

LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER U-36966

SAGE GEOSYSTEMS, INC., EX PARTE.

Docket No. U-36966, In re: Petition for reservation of capacity under Entergy Louisiana, LLC's rate schedule for renewable energy pilot purchases (Schedule REP).

(Decided at the November 20, 2023 Business and Executive Session.)

ORDER

OVERVIEW AND PROCEDURAL HISTORY

Sage Geosystems, Inc., (“Sage” or “Petitioner”) is a Delaware corporation, with headquarters in Houston, Texas, that is seeking to build and operate a geothermal baseload generation unit (“Generation Project”) located in Jefferson Davis Parish. Sage filed *Petition for reservation of capacity under Entergy Louisiana, LLC's rate schedule for renewable energy pilot purchases* (“Petition”), requesting that the Louisiana Public Service Commission (“LPSC” or “Commission”) reserve for Sage an amount not to exceed five (5) megawatts (“MW”) of capacity under Entergy Louisiana, LLC’s (“ELL”) Standard Offer Tariff Option for New Renewable Resources pursuant to Section of 3.1.2 of the Renewable Energy Pilot Program Implementation Plan¹. ELL’s Standard Offer Tariff (“Schedule REP”) allows up to thirty (30) MW of qualifying renewable resources located in the EGS Legacy Area to sell energy to ELL at a premium of \$.03/kWh above avoided cost, subject to a floor of \$.06 kWh and a ceiling of \$.12/kWh. A similar reservation was granted to Rain CII Carbon LLC² and Eco Services Operations Corp³.

Sage filed its Petition on August 29, 2023. Sage filed an Amended Petition⁴ on September 5, 2023. Notice of the docket was published in the Commission’s Official Bulletin No. 1305 dated September 1, 2023 for an intervention period of fifteen (15) days. ELL was the sole intervenor. This matter was assigned to Chief Administrative Law Judge Melanie Verzwylt and set for a status conference on October 30, 2023. After receiving consent of the parties, Staff submitted *Unopposed Motion to Continue Status Conference*, and this matter was continued in anticipation of a resolution.

Sage seeks this reservation prior to making significant financial investment in the construction and operation of Generation Project. According to the Amended Petition, the Project will generate approximately 50-100 construction jobs utilizing Louisiana workers, 1-5 permanent jobs, as well as provide state sales tax and property tax revenues. The completed unit is expected to begin commercial operations no later than December 2027.

¹ LPSC General Order dated December 9, 2010 (Docket No. R-28271 Subdocket B).

² LPSC Order No. U-33034 dated January 8, 2014.

³ LPSC Order No. U-34595 dated October 5, 2017.

⁴ Sage initially identified its project as a Generation or Storage Project consisting of geothermal baseload generation unit or a combination of solar photovoltaic plus mechanical storage. However, after further consideration, Sage has elected to only pursue a geothermal baseload generation unit.

COMMISSION AUTHORITY

The Commission exercises jurisdiction over public utilities in Louisiana pursuant to Article IV, Section 21(B) of the Louisiana Constitution, which provides the following:

The commission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations, and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by law.

STAFF RECOMMENDATION

Staff recommended that this matter be taken up under Rule 57 of the Commission's Rules of Practice and Procedure in accordance with the prepared motion agreed to by the parties.

COMMISSION CONSIDERATION

On Motion of Commissioner Skrmetta, seconded Vice Chairman Francis, and unanimously adopted, the Commission voted to assert its original and primary jurisdiction and take the matter up pursuant to Rule 57.

On motion of Commissioner Skrmetta, seconded by Vice Chairman Francis, and unanimously adopted, the Commission voted to accept the Draft Order filed into the record on November 2, 2023.

IT IS THEREFORE ORDERED THAT:

The Commission approves the request by Sage for a reservation of an amount not to exceed five (5) MW of capacity authorized for the Entergy Louisiana, LLC Standard Offer Tariff Option for New Renewable Resources under §3.1.2 of the Commission's Renewable Energy Pilot Program Implementation Plan. Subject to the following conditions:

1. If construction of the Project has not commenced within six (6) months of the anticipated date of January 31, 2026 as provided for in the Project Schedule (or not later than June 30, 2026), the reserved capacity shall be released unless Sage has submitted a request for an extension of the capacity reservation for good cause prior to June 30, 2026, in which case the capacity will not be released until the Commission has ruled on the request for extension. The request for extension will be published in the Official Bulletin, along with a deadline for interventions.
2. If the Project has not reached commercial operation within six (6) months of the anticipated date of December 31, 2027 as provided for in the Project schedule (or not later than May 31, 2028), the reserved capacity shall be released unless Sage has submitted a request for an extension of the capacity reservation for good cause shown prior to May 31, 2028, in which case the capacity will not be released until the Commission has ruled on the request

for extension. The request for extension will be published in the Official Bulletin, along with a deadline for interventions.

3. The Project otherwise meets the requirements of the current Schedule REP- Rate for Renewable Energy Pilot Purchases by Entergy Louisiana, LLC.

This reservation to Sage shall not serve to: (a) extend the Commission's pilot program standard offer pricing of \$.03/kWh above avoided cost beyond a contract term of five (5) years allowed for in the Renewable Pilot Implementation Plan; (b) waive the requirement that Sage's Project meet the requirements for "new" renewable generation pursuant to the Renewable Pilot Implementation Plan or (c) alter ELL's obligation to accept a maximum of (30) MW of qualifying renewable resources located in the Entergy Gulf States Legacy service area under Schedule REP regardless of when such qualifying capacity is reserved or commissioned.

This Order is effective immediately.

**BY ORDER OF THE COMMISSION
BATON ROUGE, LOUISIANA
December 20, 2023**



A handwritten signature in blue ink, appearing to read "Brandon M. Frey".

**BRANDON M. FREY
SECRETARY**

/S/ FOSTER L. CAMPBELL

**DISTRICT V
CHAIRMAN FOSTER L. CAMPBELL**

/S/ MIKE FRANCIS

**DISTRICT IV
VICE CHAIRMAN MIKE FRANCIS**

/S/ ERIC F. SKRMETTA

**DISTRICT I
COMMISSIONER ERIC F. SKRMETTA**

/S/ CRAIG GREENE

**DISTRICT II
COMMISSIONER CRAIG GREENE**

/S/ DAVANTE LEWIS

**DISTRICT III
COMMISSIONER DAVANTE LEWIS**