



LPSC Customer-Centered Options Rulemaking (R-35462)

Technical Conference

December 15, 2022

2022 DEC -9 PM 3: 50
LA PUBLIC SERVICE
COMMISSION

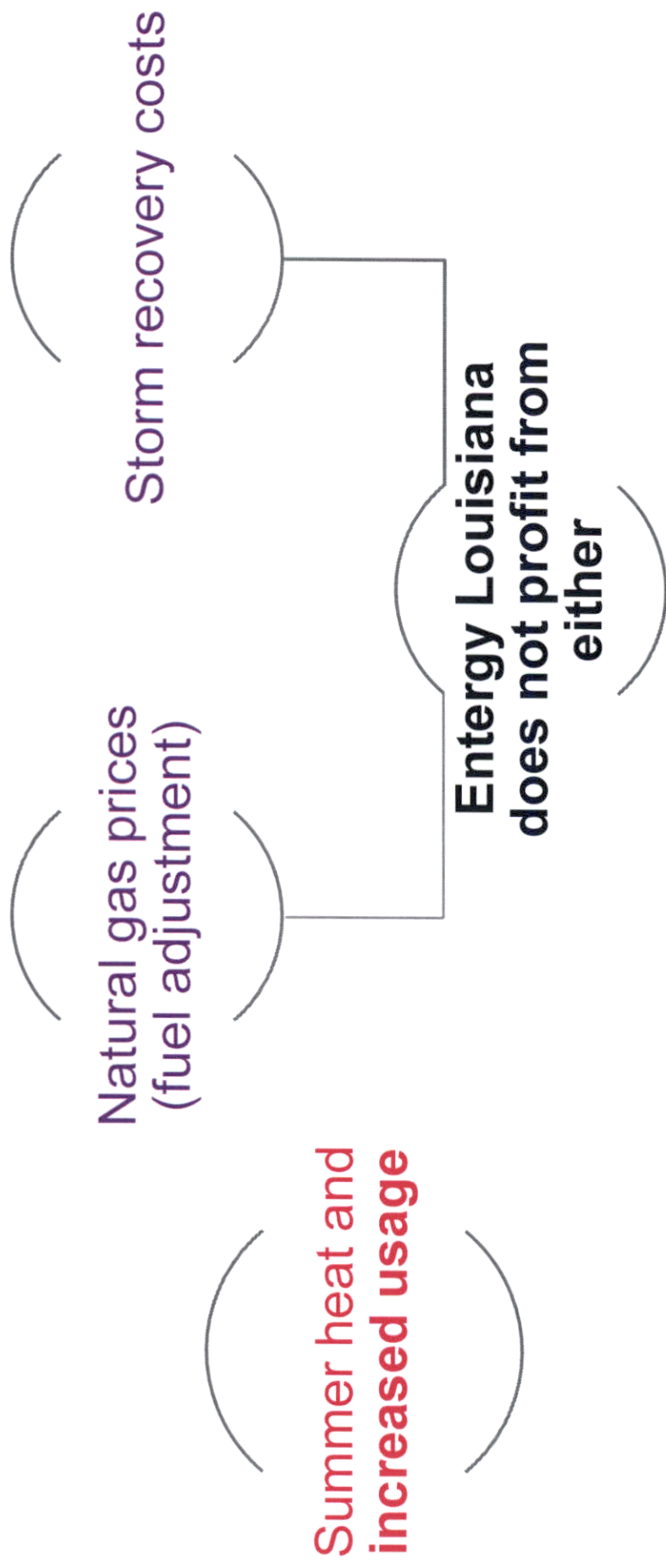
01

**Retail Open Access is not in
the public interest**

Overview

- After spending several years studying and evaluating retail choice, the LPSC concluded in 2001 that ROA is “not in the public interest for any customer class” (see Order No. Consolidated U-24153, U-20925 (SC), U-22092 (SC) – Subdocket A).
- While much has changed in the U.S. electric industry in the last 20+ years, the harms of deregulation and retail open access (“ROA”) on customers as a whole have not.
- Customers and stakeholders have raised concerns about high bills this summer. It is important to keep in mind the following:
 - ROA will have no impact on the causes of recent high bills (high natural gas prices, record-breaking heat in Louisiana this summer, and hurricane restoration costs).
 - ELL and the LPSC continue to work towards ways to mitigate fuel costs driving recent high bills. Full ROA would actually eliminate tools at the LPSC’s current disposal to help customers.

Several factors impacting utility bills*



4 * Shifting to ROA would have no impact on any of these factors

After 20 years, the promises of deregulated markets have not been achieved

- The deregulated model was introduced to drive innovation, lower power costs for consumers, and improve electric service.
- With the passage of time, those promises have not been realized and several negative outcomes have been observed:



Higher electric rates



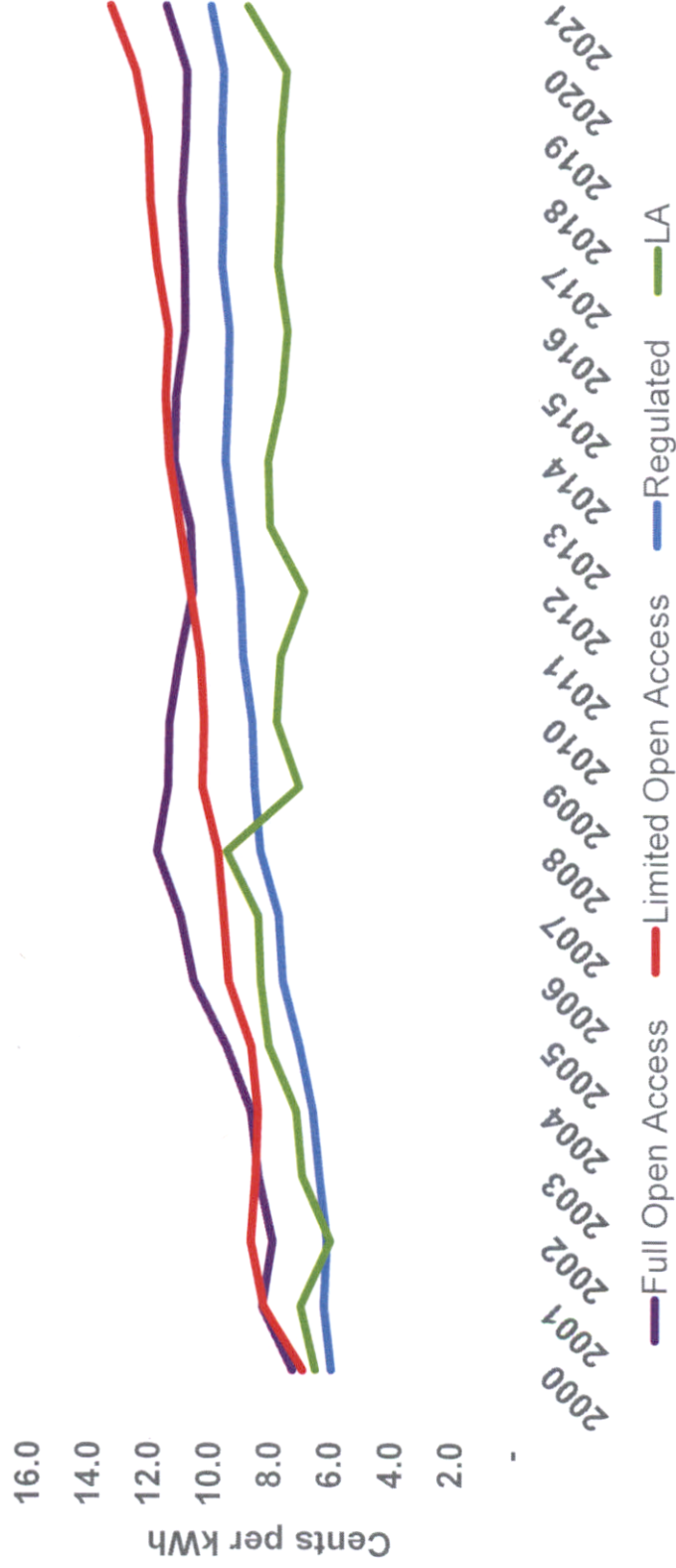
Customers targeted by deceptive sales tactics



Demand for power not being met

Louisiana electric rates have fared better than other markets nationwide over the last 20+ years

All-Sector Average Electric Rates in Different Markets (2000 – 2021)



Source: EIA Form 861 data

Residential customers in full ROA states pay more

Third party estimates of the added costs to residential customers in retail choice markets (above the default supply price or the regulated, bundled price)

State(s)	Entity Conducting Study	Timeframe Covered	Estimated Total Added Cost to Consumers
CT	Office of Consumer Counsel	2015-2022	\$306 million
IL	Attorney General	2011-2022	Over \$700 million
MA	Attorney General	2015-2020	\$426 million
NY	Public Service Commission	2014-2017	\$820 million
TX	Wall Street Journal	2004-2019	\$28 billion
13 states plus DC	Wall Street Journal	2010-2019	\$19.2 billion
PA	PPL	2020	\$94.9 million
MD	AARP Maryland	2014-2020	\$750 million
ME	The Maine Monitor	2012-2018	\$132 million

Sources: see ELL Exhibit 2 attached to September 2022 responses in LPSC Docket No. R-35462

DATA MONITOR, ENVIRONMENT, MONEY & BUSINESS

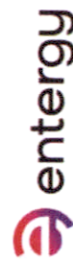
The \$132M electricity rip-off

Private electricity suppliers, which promised rates lower than the government-set default, instead cost Mainers an extra \$132 million over seven years.

BY DARREN FISHELL | FEBRUARY 20, 2020



Massachusetts consumers in the individual residential electric supply market **paid \$426 million more** than they would have paid if they had received electric supply from their electric company during the five-year period from July 2015 to June 2020.



...compared to incumbent utilities

THE WALL STREET JOURNAL

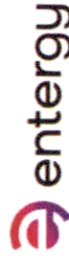
'Deregulation Aimed to Lower Home-Power Bills. For Many, It Didn't' March 8, 2021

Retail energy companies compete with local utilities to give consumers more choice. But in nearly every state where they operate, retailers have charged more than regulated incumbents, a Wall Street Journal analysis found.

"U.S. consumers who signed up with retail energy companies that emerged from deregulation paid \$19.2 billion more than they would have if they'd stuck with incumbent utilities from 2010 through 2019, a Wall Street Journal analysis of U.S. Energy Information Administration data found." ... "in nearly every state, they have charged more than their incumbent utilities in each of the five years from 2015 through 2019, the Journal analysis found."

"Many retail energy companies use teaser rates to persuade households to switch to their services. Variable rates often kick in several months after service begins and can change month to month. They sometimes use deceptive marketing practices—such as promising to deliver long-term cheap power—then raise rates after a few months, according to regulators, customer complaints and multiple lawsuits against some companies in the industry.

"Minorities often represent a disproportionate share of retail energy consumers. About 12% of New York City's households are in ZIP Codes where Black and Hispanic people make up more than half of the population, but those ZIP Codes accounted for 47% of the retail suppliers' electricity customers, according to the Journal's analysis of data from the U.S. Census Bureau and research done in 2016 by the Public Utility Law Project, a consumer advocacy organization. Those customers paid \$63 million more for their electricity that year than they would have if they had chosen to be served by the regional utility, Consolidated Edison Inc., the analysis shows."



Examples of predatory behavior and deceptive marketing in retail choice markets

State(s)	Investigating Entity	Retail Provider	Refunds/ Penalty	When applied?
CT	CT Commission, Office of Consumer Counsel & CT Attorney General	Energy Plus Holdings	\$4.5 million	2014
IL	IL Attorney General	Sperian	\$2.7 million	2018
MA	MA Attorney General	Starion Energy	\$10 million	2020
ME	N/A (Class Action Lawsuit)	Electricity Maine	\$14 million	2020
NJ	NJ Attorney General, Board of Public Utilities & NJ Division of Consumer Affairs	HIKO Energy	\$2.1 million	2015
NY	NY Attorney General	Family Energy	\$2 million	2022
PA	PA Public Utility Commission	HIKO Energy	\$3.8 million	2015
TX	TX Attorney General	Griddy Energy	\$29.1 million	2022

Sources: see ELL Exhibit 3 attached to September 2022 comments in LPSC Docket No. R-35462

NEWS RELEASE
Texas regulators clamping down on 'misleading' power offers
 L.P. Staff
 June 25, 2021 | Updated: June 25, 2021 8:24 a.m.

NRG drops power plans after tough talk from Texas regulators



March 18, 2021 | Press Release - Consumer Protection/Scams

AG Paxton Ensures Forgiveness of \$29 Million in Electric Bills for 24,000 Texans After Suing Griddy Energy, LLC

NEWS RELEASE

Analysis: The murky and confusing Texas electricity market



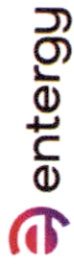
Public Utility Commission of Texas

1701 N. Congress, P.O. Box 13326, Austin, TX 78711-3326 Fax: 512-696-7903

News Release
 February 24, 2021

Contact: Andrew Barlow
 Media@PUC.Texas.Gov

PUC OPENS INVESTIGATION INTO "INDEXED" RETAIL ELECTRICITY PLANS
 "Indexing electricity bills for small segments of retail customer base cause for concern"

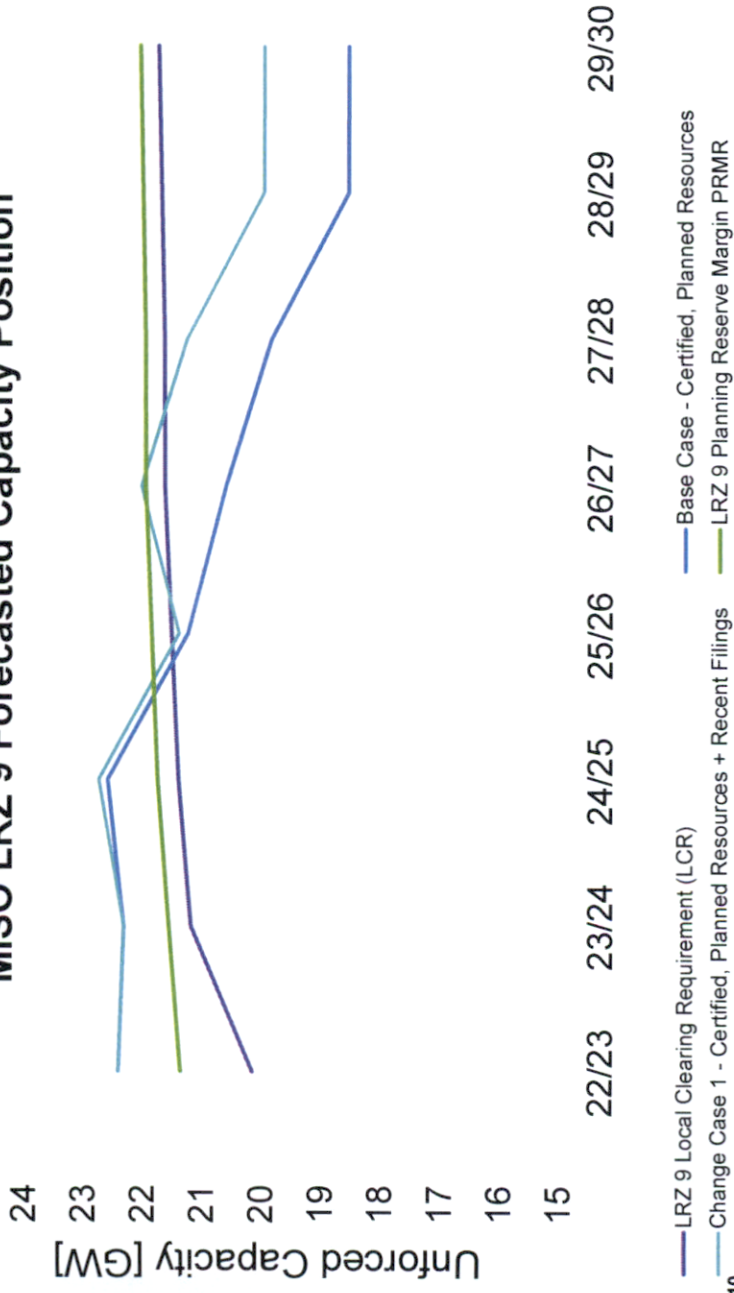


Deregulation increases resource adequacy risks

Looming capacity shortfalls, absent resource additions

- Considering the resource additions pending or approved before the LPSC along with various resource deactivation scenarios, MISO LRZ 9 could be in a capacity shortfall as soon as 2025.

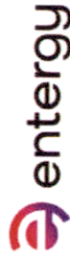
MISO LRZ 9 Forecasted Capacity Position



MISO Planning Resource Auction

Clearing prices from MISO's 2022-2023 PRA reflect capacity shortfalls in four zones, exposing 8GW in MISO North/Central to Cost of New Entry

Zone	Location	Price (\$/MW-Day)
1	North Dakota, Minnesota, Eastern Wisconsin	\$236.66
2	Western Wisconsin	\$236.66
3	Iowa	\$236.66
4	Illinois	\$236.66
5	Missouri	\$236.66
6	Indiana	\$236.66
7	Michigan	\$236.66
8	Arkansas	\$2.88
9	Louisiana	\$2.88
10	Mississippi	\$2.88



Stranded costs will take time to estimate and likely will be significant

In other states that deregulated, over \$40 billion worth of stranded costs were approved for securitization and recovered from consumers

State	Utilities	Stranded Costs Approved	Timeframe of Securitization/ Bond issuance
California	PG&E, SCE, SDG&E and California Pacific Electric	~\$8,900 million	1997 - 2005
Connecticut	Connecticut Light & Power	~\$1,400 million	2001
Illinois	Commonwealth Edison and Illinois Power	~\$4,300 million	1998
Maryland	Baltimore Gas & Electric	~\$620 million	2007
Massachusetts	NSTAR and Western Mass. Electric	~\$1,500 million	1999-2005
Michigan	Consumers Electric and DTE	~\$2,200 million	2001
Montana	Northwestern Energy	~\$60 million	1998
New Hampshire	Public Service of New Hampshire	~\$575 million	2001-2002
New Jersey	PSE&G, Jersey Central Power & Light, Atlantic City Electric and Rockland Electric	~\$3,700 million	2001-2006
Pennsylvania	PECO, PPL and West Penn Power	~\$9,000 million	1999-2006
Texas	AEP Texas, CenterPoint and Oncor	~\$9,400 million	2001-2012

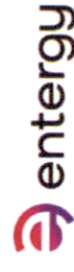
Source: RRA Topical Special Report: Utility Asset Securitization in the U.S., March 4, 2013

Retail open access takes years to implement

State	Passage Date	Restructuring Transition Begins	Full Retail Market Access Begins
Connecticut	1998	2000	2007
Delaware	1999	1999	2006
District of Columbia	2000	2001	2005
Illinois	1997	1999	2007
Maine	1997	2000	2000
Maryland	1999	2002	2008
Massachusetts	1997	1998	2005
New Hampshire	1996	2001	2006
New Jersey	1999	1999	2004
New York	1996	1998	2011
Ohio	1999	2001	2011
Pennsylvania	1996	1999	2012
Rhode Island	1996	1997	2008
Texas	1999	2002	2007

- Contrary to LEUG's assertions, ROA would not offer any immediate relief as it takes years to study, plan and implement.
- A recent study on retail electricity market restructuring indicated the average timeframe between the passage of an ROA rule or legislation to the start of the restructuring transition was **at least two years**, and it took **more than seven additional years** (on average) to reach the point of full retail market access.

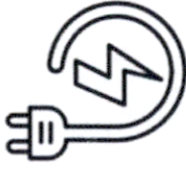
Source: Kenneth Rose, Brittany Taruffelli, and Gregory B. Upton Jr., *Retail Electricity Market Restructuring and Retail Rates*, (August 2022), at p. 13 available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3660974.



New products already available in Louisiana



Energy Efficiency



Resiliency



Demand Response



Electrification

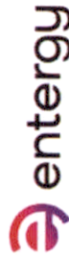


Renewables



Lighting

All of these products are available for enrollment for Entergy Louisiana customers, and for some products: multiple options are available



Deregulation is not the answer

BUSINESS > Posted July 11 Updated July 11

INCREASE FONT SIZE **A**

'We're in trouble': Electric rates in Texas have surged over 70% as summer kicks in

This month, the average residential rate listed on the site was 18.48 cents per kilowatt hour. That's up from 10.5 cents in June 2021.

◆ WSJ NEWS EXCLUSIVE | MARKETS

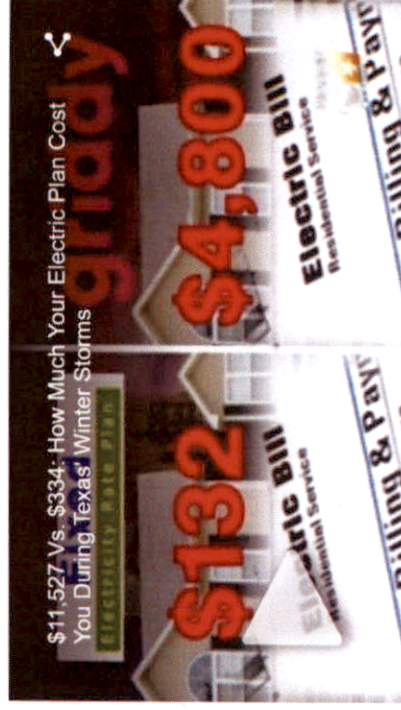
Texas Electric Bills Were \$28 Billion Higher Under Deregulation

Competition in the electricity-supply business promised reliable power at a more affordable cost

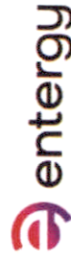
DIVE BRIEF

Texas narrowly avoids rolling blackouts after 2nd conservation plea by ERCOT this week

Published July 14, 2022

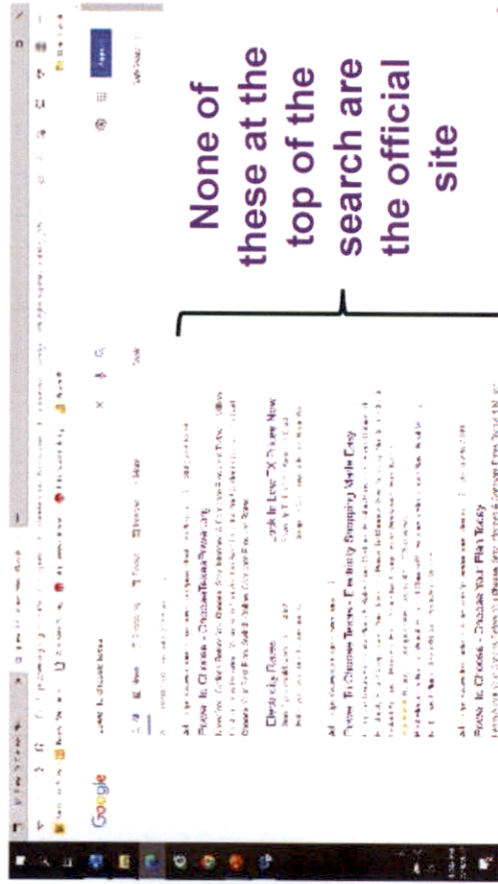


AUSTIN, Texas (CBSDFW.COM) - ERCOT has shut down wholesale electricity provider, Griddy, in Texas.



Texas Power to Choose

“Texas Power to Choose” search results in several options to select, most are marketing sites vs official site

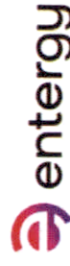


As of December 7, 2022: 157 different plans available in Houston area with a range of rates depending on customer credit, plan length, renewable portfolio, etc.



Prices change daily with complicated terms; average price for a new customer with a fixed rate of 12 months at ~16 cents per kWh with cancellation fees up to \$300

Other plans are teaser rates only for new customers, require pre-payment and/or have other complex terms



Louisiana enjoys the best of both worlds: Transparency and accountability of fully regulated utilities AND a robust wholesale market through MISO participation



Affordability

Provided some of the lowest rates in the country even in times of high fuel costs and inflation.

Resource Adequacy

Regulation has ensured there is enough power to meet the demand for electricity.

Economic Development

Been a major driver for economic development as seen in the number of new projects announced and ability of utilities to restore power safely and quickly following major storms.

02

**Renewable Options for
Customers**

Our customers are demanding clean energy



Decarbonization goals

To meet expectations of their investors



Their customers' expectations

Customers demanding products produced with clean energy



Improving economics

Understanding long-term cost of carbon emissions

Recent announcements show commitment to clean energy



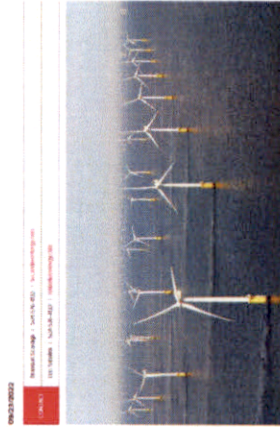
Mitsubishi Power and Entergy to Collaborate and Help Decarbonize Utilities in Four States



Future-focused Companies Will Collaborate on Project Development and Integrated Technology Solutions for Emerging Carbon Emissions



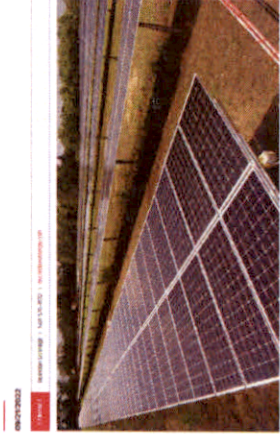
Entergy Louisiana, Entergy New Orleans and Diamond Offshore Wind seek to evaluate offshore wind



Companies partner on the future development of offshore wind power to serve Louisiana customers



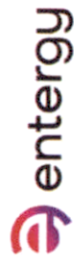
Entergy Louisiana receives approval to purchase 475 MW of solar power, add green tariff option



Agreement to significantly grow company's renewable resources in the state



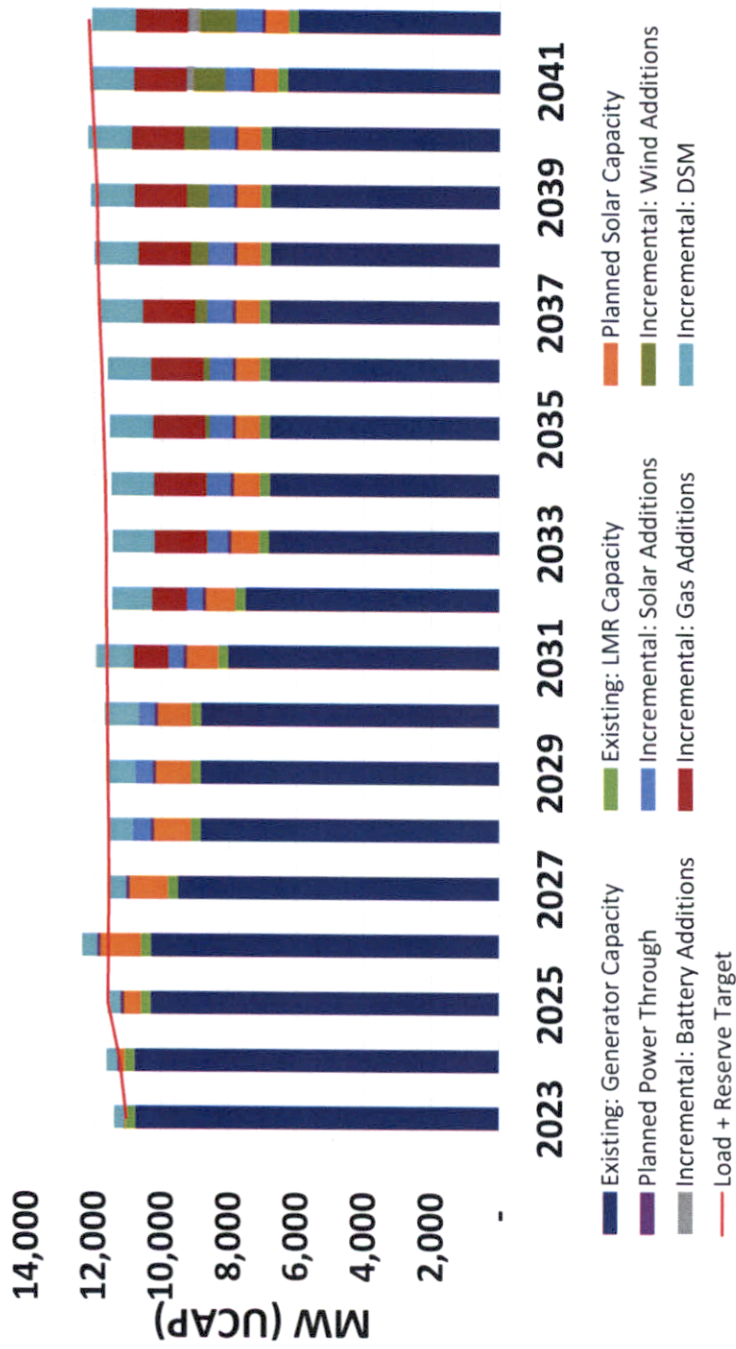
Holtec defines \$7.4B SMR build plan, inks agreement with Entergy



ELL 2023 IRP reference resource plan includes significant additions of renewable resources

Key Assumptions¹

- Defined by reference load growth and gas price, high DR addition, and ICF POV regarding CO₂ price.
- Overall, **approx. 12,000 MW (ICAP) of renewable additions** are projected in the 20-year planning horizon (including planned and incremental resources)



1. Resources described under Key Assumptions are represented in ICAP, while resources in the chart are represented in UCAP to align with MISO planning requirements.

2. Source of chart: ELL 2023 Draft IRP, filed on October 21, 2022 in LPSC Docket No. I-36181.

Contrary to LEUG’s analysis, ELL projects minimal cost impacts from future resource additions

- Variable supply cost savings (even under natural gas price forecasts starting at ~\$3/MMBtu) are projected to offset the majority of costs of incremental resource additions over the next 20 years.
- The rate impact estimates do not account for the effects of future customer offerings and/or deactivating or retiring resources, both of which may further lower costs for all customers during the planning period.

Rate Impact- Reference Portfolio

	(A) Fixed Cost [NPV \$/kWh]	(B) Fuel Savings [NPV \$/kWh]	(A+B=C) TRSC Cost or (Savings) [NPV \$/kWh]
Portfolio 1	\$0.0047	(\$0.0032)	\$0.0015

Source: ELL 2023 Draft IRP Presentation – 2nd Technical Conference, available at: https://www.energy-louisiana.com/irp/2023_irp/

Comparing customer interest in Geaux Green versus LEUG's recommended renewable option

Entergy Louisiana Geaux Green

New ELL green tariff approved by the LPSC in September 2024 and sourced from 475 MW_{ac} of new solar projects in Louisiana.

- Will be open to all customer classes
- Reservations for 365 MW of subscriptions available to larger commercial and industrial customers opened November 1, 2022.
 - 365 MW available were reserved in less than ten minutes
- Large C&I customers have indicated interest in nearly 2 GW of subscriptions to Geaux Green

Rocky Mountain Power Schedule 32

RMP green tariff approved by Utah Public Service Commission in 2015 to be sourced from new renewable projects in Utah.

- Only available to certain non-residential customers
- As of 2021, after being available for more than 7 years:
 - Only two RMP customers have enrolled with a total of 40 MW of renewable resources

Benefits to customer participating in Geaux Green

Hedge your energy costs while achieving sustainability objectives:

- Renewable energy credits (RECs) are retired on your behalf (or transferred to your REC account)
- No upfront investment
- No upfront credit/collateral required
- Helps customers achieve sustainability goals (i.e., lower Scope 2 emissions)
- No long-term contract required
- Renewable portfolio provides locational diversity
- Can be scaled up over time as more renewable resources are added to the green tariff portfolio
- No maintenance, operational or insurance costs are directly incurred by the participant
- Proposed green tariff structure does not harm non-participants
- Subscription is transferrable to another location within ELL's service area

03

Other Customer Options

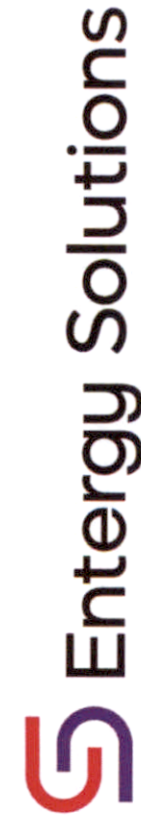
New customer solutions are possible under regulation

Customer Options	Category	Regulatory Status	Relevant LPSC Dockets
Energy Solutions (multiple measures)	Energy Efficiency	Approved	R-31106
Power Through (Rider UODG)	Resiliency / Distributed Energy Resources (DERs)	Approved	U-36105
Three approved tariffs (Riders MVDR, IES, and EIO)	Demand Response/ Interruptible	Approved	R-35135, U-35433, U-35385, etc.
Three approved tariffs (Riders GPO, LVGPO, and GGO)	Renewables	Approved	U-35916, U-36190, R-35423
Multiple options (Shore Power and eTech)	Electrification / Electric Vehicles	N/A	R-36131
Multiple options (Level billing, DPAs, etc.)	Payment	Approved	N/A

04

Additional Information

Energy efficiency programs and products



BY ENTERGY LOUISIANA

entergy.com/energyefficiency/

Entergy Solutions offers programs for Entergy Louisiana customers to save energy and money by reducing the up-front cost of a variety of energy efficiency upgrades including no-cost Home Performance with ENERGY STAR assessments. Depending on the improvements chosen, customers could save up to 20 percent or more on their annual utility bill.

Expansion of these cost-effective utility programs is possible, pending a constructive resolution in LPSC Docket No. R-31106.

entergysolutionsla-marketplace.com/



Incentive Available

Emerson
Sensi™ Touch smart thermostat,
Black

Your Price ~~\$469.00~~ \$119.00



Incentive Available

ecobee
SmartThermostat with voice
control

Your Price ~~\$249.00~~ \$199.00



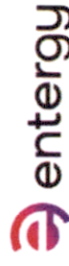
Incentive Available

ecobee
Ecobee3-Lite Smart Thermostat,
EB-STATE3L-01

Your Price ~~\$479.00~~ \$129.00

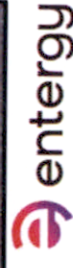


Incentive Available

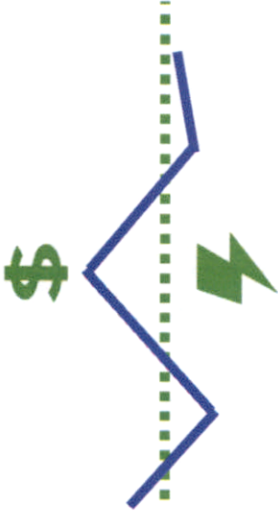


Power Through – Community Resilience Program

- Qualifying non-residential customers can partner with Entergy Louisiana to get an affordable, quiet and reliable natural gas generator for their organization.
- Entergy Louisiana installs, owns, and maintains the generator(s) at no upfront cost to the customer and bills a fixed, monthly fee for the service.
- The generator(s) switch on automatically during grid outages, allowing the customer to operate without interruption and provide its critical services to the community during extreme weather events.
- In order to respond to peak load needs, the generator(s) may occasionally be operated to deliver electricity to the grid, keeping prices low and helping our communities thrive.



New Demand Response/Interruptible Options



Three new ELL DR/interruptible tariffs available to ELL non-residential customers have been approved by the LPSC in the last 1-2 years:

1. Rider MVDR (Market Valued Demand Response)
2. Rider EIO (Experimental Interruptible Option)
3. Rider IES (Interruptible Electric Service)

New Demand Response (DR) Tariffs

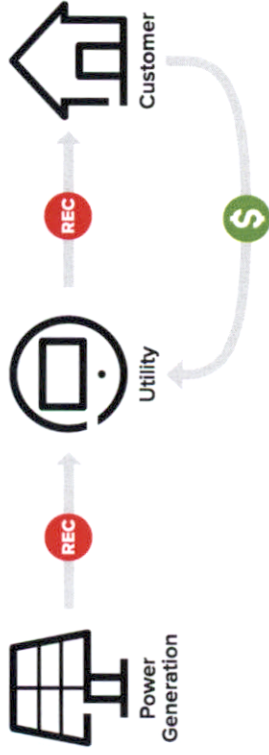
Rider MVDR designed to allow both DR aggregators and customers to participate in MISO's wholesale market.

Additional cost-effective utility programs are possible, pending a constructive resolution in LPSC Docket No. R-31106.

New renewable options for ELL customers

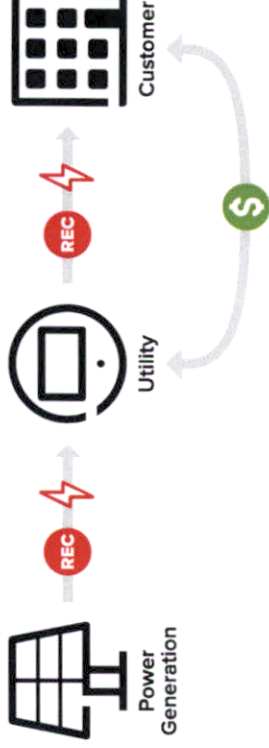
ELL now offers two categories of renewable options:

Green pricing (Green Select)



- Includes renewable energy credits (“RECs”) only; premium product
- May be sourced from renewable resources located in ELL’s service area and/or elsewhere
- Two new tariffs (Riders GPO & LVGPO) approved by LPSC
- Offering is available for enrollment as of May 2022 and is Green-e certified by the Center for Resource Solutions
- For additional information: <https://renew.entergy.com/>

Green tariff (Geaux Green)



- Includes RECs and value from renewable energy; net savings are possible
- Will be sourced from 475 MW of new solar resources located within Louisiana
- New tariff (Rider GGO) approved by LPSC
- A waitlist for large C&I customers is available; enrollment for smaller customers will occur at a later date
- Offering expected to be available starting in 2024

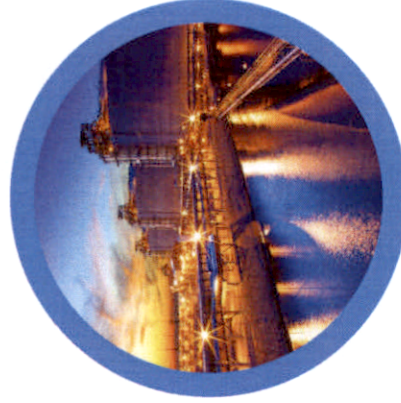
Entergy has the opportunity to help our customers reduce their carbon emissions

Scope 2 sustainability



Helping our customers reduce existing emissions from their electricity consumption (Scope 2 emissions)

Clean industrial expansion



Helping our customers¹ avoid new emissions by serving their new and/or expansion facilities with clean electricity

Scope 1 sustainability



Helping our customers reduce existing emissions from their current operations (Scope 1 emissions)

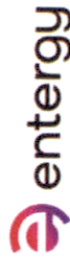


What is Shore Power?

Shore Power is the electrification of marine vessels at port to help more customers access clean electricity in a cost-effective manner.

Shore Power is used by marine vessels to connect to the local electricity grid and turn off auxiliary engines while at dock.

Entergy Louisiana has announced partnerships with Edison Chouest Offshore (ECO) and Crowley Shipping vessels for Shore Power projects at Port Fourchon and the Port of Lake Charles, respectively.



Payment options available to manage bills



Level billing



Payment extension



Deferred payment arrangement

Bill assistance through agency programs

