BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

EX PARTE: APPLICATION OF ENTERGY LOUISIANA, LLC FOR APPROVAL OF ALTERNATIVE PROCESS TO SECURE UP TO 3,000 MW OF SOLAR RESOURCES, CERTIFICATION OF THOSE RESOURCES, EXPANSION OF THE GEAUX GREEN OPTION, APPROVAL OF A NEW RENEWABLE TARIFF, AND RELATED RELIEF	)))))))))	DOCKET NO. U-_____

DIRECT TESTIMONY

OF

PHILLIP R. MAY

ON BEHALF OF

ENTERGY LOUISIANA, LLC

MARCH 2023

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EXHIBIT LIST

I. INTRODUCTION AND BACKGROUND

Q1. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.

A. My name is Phillip R. May. I am President and Chief Executive Officer ("CEO") of Entergy Louisiana, LLC ("ELL" or the "Company").[1] My business addresses are 4809 Jefferson Highway, Jefferson, Louisiana 70121 and 446 North Boulevard, Baton Rouge, Louisiana 70802.

Q2. ON WHOSE BEHALF ARE YOU SUBMITTING THIS DIRECT TESTIMONY?

A. I am testifying on behalf of ELL.

Q3. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND.

A. I have a Bachelor of Science degree in Electrical Engineering from the University of Southwestern Louisiana, now called the University of Louisiana at Lafayette, and a Master of Business Administration from the University of New Orleans. I also completed the Wharton School's Mergers and Acquisitions program.

I have worked for subsidiaries of Entergy Corporation for over 36 years. I joined Louisiana Power & Light Company (now known as ELL) in 1986 as an Engineer in the Rates and Regulatory Affairs Department. I was responsible for developing cost of

[1] On October 1, 2015, pursuant to Louisiana Public Service Commission ("LPSC" or "Commission") Order No. U-33244-A, Energy Gulf States Louisiana, L.L.C. ("Legacy EGSL") and Entergy Louisiana, LLC ("Legacy ELL") combined substantially all of their respective assets and liabilities into a single operating company, Entergy Louisiana Power, LLC, which subsequently changed its name to Entergy Louisiana, LLC ("ELL") ("Business Combination"). Upon consummation of the Business Combination, ELL became the public utility that is subject to LPSC regulation and now stands in the shoes of Legacy EGSL and Legacy ELL.

service studies to support Legacy ELL's retail and wholesale rates. I also planned and directed numerous engineering studies and special projects. In 1993, I joined the Entergy/Gulf States Utilities Merger Team as a Senior Engineer. Following that assignment, I joined Entergy Services, Inc.[2] to work in the Financial Planning Department and was responsible for financial planning for Entergy Gulf States, Inc. (a predecessor-in-interest to Entergy Texas, Inc., and Legacy EGSL) as well as for Legacy ELL. In 1994, I was promoted to Senior Lead Analyst in Wholesale Transactions. In that role, I worked directly with large customers to meet their wholesale power requirements. In 1995, I was promoted to Manager of Strategic Planning. The members of my group served as internal consultants to various business units. I was later promoted to the Director of Utility Transition and Development. I was responsible for analytical and strategic analysis of the regulated utilities' transition to competition efforts. In 2000, I assumed the role of Vice President, Regulatory Services. In that position, I was responsible for providing technical and analytical support to all of the EOCs to enable them to satisfy their regulatory obligations. My department consisted of: System Regulatory Planning & Support, Regulatory Strategy, Regulatory Projects, and Integrated Energy Management. In February 2013, I became the President and CEO of Legacy ELL and Legacy EGSL. Legacy ELL and Legacy EGSL consummated their Business Combination in October 2015, and I continue to serve as President and CEO of the combined entity, ELL.

[2] Entergy Services, LLC ("ESL"), formerly Entergy Services, Inc., is a service company to the five Entergy Operating Companies ("EOCs"), which are ELL, Entergy Arkansas, LLC, Entergy Mississippi, LLC, Entergy Texas, Inc., and Entergy New Orleans, LLC.

As my background and current duties indicate, in addition to my other areas of formal education and experience, I have particular experience with analyzing how industry trends, strategic initiatives, policy choices, and financial planning affect the Company's ability to provide safe, efficient, and reliable service at reasonable rates.

Q4. WHAT ARE YOUR CURRENT DUTIES?

A. As President and CEO of ELL, I have executive responsibility for the Company, including financial responsibility for the business and assets that are used to serve customers, which include generation, transmission, and distribution assets. In addition, my responsibilities include oversight of the field management of the Company's gas distribution system, customer service, economic development, regulatory affairs, public affairs, and the financial performance of ELL.

Q5. HAVE YOU PREVIOUSLY TESTIFIED IN ANY REGULATORY PROCEEDING?

A. Yes. A listing of the cases in which I have previously testified is attached hereto as Exhibit PRM-1.

Q6. WHAT RELIEF IS THE COMPANY SEEKING IN THIS DOCKET?

A. ELL's application (the "Application") in this docket before the Louisiana Public Service Commission ("LPSC" or the "Commission") seeks certification of and approval for the addition of up to 3,000 megawatts ("MW") of incremental solar photovoltaic generating resources to the Company's generating portfolio to meet resource planning needs and customer demand. Related to that request is the Company's additional request for a

finding that the public interest supports accepting an alternative market-based mechanism for those resources or, solely in the alternative, granting an exemption to certain requirements of the Commission's Market-Based Mechanisms General Order ("MBM Order"),[3] so that LPSC approval may be obtained on a more reasonable timetable compared to the traditional Request for Proposals ("RFP") and certification processes.

To explain, in the past, the Company has followed the same RFP and certification processes for the acquisition of solar resources that it has used for large generation additions such as the J. Wayne Leonard Power Station (980 MW) and the Lake Charles Power Station (994 MW). Those traditional processes take time, however, and the traditional RFP and certification process may be better suited for types of resources other than utility-scale solar resources, which typically are smaller projects (compared to non-renewables such as combined-cycle gas turbine and combustion-turbine based generation) in terms of size, capital investment, complexity, and cost, and they can be placed in service much more quickly. Because of this, and because of current market volatility, solar resources lend themselves to market tests that are faster than the traditional RFP and certification processes generally allow. Company witness Laura K. Beauchamp discusses these points further in her testimony.

Therefore, based on feedback from our customers and other stakeholders supporting a more timely approval and certification process needed to facilitate the

[3] General Order, Docket No. R-26172 Subdocket A, *In re: Development of Market-Based Mechanisms to Evaluate Proposals to Construct or Acquire Generating Capacity to Meeting Native Load, Supplements the September 20, 1983 General Order*, dated February 16, 2004 (as amended by General Order, Docket No. R-26172 Subdocket B, dated November 3, 2006, and further amended by the April 26, 2007 General Order, and the amendments approved by the Commission at its October 15, 2008 Business & Executive Meeting and now in General Order, Docket No. R-26172, Subdocket C dated October 29, 2008).

acquisition of renewable resources, the Company is filing its Application in two phases. Phase one explains the reasons underlying the Company's request to streamline the approval and certification process for this solar resource acquisition and why such an alternative structure will benefit the Company, its customers, and the economic development efforts of the State of Louisiana. Phase two of the Company's Application will contain the specifics of the Company's request, including, but not limited to, more details on the resources that may be procured pursuant to an Order in this docket, the alternative framework the Company is proposing for the evaluation of the resources and the underlying contracts, the process to select and transact with resources pursuant to an Order in this docket, the use of a portion of the resources to support an expansion of the Company's Geaux Green Option Rider ("Rider GGO"), and a new renewable tariff that the Company is proposing to provide customers with additional options to meet their needs.

Q7. PLEASE SUMMARIZE YOUR TESTIMONY.

A. In my testimony in support of phase one of the Company's Application, I summarize why the public interest supports accepting an alternative market test for solar resources to allow for a more rapid approval and certification process for solar resource acquisition. I also discuss how the Company's proposals provide the benefits of renewable resources to all customers and preserve the Commission's jurisdiction and oversight of renewable-resource additions and why those factors are important. I also discuss the expectations of customers, especially in the large commercial and industrial sector, for clean energy that is needed to help them meet their own sustainability goals. Finally, I note the economic

development opportunity that is on the horizon for Louisiana and the need for clean energy to secure that growth.

Q8. ARE ANY OTHER WITNESSES FILING TESTIMONY IN SUPPORT OF ELL'S APPLICATION IN THIS DOCKET?

A. Yes. As I indicated previously, Company witness Laura K. Beauchamp is also filing testimony in support of phase one of the Company's Application. Ms. Beauchamp is the Director, Resource Planning and Market Operations for the Company. Her testimony describes ELL's current generating portfolio, the Company's recent path to acquire access to renewables, and an outline of the Company's proposal to expedite the addition of renewables to ELL's portfolio.

II. THE PUBLIC INTEREST SUPPORTS AN ALTERNATIVE PROCESS FOR SOLAR RESOURCES

Q9. WHAT COMMISSION ORDERS RELATE TO THE COMPANY'S PROPOSED CERTIFICATION OF SOLAR RESOURCES?

A. The first Commission Order that is implicated by the proposed certification of up to 3,000 MW of solar resources is the Commission's General Order dated September 20, 1983 (the "1983 General Order").[4] The second is the MBM Order.

[4] LPSC General Order dated September 20, 1983 (*In re: In the Matter of the Expansion of Utility Power Plant; Proposed Certification of New Plant by the LPSC*), as amended by General Order (Corrected) in Docket No. R-30517 (*In re: Possible modifications to the September 20, 1983 General Order to allow (1) for more expeditious certifications of limited-term resource procurements and (2) an exception for annual and seasonal liquidated damages block energy purchases*) dated May 27, 2009.

Q10. PLEASE DESCRIBE THE RELEVANT CONSIDERATIONS WITH RESPECT TO THE 1983 GENERAL ORDER.

A. While I am not an attorney, my understanding is that the 1983 General Order requires any Commission-jurisdictional electric public utility that proposes to construct or acquire capacity or enter into a contract for the purchase of capacity or energy (other than emergency or economy energy) to apply to the Commission for certification that the public convenience and necessity would be served through the proposed construction, acquisition, or contract. The 1983 General Order also requires that applications submitted pursuant to that order shall include the specific data used by the utility in the justification of the acquisition, construction, or purchased power agreement ("PPA"), an itemized projection of the total costs, and, in the case of a contract, the proposed contract in its entirety. The 1983 General Order then provides that the Commission shall schedule a public hearing promptly and render its decision within 120 days of the filing date for acquisitions and long-term PPAs.

Q11. PLEASE DESCRIBE THE COMMISSION'S MBM ORDER AND HOW IT RELATES TO THE CERTIFICATION OF SOLAR RESOURCES.

A. Again, while I am not an attorney, my understanding is that the Commission's MBM Order establishes various procedures and requirements for the market testing of any proposed capacity acquisition in furtherance of the objective of procuring the lowest reasonable cost resources. The MBM Order augments the procedures of the 1983 General Order and generally requires a utility proposing to acquire or build new generating capacity to "employ a market-based mechanism" consisting of an RFP

competitive solicitation process.[5] The purpose of a market-based mechanism is to provide the results and analysis to serve as part of the "justification" required by the 1983 General Order.[6] In addition to setting forth the generally-applicable RFP process, the MBM Order further provides that "the utility can propose an alternative market-based mechanism or procedure if it can demonstrate that a formal RFP would not be in the public interest."[7]

Q12. PLEASE EXPLAIN THE "ALTERNATIVE PROCEDURE/MARKET TEST" UNDER THE MBM ORDER THAT THE COMPANY IS PROPOSING IN THIS DOCKET.

A. Although full details about the alternative to the MBM Order's traditional RFP process that the Company is proposing will be included in phase two of the Company's Application, generally the process would entail certification by the Commission of the amount of renewable capacity needed and approval of a streamlined competitive procurement process to solicit, evaluate, and select resources at the lowest reasonable cost. The Commission's approval, which would occur in this proceeding, would authorize the Company to procure up to 3,000 MW of renewable resources as long as the resources meet certain transaction parameters approved by the Commission (which will be outlined in phase two of the Company's Application). As will be discussed further in phase two of this Application, the alternative process envisioned by the Company will still have a competitive procurement process, albeit one that occurs after an Order is

[5] MBM Order, *supra*, note 3 at 5.

[6] *Id.*

[7] *Id.*

issued in this docket and one with timelines that better leverage competition that is available in today's utility-scale solar market. The LPSC Staff will maintain a role in the procurement process to ensure that the resources selected are materially consistent with approvals provided by an Order in this docket.[8]

Q13. CAN YOU GIVE EXAMPLES OF WHEN THE COMMISSION HAS APPROVED AN ALTERNATIVE MARKET-BASED MECHANISM OR PROCEDURE?

A. Yes. A recent example is the Commission's approval of ELL's application related to its "Power Through" fleet, which, as I describe further in my testimony below, is a fleet of up to 150 MW of distributed generation ("DG") facilities. In that proceeding, the Commission found that ELL's procurement process associated with DG facilities was "consistent with or serves as an alternative procurement approach" as permitted by the MBM Order.[9]

In the specific context of renewable energy, the Commission has previously recognized that an "expedited proceeding" and use of an alternative market test may be appropriate. In Order No. U-34966, issued just over three months after the application, the Commission approved ELL's purchasing of emission-free energy generated by the

[8] At this time, the Company does not believe an exemption to the MBM Order is required in this case. The purpose of a formal RFP process outlined in the MBM Order is to demonstrate that a proposed resource addition represents the lowest reasonable cost alternative, consistent with the goal of the 1983 General Order of ensuring that the procurement of new capacity is in the public interest. As will be demonstrated in phase two of the Company's Application, the Company is proposing a streamlined competitive procurement process that meets the overarching goals of the 1983 General Order and the MBM Order. Nevertheless, if the Commission determines that a formal exemption to the MBM Order is necessary in this proceeding, the Company requests such an exemption.

[9] *See,* Order No. U-36105 (October 13, 2022), *In re: Application for Certification to Deploy Natural Gas-Fired Distributed Generation and Authorization to Implement Rider UODG,* Docket No. U-36105.

Toledo Bend hydroelectric plant, even though the PPA had not been selected through a formal RFP process. [10]

Another example is Order No. U-34303, in which the Commission approved a 10-year extension of a PPA between ELL and Occidental Chemical Corporation ("Oxy") for the purchase of capacity and energy from Oxy's Taft Cogeneration Facility.[11] In connection with its approval of the parties' Uncontested Stipulated Settlement Term Sheet, the Oxy PPA extension was found to be consistent with the MBM Order because it was supported by an acceptable alternative procedure/market test that demonstrated that the extension was both market competitive and in the public interest.[12] The Commission entered its approval order 125 days after ELL filed its application.

Finally, and although not involving Commission approval pursuant to the MBM Order, the Commission's approval of the Company's long-term natural gas procurement plan and the process used to select and transact on hedge products in Order No. U-34735 is another example of the Commission's willingness to approve an alternative,

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[10] *See,* Order No. U-34966 (November 9, 2018), *In re: Joint Application for Approval of Toledo Bend Hydroelectric Power Sales Agreement,* Docket No. U-34966. Cleco Power LLC and Southwestern Electric Power Company were also parties to the PPA entered into with the Sabine River Authority of Louisiana and the Sabine River Authority of Texas. I further note the Commission's finding that the MBM Order did not apply because no jurisdictional utility would be taking more than 50 MW of capacity from the Toledo Bend hydroelectric facility. But the Commission also found, in the alternative, that the public interest supported granting an exception to the MBM Order or that ELL's 2016 Renewables Request for Proposals was accepted as an alternative market test for the PPA. *See* Order No. U-34966, at 4.

[11] *See,* Order No. U-34303 (March 20, 2017), *In re: Application of Entergy Louisiana, LLC for Authorization to Amend a Contract for the Purchase of Capacity and Electric Power from Occidental Chemical Corporation's Taft Facility,* Docket No. U-34303.

[12] Oxy had submitted an unsolicited offer subsequent to the conclusion of the Company's 2015 RFP for Long-Term Developmental and Existing Capacity and Energy Resources ("2015 ELL RFP"), which offer the Company evaluated against the resources selected in the 2015 ELL RFP.

streamlined process.[13] The Company's application in Docket No. U-34735 sought Commission approval for ELL to commence its Natural Gas Cost Stabilization Pilot Program in accordance with LPSC General Order No. R-32975, Long-term Natural Gas Hedging Pilot Program, dated July 13, 2015 ("LTHP Order"), as modified by LPSC Order No. X-34341, dated October 24, 2017.[14] Of particular relevance to the Company's request for an alternative market-based procedure in this proceeding is that some stakeholders, as noted in the LTHP Order, expressed concern that a lengthy review of long-term, fixed price procurement proposals (such as an MBM-type RFP process) would "effectively eliminate the possibility for achieving such contracts because of changing market conditions."[15] Thus, the Commission Staff recommended (and the Commission agreed) that utilities subject to the LTHP Order not be required to utilize an RFP process for fixed-price long-term contracts and upstream supply acquisitions, with allowance for those utilities to follow a "bilateral negotiation process" or a "standardized bid process" to procure natural gas cost stabilization financial instruments through established exchanges or "over the counter."[16] The Commission ultimately found that the Company's plan complied with the LTHP Order and approved the proposed transaction parameters (no-margin swaps and call options) as reasonable and prudent natural gas cost stabilization instruments. Again, that approval was based on the reality that pricing in the

[13] *See,* Order No. U-34735 (November 8, 2018), *In re: Application for Approval of Long Term Natural Gas Procurement Proposal,* Docket No. U-34735.

[14] The LTHP Order required Louisiana-jurisdictional electric utilities to propose long-term natural gas procurement programs for the purpose of securing long-term natural gas price stability by June 30, 2018.

[15] LTHP Order, at 11.

[16] *Id.* at 19. The Company's application in Docket No. U-34735 involved procurement through bilateral negotiations.

market cannot be held open while the Commission conducts a prolonged approval process.

As these examples show, the Commission has found that time constraints and market realities can support an expedited review and approval process, particularly when the resources sought to be procured will provide benefits to the state, ELL's customers, and the communities that ELL serves.

Q14. PLEASE EXPLAIN WHY THE COMPANY IS PROPOSING AN ALTERNATIVE STRUCTURE IN THIS PROCEEDING FOR THE APPROVAL AND CERTIFICATION OF UP TO 3,000 MW OF SOLAR ADDITIONS.

A. As I mentioned above and as discussed by Ms. Beauchamp in greater detail, the traditional RFP and certification processes that ELL has utilized in the past for the construction and/or acquisition of large gas-fired resources may be better suited for the those types of resources than for utility-scale solar resources, most notably due to the amount of time the traditional RFP and certification processes can take and the current market conditions affecting the procurement of solar generation.[17] As Ms. Beauchamp discusses, the entire process from RFP to LPSC certification takes such a long time (on average more than two years) that it is difficult with the present market volatility for solar developers to provide and hold price certainty over that time period, which ultimately impacts project completion and can contribute to higher costs for customers. And while

[17] For example, the Company provided the Commission with its Notice of Intent to conduct the 2020 Solar RFP on November 18, 2019, and the Commission issued the Order certifying the selected 2021 Solar Portfolio in Docket No. U-36190 on October 14, 2022. Ms. Beauchamp provides examples of the timelines for other recent solar additions in Louisiana in her testimony.

the Commission's 1983 General Order requires a decision on a resource-certification request within 120 to 180 days (depending upon the type of resource) of the filing of an application, experience has shown that the Commission often takes significantly longer than that timeframe to decide those applications. The alternative process that ELL will be proposing balances the Commission's vital oversight with the commercial realities of adding solar resources at a pace that helps customers meet their sustainability goals and fosters economic growth and development. Also, the primary objective of the MBM Order is to ensure that resources are procured at the lowest reasonable cost for customers. Providing a more streamlined market-based mechanism and certification process, as proposed by ELL, will foster more robust competition among solar developers, allow for lower cost development of solar resources due to a lower likelihood of cost escalation occurring during the process, and leverage the potential resources that are in the Midcontinent Independent System Operator, Inc. ("MISO") interconnection queue in Louisiana, all to the benefit of ELL's customers. The 1983 General Order and the MBM Order were not designed to keep pace with today's market for solar resources, and rigid adherence to those Orders is working against the objective of procuring solar resources at the lowest reasonable cost. Finally, there is a significant amount of market data available to confirm that solar resources are being procured at a price consistent with prevailing market prices. The availability of this information allows the Commission to be confident that, by accepting ELL's proposal, it can facilitate more timely deployment of solar resources while also discharging its oversight duties relating to the lowest reasonable costs charged to customers.

Q15. HAS ELL RECEIVED CUSTOMER REQUESTS FOR MORE TIMELY DEPLOYMENT OF SOLAR RESOURCES AND TARIFF OPTIONS?

A. Yes. The Company is proposing to place up to 3,000 MW of solar resources into service on a quicker timeline in response to its customers' desires and demands related to sustainability, environmental stewardship, and the ambitious decarbonization goals being pursued by many of ELL's non-residential customers. For decades, the Commission's leadership and ELL's planning efforts have made Louisiana one of the most attractive locations in the world for energy-intensive industrial and manufacturing operations, owing primarily to the low rates ELL's customers pay as well as the natural geographical advantages Louisiana offers. However, to continue to remain an attractive electrical service provider to those kinds of customers and attract new customers, ELL will need to help those customers achieve their goals to decarbonize their operations – many of which goals are being driven by those customers' investors and their own customer bases.

Q16. HOW IS ELL'S RESOURCE PLANNING RESPONSIVE TO CUSTOMERS' GOALS TO REDUCE AND/OR ELIMINATE THE CARBON FOOTPRINT ASSOCIATED WITH ELECTRICITY NEEDED TO RUN THEIR OPERATIONS?

A. First and foremost, ELL's development of a sustainable portfolio places an emphasis on customer preferences. ELL recognizes that customer expectations for electric service will continue to change alongside advancements in technology and evolving markets and policy considerations both in and out of the traditional utility framework. Accordingly, ELL aims to meet customers' needs for electric services and energy solutions both for those expected today and in the future.

To that end, and as discussed in greater detail by Ms. Beauchamp, one of the Company's key planning objectives for building a sustainable portfolio (in addition to affordability and reliability) is environmental stewardship. Environmental stewardship as a planning objective refers to the use and protection of the natural environment, ensuring compliance with existing and likely regulation, adaptability of resources, and paths towards a lower-carbon economy. Portfolios that are capable of adapting and remaining sustainable over the long-term horizon bring customers increased benefits and help to manage long-term cost stability. When considering our environmental stewardship objective, ELL also monitors customers' desire for decarbonization through lower emission generation, local renewables, and offerings that allow customers to meet their own sustainability goals in partnership with their utility.

Q17. PLEASE PROVIDE SOME SPECIFIC EXAMPLES OF ELL'S RECENT EFFORTS TO MEET ITS CUSTOMERS' SUSTAINABILITY GOALS.

A. Recent efforts to support the sustainability goals of customers include the Company's purchasing 50 MW of solar through the Capital Region Solar Plant in West Baton Rouge (which began delivering power to the grid in October 2020).[18] In addition, the Company has grown its green power-generating portfolio by procuring 475 megawatts of solar power, which new solar facilities are expected to begin delivering power to customers in

[18] The Capital Region Solar Plant was originally named the LA3 West Baton Rouge LLC Solar Facility. *See,* Order Number U-34836 (March 18, 2019), *In re: Application for Authorization to Participate in a Contract for the Purchase of Energy and Related Benefits from the LA3 West Baton Rouge LLC Solar Facility,* Docket No. U-34836.

2024, and received Commission approval for ELL's Rider GGO green tariff.[19] ELL also has recently requested certification of two additional solar photovoltaic resources totaling nearly 225 MW,[20] and ELL's proposal in that docket includes a request for authorization to include those new solar resources within Rider GGO. Likewise, the Company expects that a portion of the up to 3,000 MW of solar additions in this filing also will supply an expansion of Rider GGO. Adding these resources to the Rider GGO resource portfolio will further assist ELL's customers with meeting their environmental and sustainability goals. Finally, as I noted above, the Commission recently certified the Company's ownership and operation of a fleet of up to 150 MW of DG facilities (called the "Power Through" fleet)[21] that provides non-residential customers an opportunity to align their sustainability objectives with their desires for enhanced reliability by utilizing cleaner DG resources to supply backup electric service as opposed to diesel backup generators.[22]

Now, through the accelerated investment in large-scale renewable power generation that ELL is proposing in this proceeding, clean energy infrastructure will become more accessible across our region. But experience has shown – and the Commission itself has acknowledged[23] – that the timeline for selecting and certifying

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19 *See,* Order Number U-36190 (October 14, 2022), *In re: Application for Certification and Approval of the 2021 Solar Portfolio, Rider Geaux Green Option, Cost Recover and Related Relief,* Docket No. U-36190.

20 *See,* LPSC Docket No. U-36685, *In re: Application of Entergy Louisiana, LLC for Approval of the 2022 Solar Portfolio, Expansion of the Geaux Green Option, Cost Recovery and Related Relief* (seeking approval of Iberville, a 175 MW PPA, and Sterlington, a 49 MW self-build facility).

21 The approved Power Through fleet includes up to 120 MW of natural gas-fired DG facilities as well as 30 MW reserved for a pilot program consisting of solar and battery DG installations.

22 *See,* Order No. U-36105 (October 13, 2022), *In re: Application for Certification to Deploy Natural Gas-Fired Distributed Generation and Authorization to Implement Rider UODG,* Docket No. U-36105.

23 *See,* Order Number U-36190, *supra,* note 19 at 9.

such resources under the current structure takes entirely too long. Providing customers with additional clean options for meeting their electricity needs with zero-carbon-emitting solar resources – and doing so within a timeline that ensures these projects will come to fruition – will be essential to keeping and attracting energy-intensive industrial and manufacturing businesses in Louisiana.

Q18. DO THE COMPANY'S OWN SUSTAINABILITY GOALS ALIGN WITH THOSE OF ITS CUSTOMERS?

A. Yes. Entergy historically has taken action on climate change while maintaining our commitment to safely providing reliable, affordable, and cleaner energy for customers and communities. In 2001, Entergy was the first utility in the nation to limit carbon dioxide emissions voluntarily. And in September 2020, we announced a commitment to achieving net-zero carbon emissions by 2050. Since that time, we have enhanced our climate milestones and added an interim goal – we expect half of our power generation capacity will come from clean, carbon-free energy sources by 2030.

In furtherance of these commitments, the Company is transforming our utility generation to better meet our customers' needs, including expanding our cost-effective solar and renewable energy resources and other clean energy solutions as technology and economics continue to improve. To meet customer demand for clean energy capacity, we see the potential for up to 17 gigawatts of renewable energy generation in the EOCs' collective generating portfolio by 2031.

Q19. WILL A QUICKER APPROVAL AND CERTIFICATION PROCESS OF RENEWABLE (SOLAR) RESOURCES ALSO HELP TO SUPPORT THE STATE'S ECONOMIC DEVELOPMENT EFFORTS?

A. Yes. By way of background, we are seeing an enormous amount of activity and investment in Louisiana driven by superior infrastructure, ability to provide feedstock for customers, plus low energy prices compared to competitors around the country and the world. We are seeing such investment coming to Louisiana across the board in energy-intensive industries such as chemical products, refining, natural gas exports, ammonia, and hydrogen. This prospective pipeline of industrial and commercial businesses is the longest, deepest, and most robust that I have seen over the course of my professional career.

With that said, one of the key criteria that these industrial entities are looking for as they consider whether to locate in Louisiana is the potential to increase the quantity of emission-free energy that they are using. Current circumstances therefore present an opportunity for ELL to help attract these new businesses to Louisiana, provided that ELL can support the load with the sort of renewable resources that such businesses are demanding. In other words, ELL's ability to bring more renewable resources online – within a timeline that supports the commitment of such prospective investment to actually locate in the state – will help Louisiana compete against other locations for the types of commercial and industrial projects that can benefit the state.

Q20. CAN YOU ELABORATE ON HOW AN EXPANDED RENEWABLE PORTFOLIO FOR ELL CAN BENEFIT ALL ELL CUSTOMERS AND THE COMMUNITIES THAT ELL SERVES?

A. Yes. Bringing more emission-free generation resources to Louisiana helps protect the environment in which all of our customers live and work, but those resource additions must be done in a way that does not impact reliability and resource adequacy throughout the state. ELL's proposal in this docket will facilitate deployment of solar resources in Louisiana, where our communities can benefit directly from the investment, project construction, and improved local reliability. And, again, ELL's addition of renewable resources can help attract new commercial and industrial projects to Louisiana that can have profound and long-term benefits to the state and its citizens. These new projects create construction and permanent jobs, tax base, and spending that can have long-lasting economic impacts throughout Louisiana. Additionally, electric sales to these new customers by ELL creates incremental non-fuel revenue that helps offset the fixed cost to run a utility, including some of the costs of adding renewable resources.

Q21. TO ACHIEVE THESE BENEFITS, IS IT NECESSARY AND APPROPRIATE FOR ELL TO PARTICIPATE IN THE DEPLOYMENT OF RENEWABLE RESOURCES?

A. Yes. ELL, in partnership with the Commission, is in a unique position to act as a catalyst for renewable energy in Louisiana. Recent experience has shown that renewable resources will not be constructed until the developer has a reasonably long-term commitment for someone to purchase the output from the facility. In the regulatory regime in Louisiana, utility-scale solar development will only occur after (1) an

agreement with a regulated utility to purchase the capacity and energy or to acquire the facility outright or (2) other arrangements that do not involve LPSC oversight and approval. The former maintains Commission oversight to ensure the costs and benefits of renewable projects are fairly allocated to all customers. Regulated utility procurement also maintains the LPSC's jurisdiction and oversight of resource adequacy and reliability in Louisiana and ensures that all utility customers can obtain the benefits of utility-scale solar. As I mentioned previously, one such benefit of ELL's participation in utility-scale solar procurement is that it enables ELL to attract new business, industry, and investment to Louisiana and all the benefits that come with it. More directly, ELL's participation in utility-scale solar procurement provides all customers with some protection against higher electric prices when natural gas prices increase, in addition to fuel savings in hours when the resource cost is less than locational marginal energy prices.

Q22. IS THERE ANYTHING ELSE YOU WISH TO EMPHASIZE ABOUT THE COMMISSION'S CERTIFICATION OF SOLAR RESOURCES?

A. Yes. In recent years, the Commission has devoted substantial attention to how Louisiana customers may be affected by developments in the electric utility industry. With respect to solar resources in particular, when ELL procures and deploys such resources (as opposed to an entity not subject to the Commission's jurisdiction), it allows the Commission to evaluate whether the additions are appropriately meeting policy objectives and support reliable service to all customers at reasonable rates. Because cost and benefits to customers is always a fundamental consideration, the Company has and will continue to propose products that allow interested customers to participate while

fairly allocating costs and benefits between participants and all customers (such as Rider GGO). We believe that streamlining the process will not only facilitate customers' goals and the state's economic development efforts, but it also will allow for more timely deployment of beneficial resources.

III. CONCLUSION

Q23. PLEASE SUMMARIZE WHY THE COMPANY IS SEEKING CERTIFICATION OF UP TO 3,000 MW OF SOLAR RESOURCES TOGETHER WITH ITS PROPOSED ALTERNATIVE COMPETITIVE PROCUREMENT STRUCTURE.

A. As I discussed above, and as Ms. Beauchamp discusses in her testimony, the Company is responsibly planning for the future and is also being responsive to the increasing interest in renewable energy by the Company's customers. ELL's and the Commission's responsiveness to such desires will be important for continuing to make Louisiana an attractive location for existing commercial and industrial customers. Likewise, the addition of carbon-free solar resources to ELL's generating mix also will be increasingly important for continuing to make the State of Louisiana an attractive location for new businesses and industries, which, in turn, provide economic benefits to the state and its citizens, including ELL's customers.

The LPSC's support and approval of resources is necessary to bring more solar power to Louisiana. But when that approval process takes so long that it negatively impacts the viability and final cost of solar projects that actively bid into, and are even selected in response to, an RFP, we must come up with creative solutions to prevent that unintended result from happening. Accordingly, not only does it make sense, but it is also

vital to the state's economic development efforts to allow for approval and certification of such resources on a more timely basis than is possible under the current RFP/certification construct.

Q24. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, at this time.

AFFIDAVIT

STATE OF LOUISIANA

PARISH OF JEFFERSON

NOW BEFORE ME, the undersigned authority, personally came and appeared, **PHILLIP R. MAY**, 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.

Phillip R. May

SWORN TO AND SUBSCRIBED BEFORE ME

THIS 6th **DAY OF** March, **2023**

NOTARY PUBLIC LSBA 23770

My commission expires: at death

Listing of Previous Testimony Filed by Phillip R. May

DATE	TYPE	SUBJECT MATTER	REGULATORY BODY	DOCKET NO.
05/31/2000	Direct	UCOS & ECOM	PUCT	22356
08/28/2000	Supplemental Direct	UCOS & ECOM	PUCT	22356
03/30/2001	Rebuttal	UCOS & ECOM	PUCT	22356
05/15/2001	Settlement	Stranded Costs	LPSC	U-22092
05/15/2001	Settlement	Stranded Costs	LPSC	U-20925
06/25/2001	Direct	Qualified Power Region	PUCT	24309
06/29/2001	Direct	Transition to Competition Costs	APSC	01-041-U
07/02/2001	Direct	Price to Beat	PUCT	24336
09/25/2001	Rebuttal	Price to Beat	PUCT	24336
05/08/2002	Supplemental	Price to Beat	PUCT	24336
07/12/2002	Supplemental Rebuttal	Price to Beat	PUCT	24336
03/01/2004	Supplemental	Business Separation Plan	LPSC	U-21453 (Sub. B)
08/25/2004	Direct	2004 Rate Case	PUCT	30123
05/17/2005	Direct	Formula Rate Plan & Generation Performance Based Resource Plan	Council of the City of N.O. ("Council")	UD-01-04 & UD-03-01
07/05/2005	Direct	Capacity Rider	PUCT	31315
08/15/2005	Direct	TTC	PUCT	31544
10/05/2005	Rebuttal	Capacity Rider	PUCT	31315
02/10/2006	Rebuttal	TTC	PUCT	31544
04/26/2006	Direct	Jurisdictional Separation Plan	LPSC	U-21453 (Sub. J)
05/14/2007	Rebuttal	TTC Plan	PUCT	33687
09/26/2007	Direct	2007 Rate Case	PUCT	34800
05/02/2008	Rebuttal	2007 Rate Case	PUCT	34800
12/12/2008	Answering	Spindletop	FERC	EL08-51-002
01/09/2009	Direct	Bandwidth	FERC	ER08-1056-002
02/03/2009	Cross Answering	Spindletop	FERC	ER08-51-002
09/18/2009	Direct	PCRF	PUCT	37482
10/09/2009	Direct	Bandwidth	FERC	ER09-1224-001
12/21/2009	Direct	2009 Rate Case	PUCT	37744
09/01/2010	Direct	ICT	LPSC	S-31509
09/20/2010	Direct	ICT	Council	undocketed
10/12/2010	Answering	Depreciation Complaint	FERC	EL10-55-001
10/25/2010	Cross Answering	Depreciation Complaint	FERC	EL10-55-001
02/23/2011	Rebuttal	Depreciation Complaint	FERC	EL10-55-001
7/22/2011	Direct	MSS-4 Repricing	Council	UD-11-02
11/28/2011	Direct	2011 Rate Case	PUCT	39896
1/26/2012	Supplemental Direct	CGS	PUCT	38951
4/13/2012	Rebuttal	2011 Rate Case	PUCT	39896
4/24/2012	Supplemental Rebuttal	CGS	PUCT	38951
4/30/2012	Direct	MISO Change of Control	PUCT	40346
9/5/2012	Direct	ITC Transaction	LPSC	U-32538
9/12/2012	Direct	ITC Transaction	Council	UD-12-01
2/15/2013	Direct	EGSL 2013 Rate Case	LPSC	U-32707
2/15/2013	Direct	ELL 2013 Rate Case	LPSC	U-32708
3/28/2013	Direct	ELL Algiers 2013 Rate Case	Council	UD-13-01
4/9/2013	Direct	ELL EGSL Hurricane Isaac Storm Recovery	LPSC	U-32674
5/21/2013	Rebuttal	ITC Transaction	LPSC	U-32538

DATE	TYPE	SUBJECT MATTER	REGULATORY BODY	DOCKET NO.
5/29/2013	Errata-Rebuttal	ITC Transaction	LPSC	U-32538
2/18/2014	Rebuttal	ELL Algiers 2013 Rate Case	Council	UD-13-01
4/04/2014	Rejoinder	ELL Algiers 2013 Rate Case	Council	UD-13-01
9/30/2014	Direct	ELL/EGSL Business Combination	LPSC	U-33244
11/06/2014	Direct	ELL/EGSL Business Combination	Council	UD-14-03
1/13/2015	Direct	EGSL Union Power Station	LPSC	U-33510
5/1/2015	Rebuttal	ELL/EGSL Business Combination	LPSC	U-33244
6/5/2015	Direct	Ninemile 6 Prudence Review	LPSC	U-33633
7/13/2015	Settlement	ELL/EGSL Business Combination	LPSC	U-33244
8/25/2015	Direct	St. Charles Power Station	LPSC	U-33770
3/11/2016	Rebuttal	St. Charles Power Station	LPSC	U-33770
11/2/2016	Direct	Lake Charles Power Station	LPSC	U-34283
11/15/2016	Direct	Oxy PPA Amendment	LPSC	U-34303
11/22/2016	Direct	Advanced Metering System	LPSC	U-34320
2/23/2017	Direct	Carville PPA	LPSC	U-34401
4/21/2017	Direct	MISO Renewal	LPSC	U-34447
4/24/2017	Rebuttal	Lake Charles Power Station	LPSC	U-34283
5/23/2017	Direct	Washington Parish Energy Center	LPSC	U-34472
8/21/2017	Direct	2016 FRP Extension	LPSC	U-34631
5/29/2020	Direct	ELL FRP Extension	LPSC	U-35565
6/24/2020	Direct	J. Wayne Leonard Power Station Prudence Review	LPSC	U-35581
10/14/2020	Direct	ELL Laura Interim Financing	LPSC	U-35762
4/30/2021	Direct	ELL Storm Recovery Filing	LPSC	U-35991
9/8/2021	Direct	1803 Application	LPSC	U-35927
9/22/2021	Direct	ELL Ida Interim Financing	LPSC	U-36154
9/30/2021	Direct	ELL Storm Recovery Filing (3rd Supp. App.)	LPSC	U-35991
11/9/2021	Direct	ELL Solar Portfolio and Green Tariff	LPSC	U-36190
12/8/2021	Direct	ELL Lake Charles Prudence Review	LPSC	U-36222
1/31/2022	Direct	JDEC NextEra Joint Application	LPSC	U-36135
2/14/2022	Direct	DEMCO NextEra Joint Application	LPSC	U-36133
4/29/2022	Direct	ELL Ida Storm Recovery Filing	LPSC	U-36350
12/19/2022	Direct	ELL Resilience Filing	LPSC	U-36625
01/20/2023	Direct	Concordia, NextEra, Mondu Solar Joint Application	LPSC	U-36514
01/26/2023	Direct	Pointe Coupee, NextEra, Mondu Solar Joint Application	LPSC	U-36515
02/02/2023	Direct	SLEMCO, NextEra, BECi Joint Application	LPSC	U-36516