KeanMiller

RANDY YOUNG, PARTNER
PH 225.382.3451
RANDY.YOUNG@KEANMILLER.COM

CC: LE

LA PUBLIC SERVICE COMM
NOV 16 2026 PM 01:57

November 16, 2026

VIA ELECTRONIC MAIL

Commissioner Eric Skrmetta
District 1 - Metairie
433 Metairie Road, Suite 406
Metairie, Louisiana 70005

Commissioner Mike Francis
District 4 - Crowley
222 N. Parkerson Avenue
Crowley, Louisiana 70526

Commissioner Jean-Paul P. Coussan
District 2 – Baton Rouge
Post Office Box 83209
Baton Rouge, Louisiana 70884

Commissioner Foster L. Campbell
District 5 - Shreveport
Post Office Drawer E
Shreveport, Louisiana 71161

Commissioner Davante Lewis
District 3 – New Orleans
1450 Poydras Street, Suite 1402
New Orleans, Louisiana 70112

Re: LPSC Agenda Exhibit 2, November 18, 2026 Business & Executive Session; In Re: Notice of Proceeding regarding Determination and Evaluation of Private Use Electrical Networks in Order to Enable Generation to Serve New Large Loads Looking to Locate in Louisiana; LPSC Docket No. R-37905

Dear Commissioners:

On behalf of the Louisiana Energy Users Group ("LEUG"), and joined in support by the Louisiana Chemistry Association and the Louisiana Mid-Continent Oil & Gas Association, (collectively, the "Louisiana Industry Association Stakeholders"), this letter is respectfully submitted to the Louisiana Public Service Commission ("LPSC") to oppose the form of the Final Proposed Rules for Private Use Electrical Networks ("PEN") issued by the LPSC Staff on November 4, 2026.

As written, the Final Proposed Rules present a prescription for failure because the rules have been revised to become tremendously more complex and so extensively onerous that they are not reasonably commercially viable. If the rules are not commercially viable, then they cannot serve to help protect captive utility ratepayers from at least some of the costs and risks of meeting the extraordinary and unprecedented level of power supply needed for data centers and other large loads seeking to come to Louisiana or to support Louisiana economic development.

Hand

To move forward in a productive manner that provides both protections for captive utility ratepayers and support for economic development, the Louisiana Industry Association Stakeholders urge that the LPSC instead approve the LPSC Staff's Initial Proposed Rules issued on August 14, 2026, with the limited clarifications and changes submitted by the Louisiana Industry Association Stakeholders in their comments filed with the LPSC on September 25, 2026.

A copy of the proposal submitted and supported by the Louisiana Industry Association Stakeholders is attached hereto as **Exhibit 1**, with the limited edits to the Staff initial proposal shown in redline.

The outcome of the rules is pending consideration by the LPSC as Agenda Exhibit 2 for the Business & Executive Session scheduled for November 18, 2026.

For background, the LPSC Staff emphasizes that *"The purpose of this rule is narrow - - to provide a limited additional avenue to serve new large load customers in Louisiana"* in light of *"the extraordinary circumstances the state is now facing with unprecedented load growth and need for speed in power development."* This *"limited additional avenue"* would be to allow that generation self-supply for large loads could be though a *"purchase power agreement"* transaction, in addition to using an *"ownership"* or *"lease"* as allowed under existing Louisiana statutes.[1] Thus, the change is limited to modernizing the permissible form of the self-supply transaction - - from an ownership or lease, to also allowing a purchase power agreement though a PEN.

Similarly, the Louisiana Industry Association Stakeholders emphasize that providing for PENs is a means to modernize and provide for more optionality in Louisiana for self-supply of electricity to help meet the unprecedented magnitude of power supply needed to successfully achieve data center and other large load economic development projects looking to come to Louisiana, and also at the same time to protect the interests of existing utility ratepayers.

Electric power supply is a key factor in Louisiana being able to successfully achieve data center and other large load economic development projects in Louisiana. The amount of power supply needed is huge, it's unprecedented in magnitude and cost, and it comes layered on top of already planned utility spending to address aging generation fleet and other infrastructure needs. Thus, it is crucial that the power supply is accomplished in a manner that protects the interests of existing ratepayers while also pursuing economic development opportunities.

So, what's the solution? Allowing a new option for generation self-supply that is paid for by the data centers and large loads who need the power, so that it does not all get built using the existing utility ratepayers as a financial backstop. There is room at the table for multiple options to meet the power supply needs - - it does not all have to be provided by electric utilities with costs and risks placed on the existing ratepayers.

---

[1] LPSC Staff Report, November 4, 2026, pages 38, 57, 59.

To accomplish the *"limited additional avenue"* for the power supply, the LPSC Staff issued initial proposed rules on August 14, 2026, which consisted of 11 pages of terms, conditions and requirements to be able to participate in a PEN, as contrasted with the less than one page provision of the Louisiana statute which authorizes use of an ownership or lease for the self-supply.[2]

In response, the Louisiana Industry Association Stakeholders submitted comments which applauded the LPSC efforts to work on PEN rules, but also explained that the Staff initial 11 pages of rules were overly restrictive with limitations that would prevent the rules from being effectively deployed at the commercial and business level. It is critically important to ensure that the participation requirements of the proposed rule do not in effect restrict the ability to be able to effectively accomplish and utilize PENs - - for both new industry seeking to come to the state, and also likewise very importantly for existing industry that have long operated within and contributed to the state and its economy over many decades by collectively providing thousands of jobs, taxes and purchases of goods and services and who compete every day within their own companies and in global markets to bring new investments home to Louisiana.

However, the LPSC Staff thereafter issued Final Proposed Rules on November 4, 2026, which have now expanded to 30 pages of tremendously more complex and extensively more onerous terms, conditions and requirements to be able to participate in this *"limited additional avenue"*. Thus, as presented, the proposed rules are far too complex and onerous to be reasonably commercially viable.

If approved by the LPSC, the Final Proposed Rules issued by LPSC Staff will only serve to *"check-the-box"* and as a *"window dressing"* for action by the LPSC, because the rules are not reasonably commercially viable and thus cannot meaningfully help to avoid or reduce the continued stacking of cost and risk pressures on captive utility ratepayers as the financial backstop for utility power supply to data centers and other new large loads in a manner that serves the utility interests by dramatically increasing their rate base and shareholder returns. An overview of such concerns is attached hereto as **Exhibit 2**.

Entergy rates for its residential ratepayers in Louisiana have already increased by more than 50% or more from January 2020 - September 2026, essentially going from just under 10 cents per kWh to about 15 cents per kWh. And, more increases are on the way from Entergy spending plans which now overall exceed $30 Billion in the near term coming years. Load growth will hopefully help offset some of the increases, but rate increases are still on the way.

Providing more options for self-supply of electric generation to meet the power supply needs of the data centers and other large loads through use of PENs can help ensure that such magnitude of power supply cost and risk is not all placed on existing ratepayers on a going forward basis.

---

[2] Louisiana Revised Statute 45:121.

For private investment in power supply in Louisiana, the rules in Louisiana that exist today have limitations in that they require ownership or lease of the generation unit by the large load, and thus requires the large load to essentially be in the power generation business which is typically not their core business.

Simply changing the form of agreement from ownership or lease, to a purchase power agreement using a PEN, unlocks opportunities for more private investment in electric generation in Louisiana to serve data centers and other large load economic development projects.

And this opportunity to protect existing ratepayers from utility spending on new generation holds true whether the power supply is from gas-fired units, from nuclear generation development, or from renewable generation such as solar or wind.

There are no physical limitations to expanding the options for use of self-supply of electric generation; only a change in the rules is needed to allow this to happen.

The time to act is now to pursue these protections for existing utility ratepayers.

LEUG is an intervenor in this proceeding as an association of industrial companies currently existing and located in Louisiana which collectively provide more than 35,000 good, high-paying jobs, provide about $2.48 Billion in annual payroll, and spend over $5.5 Billion in Louisiana each year on electricity, goods and other services. LEUG has been a steadfast advocate for reliable, lowest reasonable cost power supply for many decades as fundamental to the well-being of all Louisiana consumers.

LCA is an intervenor in this proceeding as a trade organization group consisting of member companies whose mission is to promote a positive climate for chemical manufacturing that ensures long-term economic growth for the State of Louisiana.

LMOGA is an intervenor in this proceeding. Founded in 1923, LMOGA represents the companies that explore for, produce, refine, transport, and market oil and natural gas in Louisiana and the Gulf of America, including the refining, petrochemical, and LNG operations whose electric load is directly affected by this rule. LMOGA advocates for its members before the Louisiana Legislature, state and federal regulatory agencies, the Louisiana congressional delegation, and the public.

Very truly yours,

Randy Young

Joining in Support:

Louisiana Chemistry Association
David Cresson, President & CEO

Louisiana Mid-Continent Oil & Gas Association
Tommy Faucheux, President

JRY/mac
Enclosure

cc: Ms. Krys Abel, Records & Recording (by hand delivery for filing)
Official Service List (via electronic mail)