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January 28, 2022

2022 JAN 28 AM 11:34
L.A. PUBLIC SERVICE
COMMISSION

Via Federal Express
Ms. Terri Lemoine Bordelon
Records Section
Louisiana Public Service Commission
Galvez Building, 12th Floor
602 Fifth Street
Baton Rouge, LA 70802

Re: *Application of Southwestern Electric Power Company for (I) Commission
Approval of a Solar Power Purchase Agreement with Rocking R Solar,
LLC and (II) Expected Treatment.*

Docket No.: TBD

Dear Terri:

Enclosed for filing on behalf of Southwestern Electric Power Company in the above captioned docket are the original and requisite copies of the Application and supporting testimony of Thomas Brice, Paul Demmy, and Jay Godfrey along with exhibits.

The voluminous, confidential, and Highly Sensitive Protected Material exhibits JFG-1 and JFG-2 to the testimony of Jay Godfrey have been enclosed on a flashdrive for filing under seal, in the above captioned docket pursuant to Rule 12.1 of the LPSC's Rules of Practice and Procedure.

Please provide us with a stamped copy of this letter once filed with the Commission in the addressed stamped envelope enclosed. We thank you and appreciate your continued cooperation.

With best regards, I am

Yours very truly,

WILKINSON, CARMODY & GILLIAM

By: *Bobby S. Gilliam*
Bobby S. Gilliam
Jonathan P. McCartney

ROUTE TO
DEPT. *Bulletin* DATE *1/28*
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BSG/mml
Enclosure(s)

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F22-63414

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NO: U-_____

**APPLICATION OF SOUTHWESTERN ELECTRIC POWER COMPANY FOR
(I) COMMISSION APPROVAL OF A SOLAR POWER PURCHASE
AGREEMENT WITH ROCKING R SOLAR, LLC AND (II) EXPEDITED
TREATMENT**

MAY IT PLEASE THE HONORABLE COMMISSION:

NOW COMES BEFORE the Louisiana Public Service Commission (Commission), through undersigned counsel, the Applicant, Southwestern Electric Power Company (SWEPCO or Company), an electric public utility, with headquarters in Shreveport, Louisiana, at 428 Travis Street, that has provided service to Louisiana customers for over 110 years, as well as service to customers in Arkansas and Texas, who respectfully submits this Application, seeking Commission approval for a Solar Power Purchase Agreement (PPA) with Rocking R Solar, LLC (previously being developed by SunChase) for solar facilities located in Caddo Parish, Louisiana as being necessary and in the public interest for the benefit of SWEPCO ratepayers, and who presents the following:

1.

SWEPCO is seeking approval for a long term PPA or Agreement for the purchase of output from the proposed "Rocking R" Solar Project (the Project) a new solar resource totaling 72.5 megawatts (MW) that is located in northern Caddo Parish, Louisiana within SWEPCO's service territory. SWEPCO is seeking authorization from the Commission that the PPA satisfies the requirements of the 1983 Certification Order and is reasonable, prudent and in the public interest; that the costs may be recovered through the Company's

Fuel Adjustment Clause (FAC), as of the effective date of the solar PPA, so that customers can realize the full benefit of the Agreement; complies with the requirements of the Commission's Stipulated Settlement, para. 3(k), approved in docket U-35324 dated June 24, 2020; and is exempt from the Market-Based Mechanism General Order (MBM Order) requirements, as it is below 50 MW on a Louisiana jurisdictional basis.

2.

The Rocking R 72.5 MW solar facility is being developed by Rocking R Solar, LLC (now owned by D.E. Shaw Renewable Investments, and previously developed by SunChase). The Project will be located approximately 20 miles north of Shreveport, Louisiana, near the intersection of State Highway 2 and Interstate 49. The Project will be interconnected at 69 kV into the Hosston Substation, which is owned by SWEPCO and operated by the Southwest Power Pool (SPP). SWEPCO received an Unsolicited Offer from SunChase, and after appropriately notifying the Commission and Staff, and after extensive discussion and negotiations, the Company elected to proceed with the contract for the purchase of the energy to be produced from the Project, subject to Commission approval.

3.

This Application is supported by the Testimony of Thomas P. Brice, SWEPCO's Vice President of Regulatory and Finance, who testifies regarding the Project benefits for SWEPCO customers and the compliance with applicable Commission Orders, as well as the Company's requested ratemaking treatment. SWEPCO's Application is also supported by SWEPCO witness Jay F. Godfrey, who discusses the unsolicited bid and the negotiation to sell the output of the Rocking R Solar Facility to SWEPCO, as well as SWEPCO Witness

Paul Demmy, who discusses how the PPA will provide savings for retail customers as compared to other generation and power supply options, and confirm that the PPA is necessary to supplement or replace the utility's existing generation sources. The testimony and supporting exhibits of SWEPCO's witnesses are attached to this Application.

4.

The proposed PPA has a term of 20 years, with reasonable fixed cost pricing which does not escalate during the term of the Agreement. The Agreement is priced based on the energy output (in MWh), and does not contain any additional capacity charges. Even though there are no separate capacity charges, Section 7.6 of the Agreement provides that, if necessary, the Capacity from this PPA will be used by SWEPCO to meet its reserve capacity requirements with the SPP, thus providing SWEPCO customers additional benefits.

5.

The proposed PPA further contemplates that SWEPCO will be entitled to ownership of all Renewable Energy Certificates (RECs) so that the benefits of those RECs can be made available to SWEPCO customers. Additionally, SWEPCO has an option to purchase the facility after ten years based upon certain pricing metrics contained within the PPA, which information is Highly Sensitive and Confidential and is being filed Confidentially and under seal as Highly Sensitive Protected Material EXHIBIT JFG-1, submitted with the testimony of Mr. Godfrey, and filed under seal in accordance with the Commission's Rules of Practice and Procedure, including Rule 12.1 regarding confidential information.

6.

SWEPCO's need for the solar Project is confirmed by its recent Integrated Resource Plan (IRP) process, and this Agreement will help satisfy the capacity needs identified in the Company's IRP, as further discussed by Company witness Tom Brice. The Rocking R contract parameters compared favorably to the IRP in order to confirm the reasonableness and prudence of moving forward with this PPA, as further discussed in the testimony of Mr. Demmy.

7.

The proposed Project also fulfills SWEPCO's commitment in the North Central Energy Facilities Settlement Agreement in docket U-35324¹ to pursue up to 200 MWs of solar generation in its service territory through a Request for Proposal (RFP) process, or combination of a RFP and Unsolicited Offer Order process, as further discussed by Company witnesses Mr. Brice and Mr. Godfrey.

8.

The proposed Project meets the criteria set forth in the Commission's General Order dated September 20, 1983 and is in the public interest. The acquisition of this Project serves the public convenience and necessity, and is in the public interest because it is reasonably priced and improves generation/fuel diversity with a renewable resource. In support of this Application, SWEPCO's supporting testimony and exhibits have described and set forth the specific data utilized by SWEPCO showing the need and benefits of the Project, as further described by Mr. Godfrey and Mr. Demmy. SWEPCO's Application and supporting testimony and exhibits of Mr. Godfrey also include the costs set out in the

¹ Order U-35324, dated June 24, 2020, *In Re: Application for Certification and Approval of the Acquisition of Certain Renewable Resources*, Joint Stipulated Settlement, para. 3(k)

PPA, as well as the projected scheduled completion dates, with the Project expected to be in service by December 1, 2024, all in compliance with the 1983 Certification Order. As SWEPCO operates in three states, the Louisiana allocated share of the Project is less than 50 MW, thus, the project is exempt from the MBM Order² formal process, as further discussed in the Testimony of Mr. Brice.

9.

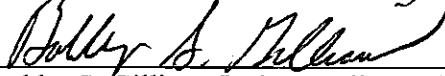
SWEPCO's Application confirms that this proposed PPA is reasonable, prudent and in the public interest as it will provide needed capacity in the future, help to diversify the Company's generation portfolio and provide a fixed price supply of energy that is unaffected by fluctuations in fuel prices. The Project also helps develop a Louisiana energy resource for the benefit of SWEPCO customers.

WHEREFORE, pursuant to the provisions of the 1983 General Order, SWEPCO respectfully requests that the Commission approve SWEPCO's proposed PPA for the Rocking R Project, as being reasonable, necessary and in the public interest; and that SWEPCO is authorized recovery through its FAC; and that the Commission finds that the Project complies with the MBM Order; and that the Project complies with SWEPCO's obligations pursuant to paragraph 3(k) of the Settlement approved in Order U-35324, for the benefit of SWEPCO ratepayers.

² The Commission's Market Based Mechanism Order, dated October 29, 2008, Docket R-26172, Subdocket C, *In Re: Possible suspension of, or amendments to, the Commission's General Order dated November 3, 2006 (Market Based Mechanisms Order) to make the process more efficient and to consider allowing the use of on-line auctions for competitive procurement*; See para. 2(a).

Respectfully submitted,

WILKINSON CARMODY & GILLIAM

A handwritten signature in cursive script, appearing to read "Bobby S. Gilliam", written over a horizontal line.

Bobby S. Gilliam, La Bar Roll No. 6227

Jonathan P. McCartney, La Bar Roll No. 31508

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