response and distributed energy resources. AEMA member companies have worked with utilities on demand response programs across the southern United States, the MISO region, and the entire country, and have extensive experience working to align utility and ratepayer needs through resource planning processes. AEMA has participated in numerous dockets in Louisiana and has worked with parties throughout Louisiana to create and expand demand response and distributed energy resource opportunities, to achieve electricity cost savings for consumers, to contribute to system reliability and resilience, and to hedge against generation retirements and new capacity builds. The comments herein reflect the opinion of the organization rather than those of any individual member.

II. Comments on Process.

While AEMA appreciates the opportunity to be a party to this docket and to provide comments, AEMA notes that there are limited opportunities for stakeholders to provide substantive input to the Cleco IRP and would recommend that entities with experience and expertise in deploying technologies successfully in other venues—as AEMA members are with DERs—could be consulted prior to final modeling and analyses are complete. After a great deal of confusion with a non-functional email address provided by Cleco for submission of questions, AEMA submitted several questions to Cleco based on those raised during the stakeholder

briefing. AEMA has reviewed Cleco responses to other stakeholder questions and will reference those. Generally, AEMA supports stakeholder engagement as leading to better outcomes for customers and their service providers. The response that a given issue will be addressed in the draft IRP—after modeling scenarios have been run—is too late to impact any outcomes for long term planning in this IRP cycle.

III. Comments on Data Assumptions and Stakeholder Presentation.

AEMA inquired during the stakeholder presentation if Order 2222 ("Order") had been considered in the IRP development process.[3] Cleco is part of Midcontinent Independent System Operator ("MISO")[4] which falls under the jurisdiction of the Federal Energy Regulatory Commission ("FERC") and as such is required to comply with Order 2222 which mandates that DERs be able to fully participate in all wholesale markets. We recommend that implementation of this Order be made clear in the scenarios for the IRP.

In addition to Order 2222, AEMA recommends that additional pending federal policies be considered, including the Bipartisan Infrastructure Bill, which is poised to provide significant funding to communities and utilities for resilience and other flexibility upgrades to the electric grid.[5] The U.S. House of Representatives passed the Build Back Better Act in November 2021, that includes significant tax incentives for DERs and other clean energy resources.[6] The Senate is projected to pass similar provisions in the coming months. Based on the tax credits currently under consideration, it would be useful in at least one scenario additional tax incentives for microgrids, interconnection, and bonus credits for deployment in low-income communities—all

[3] Cleco Power IRP Stakeholder Meeting Presentation, Slide No. 5, under "Key Considerations."
[4] https://www.cleco.com/residential-commercial/interconnections/generation-interconnections/merchant-provider
[5] https://www.energy.gov/bil/bipartisan-infrastructure-law-homepage
[6] Tax provisions can be found here: https://crsreports.congress.gov/product/pdf/R/R46923

of which will materially lower the cost of DERs while increasing access to clean energy for many more residents and business in Louisiana.

Distributed Energy Resources-- rooftop solar, community solar, distributed storage, microgrids, energy efficiency, and demand response—are not considered in any meaningful way as a set of assets considered in the planning process. While electric vehicles are included in the analysis, other forms of electrification, such as electric heat pump and transitioning from natural gas to electric appliances, are not considered.[7] In addition, including infrastructure and the ability to have visibility and control over that electrification infrastructure will be crucial to integrating EVs.[8] It would be prudent for Cleco to include a wide variety of technologies in the planning process and modeling runs to ensure that a range of outcomes are considered more fully in developing a long range portfolio. In the presentation, Cleco references an "ongoing electrification study" the results of which could impact energy curves.[9] AEMA would be interested in seeing this study. Currently energy efficiency and demand response are also being studied;[10] the results of this analysis would be of interest to AEMA.

IV. Comments on Responses to Stakeholder Questions

In its response to a modeling question from Southern Renewable Energy Association ("SREA"), Cleco asserted that it "will perform analyses that test outcomes in multiple scenarios. Additionally, Cleco Power will test the sensitivities of discrete variables that are logical to perform and are likely to provide value to the analyses and planning process. As modeling is

[7] Slide No. 21.
[8] *Ibid.*
[9] Slide Nos. 17-19.
[10] Slide No. 26.

completed and draft results are compiled, Cleco Power will continue to remain flexible, considering additional sensitivities that are achievable within the allotted time constraints of the process schedule."[11] AEMA strongly recommends a modeling tool that is comprehensive in looking at both supply and demand side resources (not just load).[12] We expand on this in the General Comments section.

During the stakeholder briefing, AEMA had inquired about the Time-of-Use ("TOU") TOUCH program[13] and whether the limited pilot will be extended and built into the planning process. In its response to SREA's written questions, Cleco stated "No, we will not evaluate base rate design in this IRP. However, Cleco Power will consider green tariffs and other renewable procurement practices as part of its commercial strategy."[14] These tariffs and presumably all-source procurements would be interesting to AEMA, as would increasing participation and scaling the TOU program to more fully enable customers to participate in the clean energy transition.

Another question asked by SREA was regarding capacity factors for supply side resources. Cleco's response was "38.7% for wind, 25% for solar, and the rest have yet to be determined at this time. Thermal resources will have their capacity factors determined by using Aurora and will be reported as an output of the modeling effort."[15] What is clear in both the question and response is that demand-side resources are not considered part of the capacity

[11] Cleco Power response on June 8, 2022, to RFI No. 6 from Southern Renewable Energy Alliance.
[12] Cleco IRP Presentation Slide No. 6 refers to Customer-Side Resources as one of the three elements of an IRP.
[13] https://www.cleco.com/docs/default-source/rates-and-fees/rate-schedule/12-tp-touch-rate-schedule-eff-1-1-22.pdf?sfvrsn=fce3a39e_2
[14] Cleco Power response to RFI No. 13 from SREA.
[15] *Id.* response to RFI No. 5.

equation. AEMA recommends including those customer resources as part of available capacity as well.

In April of 2022, one of AEMA's member companies, Google, released a paper titled "Policy Roadmap for 24/7 Carbon Free Electricity" in which it was noted that investments are needed in distribution grid systems to accommodate greater deployment of DERs. Energy consumers are increasingly becoming active participants in the energy transition through electrification and distributed generation.[16] The paper goes on to recommend that planning processes should "take full account of distributed energy resources and demand flexibility in grid planning and co-optimize transmission and distribution system planning."[17] AEMA recommends thus a more robust accounting for DERs within the Cleco system.

V. General Comments

AEMA's recommendations for more complete inclusion of DERs in the IRP modeling points to the need to determine the full value of these resources and account for that value in the planning process. One of those models is the Vibrant Clean Energy WIS:dom® P tool[18] which uses a holistic approach that includes DERs and has shown that integrating local solar and storage resources is more cost effective for consumers than supply side generation alone.[19] Additional work has been done by Dr. Jesse Jenkins of Princeton.[20] Ensuring that DER benefits are fully included in scenario planning and modeling will lead to more accurate predictions of

[16] Google policy roadmap, https://cloud.google.com/blog/topics/sustainability/a-policy-roadmap-for-achieving-247-carbon-free-energy, page 16.
[17] Google paper, page 28.
[18] Vibrant Clean Energy planning tool: https://www.vibrantcleanenergy.com/products/wisdom-p/
[19] Executive Summary: https://www.vibrantcleanenergy.com/wp-content/uploads/2020/12/WhyDERs_ES_Final.pdf
[20] Modeling scenarios by Dr. Jenkins can be found here: https://netzeroamerica.princeton.edu/?explorer=year&state=national&table=2020&limit=200

the impact DERs could have on the Cleco system. Building DER deployment into the Cleco IRP will lead to better outcomes for customers and the innovative companies who serve them.

AEMA recommends DERs being taken into consideration for resilience purposes which, while not explicit in the IRP, will be crucial to include in long term planning given the increased frequency and severity of storms. Demand response and other consumer-sited resources can provide crucial resilience services[21] and research has only confirmed the importance of customer-side solutions to keeping grids operating during extreme temperature events.[22] During Winter Storm Uri, extreme cold increased demand for electricity by 8% while causing generation and transmission resources to become inoperable. Blake Shaffer, a professor of economics and public policy at the University of Calgary, told Marketplace Morning Report that, after Uri, so much of the conversation was about the supply side. "Our research sheds light on demand," Schaffer noted. "The sensitivity of demand to cold temperatures has risen a lot. Utilities and regulators need to consider demand when planning for future power system needs."[23]

VI. Summary of Recommendations.

AEMA recommends the following to be enhanced and/or considered in the Cleco Power IRP development:

- Order 2222 implementation in MISO that could have a significant impact on planning for DERs in Cleco;

[21] Multiple FERC filings from Advanced Energy Management discuss examples of resilience, one such example: https://aem-alliance.org/aema-files-reply-comments-in-resilience-proceeding/
[22] https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3980881
[23] https://www.marketplace.org/shows/marketplace-morning-report/lessons-learned-from-the-power-outages-in-texas/

- Additional tax credits in at least one scenario based on legislation being negotiated for passage in the U.S. Congress this summer;
- Account for the potential for more rapid deployment and expansion of DERs;
- Include a wider variety of electrification and DER technologies to ensure that a range of outcomes are considered more fully in developing a long range portfolio;
- Consider customer-sited resources, including a full range of DERs, for capacity credits;
- Use modeling tools that fully value the benefits of DERs; and
- Build in DER contributions to resilience in the Cleco system.

WHEREFORE, AEMA submits these comments and appreciates the Commission's consideration of the recommendations herein.

Respectfully submitted,

Katherine Hamilton
Executive Director
Advanced Energy Management Alliance
1701 Rhode Island Ave., NW
Washington, DC 20036
Katherine@aem-alliance.org
202-524-8832

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served the foregoing pleading by e-mail, facsimile, or by depositing a copy of same in the U.S. Mail, postage prepaid and properly addressed to all parties of record, on this 15th day of June, 2022.

/s/ Katherine Hamilton

Katherine Hamilton, Advanced Energy Management Alliance