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Union of Concerned Scientists

June 4, 2026

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Via Fax Delivery and FedEx

Ms. Krys Abel
Records and Recording Division
Louisiana Public Service Commission
Galvez Building, 12th Floor
602 N. 5th St.
Baton Rouge, LA 70802

Cleco Power, LLC, ex parte. 2025 Request to initiate Integrated Resource Planning process pursuant to the General Order (Corrected) dated August 24, 2024 (R-36262). **(LPSC DOCKET NO. I-37765)**

Dear Ms. Abel:

Please find the Union of Concerned Scientists' Comments Regarding Cleco Power's IRP Data Inputs in the above-referenced matter. Please file this motion in the record in accordance with the Commission's fax filing procedures. The original and two (2) copies, along with a check for the $25.00 fax fee, will be submitted via FedEx within five days. Thank you for your attention to this matter.

Respectfully submitted,

Paul Arbaje
Union of Concerned Scientists

Fedex

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BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET I-37765

Cleco Power, LLC, ex parte. 2025 Request to initiate Integrated Resource Planning process pursuant to the General Order (Corrected) dated August 24, 2024 (R-36262).

THE UNION OF CONCERNED SCIENTISTS' COMMENTS REGARDING CLECO POWER'S IRP DATA INPUTS

On February 26, 2026, Cleco Power, LLC ("Cleco" or "the Company") filed its data inputs and modeling assumptions ("Data Filing")[1] in this docket for its 2027 integrated resource planning ("IRP") process. On March 23, 2026, the first meeting was held between Cleco, Louisiana Public Service Commission ("LPSC" or "Commission") Staff, and other stakeholders ("the Stakeholder Meeting"), including the Union of Concerned Scientists ("UCS"). UCS submits these comments on Cleco's Data Filing, as well as the Stakeholder Meeting, as well as the Stakeholder Meeting.

Founded in 1969, UCS is a leading science-based advocacy nonprofit with more than half a million supporters nationwide, including more than 1,000 in Louisiana. We put rigorous, independent science into action, developing solutions and advocating for a healthy, safe, and just future. We welcome the opportunity to weigh in on this important resource-planning process for Cleco and its 295,000 customers, particularly as the Company is projecting major potential changes to its system in the coming years.

The lack of a formal discovery process inhibits effective engagement by stakeholders and LPSC staff.

While UCS appreciates that Cleco has responded to informal requests for information ("RFI") by intervenors, we have concerns about both the process and substance of this IRP

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[1] IRP Data Assumptions for Cleco Power LLC (Confidential Filed Under Seal), I-37765 (Louisiana Public Service Commission February 26, 2026), https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/ViewFile?fileId=1lUzqSUM%2FIM%3D

docket. The lack of formal discovery coupled with the lack of detail in the Company's Data Filing and RFI responses has added unnecessary opacity to the stakeholder process, creating an unnecessary and inappropriate barrier to effective engagement by LPSC staff ("Staff") and stakeholders. Cleco includes relatively more detail in its interim IRP report filed in Docket I-37725 in September 2025 ("Interim IRP Report"),[2] but that docket has since been merged into this one, and the Company indicated during the Stakeholder Meeting that the Interim IRP Report is no longer comprehensively relevant due to changed circumstances. With Cleco signaling that it would only be informally responding to a limited number of information requests—in contrast with a formal discovery process—stakeholders are left only with the high-level Data Filing and limited RFI clarifications, to avoid "guesswork" on which parts of the Interim IRP Report are still relevant. A formal discovery process, along with a more comprehensive Data Filing, would facilitate more constructive collaboration and stakeholder engagement, and better inform LPSC decisions in this docket.

Summary of UCS comments

While Cleco has a good start in certain areas, the Company has outlined plans to make a series of modeling assumptions that should either be clarified, revisited, or further justified as to why they would satisfy the Commission's stated objective in its IRP policy ("IRP Rule"), which is to "evaluate a comprehensive set of potential resource options, including supply-side, demand-side and economic transmission resource options, to determine a base or 'reference resource' plan that offers the most economic and reliable combination of resources satisfying the forecasted load requirements."[3]

In particular, Cleco should:

- Clarify its assumptions for evaluating Brame Energy Center capital spending.
- Improve its approach to evaluating the impact of higher natural gas prices on investment decisions and ratepayer costs.
- Analyze the impacts of MISO's planned changes to capacity accreditation.

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[2] Cleco Power LLC 2025 Interim Integrated Resource Plan Report, I-37725 (Louisiana Public Service Commission September 5, 2025), https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/ViewFile?fileId=zxo9WKfxANE%3D

[3] General Order 08-28-2024 (R-36262) Corrected, R-36262 (Louisiana Public Service Commission August 28, 2024), 08–28, https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/ViewFile?fileId=nr73epvZkGY%3D

- Remove arbitrary or unnecessary restrictions from renewable and storage assumptions.
- Analyze economic transmission options as the IRP Rule requires.
- Clarify plans for protecting existing customers from the cost and reliability impacts of data centers and other large loads.

Staff and other stakeholders need clarity on Cleco's assumptions for evaluating Brame Energy Center investments.

A key strategy Cleco plans to evaluate in this docket is further capital spending at two of its fossil fuel units at the Brame Energy Center. Specifically, Cleco indicates in its Data Filing that it will evaluate natural gas co-firing its Madison 3 petroleum coke and coal unit.[4] Additionally, while not included in the Data Filing, the Company communicated during the Stakeholder Meeting and a response to UCS's first RFI that it is also evaluating a potential conversion of the Rodemacher 2 coal unit to a gas-fired unit.[5] If Cleco decides to move forward with these projects, the investments could make up a significant part of the Company's IRP and represent significant costs that ratepayers will be expected to shoulder.

However, Cleco has not provided any detailed information on the assumptions it plans to use to evaluate this strategy. The Data Filing includes cost and other technical assumptions (e.g., heat rates) on various new-build fossil fuel technologies but does not include any such assumptions on the Madison 3 and Rodemacher 2 conversions planned for evaluation. The Company communicated that it has not yet finalized these assumptions and is not planning to publish them until October 2026 through its draft IRP report.[6]

While we recognize that some things have changed since Cleco filed its Interim IRP Report, the Company outlined a very similar repowering strategy for these two units in that report. This means that Cleco has been considering these investments since at least September of 2025 when that report was filed. Staff also asked Cleco to provide its repowering cost assumptions back in January,[7] but to UCS's knowledge the Company did not respond to that

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[4] Footnote 3 on slide 5 of Data Filing.
[5] Response to UCS RFI 1-4.
[6] Ibid.
[7] First Set of Data Requests on Behalf of the Cmmission Staff Directed to Cleco Power, LLC, I-37725 (Louisiana Public Service Commission January 28, 2025).

Staff RFI. The lack of final assumptions on these evaluations at this stage in the IRP is therefore puzzling. The omission essentially skips part of the IRP Rule's Event 1 that requires the utility to "publish the data assumptions it *intends to use*"[8] (emphasis added), depriving stakeholders from the opportunity to respond until much later in the IRP process.

Cleco should publish its assumptions on the Brame Energy Center investments in a supplemental filing as soon as it has decided how to evaluate these resource options. To the maximum extent practicable, the assumptions should be supported by publicly available data, such as from government agencies or documentation from trusted capacity expansion modeling frameworks. Additionally, the Company's assessment should account for policies that are known to be coming into effect during the modeling period, such as the North American Reliability Corporation ("NERC") winterization standards,[9] as well as the uncertainty of factors like future fuel prices and environmental policies, as the IRP Rule requires.[10] Considering the significant contributions of these units to Cleco's overall portfolio, a comprehensive accounting of these variables is necessary for stakeholders, Staff, and the Commission to have confidence that the resource plan ultimately proposed by Cleco "offers the most economic and reliable combination of resources satisfying the forecasted load requirements" as required by the IRP process.

In recent years, both Madison 3 and Rodemacher 2 have had low to negative economic value to Cleco's ratepayers. From 2023 to 2025, Madison 3 generated net revenues of -$9.1 million, and there were 21 nonconsecutive months in the same period where the unit made no revenue. Rodemacher 2, meanwhile, made -$114.9 million in net revenues, operating at a loss for 18 out of the 36 months during the same period.[11] Without comprehensive protections against uneconomic plant operations, utility customers pay for these losses, and this problem is especially pronounced in Louisiana.[12] An economic case for additional expenditure on these two units to extend their operating lives requires rigorous justification. Cleco's failure to provide its

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[8] General Order 08-28-2024 (R-36262) Corrected.

[9] Order Approving Extreme Cold Weather Reliability Standard EOP-012-3 and Directing Data Collection Re North American Electric Reliability Corporation under RD25-7. (Federal Energy Regulatory Commission September 18, 2025), https://elibrary.ferc.gov/eLibrary/filelist?accession_number=20250918-3076&optimized=false&sid=7ebdce88-458b-46a0-b5a3-2a20025f4c72

[10] See "Overview of the IRP Process" of IRP Rule linked in Footnote 3.

[11] RMI, "Economic Dispatch Dashboard - Coal Plant Operations," n.d., accessed May 29, 2026, https://utilitytransition.rmi.org/economic-dispatch-operations/

[12] Zach Zimmerman et al., *The Consumer and Environmental Costs from Uneconomically Dispatching Coal Plants in MISO* (Grid Strategies, LLC, 2024), https://gridstrategiesllc.com/wp-content/uploads/Grid-Strategies-NRDC-Uneconomic-Dispatch-Report-2024.pdf

input assumptions to stakeholders and Staff in a timely manner does not give us confidence that the necessary analysis to properly evaluate these potential investments is underway.

Cleco should improve its approach to evaluating the impact of higher gas prices on investment decisions and ratepayer costs.

The future of natural gas prices is uncertain but has experienced upward pressures from various factors including data center development and liquified natural gas exports from the United States.[13] Because gas prices have had large impacts on costs to Louisiana ratepayers[14] and can ultimately determine whether a proposed resource plan is in the best interest of ratepayers, a proper IRP process necessitates that Cleco isolate the impacts and risks to ratepayers of gas price increases by running sensitivities on all three Futures.

Cleco's Data Filing outlines a plan to evaluate three different Futures, along with sensitivities that were not specified in the filing. Futures 1 and 2 assume Cleco's internally developed "Reference" gas-price trajectory, while Future 3 assumes the Company's "High" gas-price trajectory.[15] This approach does not provide an adequate assessment of how natural gas prices influence investment decisions or how unexpectedly high gas prices might impact electricity affordability under various resource portfolios. Given Cleco's heavy reliance on gas across its portfolio, a more fulsome evaluation of ratepayer exposure to high gas price risks is essential to good decisionmaking.

Not only does Cleco seem to propose evaluating "High" gas prices in just one of its Futures (Future 3), that Future also contemplates other assumptions that differ from Futures 1 and 2. This approach essentially makes it impossible to disentangle the impact of gas prices assumptions from other variables (e.g., an extension of the federal investment tax credit included only in Future 3). The more appropriate and robust approach is to run high gas price sensitivities on each Future to provide meaningful insights into how gas prices influence model results and, ultimately, investment decisions.

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[13] Deloitte US, "US Natural Gas Market Analysis & LNG Outlook," Deloitte, October 1, 2025, https://www.deloitte.com/us/en/industries/energy/perspectives/us-natural-gas-market-analysis-lng-outlook.html

[14] Pelican Institute for Public Policy & R Street, *Protecting Louisiana Consumers from Rising Electricity Costs* (Pelican Institute for Public Policy, 2026), https://pelicanpolicy.org/wp-content/uploads/2026/03/Shock-to-the-System-Report-2026.pdf

[15] Slide 3 of Data Filing.

UCS is familiar with the modeling and computational constraints that can quickly become apparent in pursuit of understanding the impacts of many different variables individually. While any variable could theoretically be zeroed in on via sensitivities, we are concerned specifically with gas prices due to how overdependent Louisiana utilities, including Cleco, are on the fuel. About 76% of Louisiana's electricity generation is currently gas-fired.[16] While not accounting for market or contract purchases, about 84% of Cleco's electricity generation came from gas in 2025,[17] and now the Company is contemplating in this docket a further locking-in of its customers to gas resources.

Cleco customers paid $548 million in fuel charges when the price of gas spiked in 2022, a 69% increase from the year before.[18] Gas price volatility has also been a key contributor to bill increases around the country more recently,[19] such as during Winter Storm Fern,[20] and the fuel will very likely continue to exhibit this type of volatility.

To cite a recent example for comparison to Cleco's gas price forecast, Entergy Louisiana, LLC ("ELL") last month increased its 2028-2045 average Henry Hub gas price forecast by 6.28% for its three gas plants that were approved to power the Laidley, LLC data center in Richland Parish.[21] The increase puts ELL's 2028-2045 average price at $6.26 per million British thermal units (MMBtu), which is in between Cleco's equivalent for its Reference case ($5.76/MMBtu) and its High case ($6.56).[22]

To account for the uncertainty in gas prices and better understand their impacts on the Aurora buildout, Cleco should run Reference and High case sensitivities on all three Futures. After completing these sensitivities, Cleco should break out the estimated annual fuel charges that would be passed to customers in its draft IRP report. Lastly, we recommend Cleco endeavor

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[16] U.S. Energy Information Administration (EIA), "Louisiana - Analysis," August 21, 2025, https://www.eia.gov/states/LA/analysis

[17] "Cleco Corporate Holdings LLC 10-K 2025-12-31," U.S. Securities and Exchange Commission, March 27, 2026, https://www.sec.gov/ix?doc=/Archives/edgar/data/0000018672/000108981926000002/cnl-20251231.htm

[18] Audit of the Fuel Adjustment Clause of Cleco Power, LLC - Final Report, X-36644 (Louisiana Public Service Commission July 31, 2025), https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/ViewFile?fileId=2YgdLk8LLJg%3D

[19] Ryan Wiser et al., *Retail Electricity Price Trends and Drivers:* (Lawrence Berkeley National Laboratory, 2026), https://eta-publications.lbl.gov/sites/default/files/2026-03/retail_price_trends_2026_edition.pdf

[20] Michael Goggin, *Winter Storm Fern Shows the Value of Transmission and Diverse Generation* (Grid Strategies LLC, 2026), https://gridstrategiesllc.com/wp-content/uploads/Niskanen-Grid-Strategies-Fern-Report.pdf

[21] Laidley Generation and Transmission Quarterly Monitoring Report for 2026 for Entergy Louisiana, LLC (Confidential Filed Under Seal), U-37425 (Louisiana Public Service Commission May 15, 2026), https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/ViewFile?fileId=ENeczHV0S4E%3D

[22] See Excel file in response to Sierra Club's first RFI.

to analyze ratepayers' exposure to gas price spikes through its production cost modeling efforts. The Company communicated during the Stakeholder Meeting that the Company typically takes in monthly gas price values as inputs. An analysis of gas prices at a higher temporal resolution would better allow Cleco to analyze the impacts of shorter-term price spikes, such as the spike during Winter Storm Fern, on ratepayers.

Cleco should be analyzing impacts of MISO's capacity accreditation changes.

MISO is currently planning to change its capacity accreditation approach from its Seasonal Accredited Capacity ("SAC") methodology to a more probabilistic approach called Direct Loss of Load ("DLOL"), starting in the 2028/2029 planning year.[23] Because this change will be happening very early on in the IRP's 2027-2046 planning horizon, Cleco should run some sensitivities to better understand how these changes may impact modeling outcomes and the resulting identification of a reference resource plan.

Cleco communicated during the Stakeholder Meeting and an RFI response some of the challenges with modeling the DLOL approach, including limited data thus far from MISO on the planning reserve margin requirement ("PRMR") and other assumptions. The Company is planning to use current PRMR and accreditation assumptions. However, UCS is glad to hear that Cleco is "reviewing potential sensitivity assumptions based on the preliminary DLOL assumptions published by MISO,"[24] to the extent that this indicates a willingness by the Company to run DLOL sensitivities in this IRP.

As Cleco is aware, MISO has published indicative accreditation values for various resources under the DLOL methodology.[25] Roughly a month after the Stakeholder Meeting, MISO also released a straw proposal on the PRMR allocation and solicited stakeholder feedback.[26] To make the IRP process more comprehensive and anticipatory of MISO's methodological changes, Cleco should utilize MISO's existing information to best approximate

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[23] Midcontinent Independent System Operator, *Planning Year 2025-2026 Indicative Direct Loss of Load (DLOL) Results* (Mid-continent Independent System Operator (MISO), 2025), https://cdn.misoenergy.org/Indicative%20DLOL%20Results%20PY%202025-2026667100.pdf

[24] Response to UCS RFI 1-8.

[25] Midcontinent Independent System Operator, *Planning Year 2025-2026 Indicative Direct Loss of Load (DLOL) Results*.

[26] Midcontinent Independent System Operator, "RASC: PRMR Allocation Design (RASC-2019-2 and 2020-4) (20260415)," April 15, 2026, https://www.misoenergy.org/engage/stakeholder-feedback/2026/rasc-prmr-allocation-design-rasc-2019-2-and-2020-4-20260415/

the DLOL approach in some sensitivities. In such sensitivities, approximated DLOL values should be applied to all resource types, as MISO plans to implement. Using preliminary information on a methodological change that is known to be coming is better than solely relying on the existing methodology that will soon be outdated in the 2028/2029 planning year. Cleco should not be waiting until its 2029 IRP initiation to analyze these changes in long-term resource planning, particularly in light of how much discussion of accreditation changes, and their importance, was included in the Company's Interim IRP Report.

Lastly on capacity accreditation, Cleco indicated during the Stakeholder Meeting that Aurora cannot model DLOL. We recommend revisiting this assumption given that ELL has outlined plans in its ongoing IRP to base its battery storage accreditation on DLOL using the Aurora model.[27]

Cleco should remove arbitrary or unnecessary restrictions on renewable and storage technologies.

To evaluate a "comprehensive set of potential resource options" in line with the Commission's IRP Rule, Cleco must be careful not to bias the modeling outcomes with overly restrictive assumptions on the potential for certain resources to cost-effectively contribute to meeting its demand. Specifically, the Company should remove its apparent restriction of onshore wind power deployment to the "Eastern Region",[28] and allow the Aurora capacity expansion model to build, at least in sensitivities, iron-air long-duration storage.

Onshore wind appears to be the only technology that is slated for a geographic restriction in the model to a certain zone or region according to Cleco's Data Filing. The Slide 11 column titled "Onshore Wind Eastern Region" is the only column within the technology tables with that type of qualifier. First, Cleco should clarify what constitutes the "Eastern Region", as this is not explained in the Data Filing nor in the Company's response to UCS's request for clarity on the spatial resolution and various zones of the model.[29] Further, we recommend the Company either

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[27] Public Version of ELL Updated IRP Data Assumptions and ICF Presentation (Confidential Filed Under Seal), U-37764 (Louisiana Public Service Commission April 27, 2026), https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/ViewFile?fileId=BPZM2xlgkoo%3D

[28] Slide 11 of Data Filing.

[29] Response to UCS RFI 1-2.

remove this restriction or further explain in a filed response why onshore wind should not be permitted to be built in the entirety of the MISO South modeling footprint.

Cleco should also examine energy storage options with durations longer than eight hours, such as Form Energy's iron-air battery technology, which has storage durations of up to 100 hours. While the technology is still in relatively early stages, the first project is expected to become operational this year,[30] and the storage company continues to sign significant commercial agreements, such as a contract with Google earlier this year for a 30 GWh battery project in Minnesota. The company has also completed a commercial-scale manufacturing facility in West Virginia and has a commercial pipeline of more than 750 MW / 75 GWh under agreement.[31]

Because the IRP process looks 20 years into the future, and because technologies like iron-air battery storage are widely expected to be commercially available over that time, it is important that these technologies are more robustly evaluated during the IRP process. We recommend Cleco work to include iron-air storage in its modeling, as other capacity expansion frameworks like Evolved Energy Research's RIO model have done.[32] At the very least, we recommend sensitivity runs where the technology is allowed to be built in the model, in line with interested party Conservative Energy Network's recommendations.[33] Doing so will provide valuable insights into how long-duration storage availability over the coming years might impact investment decisions and, ultimately, ratepayer impacts.

Cleco must analyze economic transmission options as the IRP Rule requires.

A utility's evaluation of economic transmission options is explicitly included as one of three key components—along with supply- and demand-side options—of achieving the IRP Rule's stated objective of developing the most economic and reliable reference resource plan (IRP Rule). The IRP Rule's requirement to consider transmission options is clear, and in multiple IRP reports during the previous cycle, Staff made clear that utilities should do so.

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[30] Maeve Allsup, "Form's First 100-Hour Batteries Are Hitting the Grid," *Latitude Media*, October 29, 2025, https://www.latitudemedia.com/news/forms-first-100-hour-batteries-are-hitting-the-grid/

[31] Form Energy, "Form Energy | About," Form Energy, accessed June 3, 2026, https://formenergy.com/about/

[32] "Duration Is All You Need," Evolved Energy Research, February 19, 2026, https://evolved.ghost.io/duration-ij/

[33] Conservative Energy Network's Response to Cleco Power LLC's Initial Data Assumptions for the 2027 IRP Cycle - Docket No. I-37765, May 28, 2026.

Cleco's Data Filing makes no mention of transmission. The Company communicated in an RFI response and during the Stakeholder Meeting that it plans to address the IRP Rule's transmission-related requirements through the MISO Transmission Expansion Plan ("MTEP") process,[34] which focuses on 5 and 10-year planning horizons (MTEP25).[35] The Company does not seem to be planning to evaluate the role of transmission through its own modeling in this IRP, which has a relatively longer study period of 20 years. Informing the IRP with MISO's 20-year Long Range Transmission Planning ("LRTP") process would address this misalignment in planning horizons, but the pace of LRTP for MISO South is dictated by factors out of Cleco's control. The most straightforward and reliable way to comply with the IRP Rule's requirements is for Cleco to analyze economic transmission options through its own modeling.

In the previous IRP cycle, while Staff criticized ELL[36] and SWEPCO[37] about their lack of assessment of transmission options, Cleco was puzzlingly let off the hook following the publishing of its draft IRP, with a single sentence at the end of a paragraph in Staff's comments:

> However, Staff believes there is middle ground. The IRP Rule provides that *"At times, there may be large transmission projects that could provide access to economic generation resources, and it may be desirable to treat those projects as separate resource options in the optimization process."* In other states, IRPs include scenarios with and without major transmission projects, because the existence of a new transmission line (even if it is not a perfect substitute for generation) could change the optimal portfolio of generation resources. A good example of this is the 2021 IRP by Idaho Power. *However, as Cleco indicated that it does not have any transmission projects under way with MISO, Staff does not expect Cleco to perform such modeling for this IRP* (emphasis added).[38]

The last sentence in the paragraph is incongruent with Staff's position in their reports on ELL and SWEPCO's previous IRPs, which state that the utilities should be examining transmission options in these dockets. Further, the reasoning behind Staff's position in the

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[34] Response to UCS RFI 1-9.

[35] Midcontinent Independent System Operator, *MTEP25 Transmission Portfolio* (Midcontinent Independent System Operator, 2025), https://cdn.misoenergy.org/MTEP25%20Chapter%201%20-%20Transmission%20Planning%20Overview720401.pdf?v=20250929111625

[36] Staff Report and Recommendation Issued by Staff Attorney Justin Bello., I-36181 (Louisiana Public Service Commission October 3, 2023), https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/ViewFile?fileId=6FCIflfKHVQ%3D

[37] Staff Report and Recommendations Issued by Staff Attorney Justin Bello, I-36242 (Louisiana Public Service Commission August 27, 2024), https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/ViewFile?fileId=n1XAPW3yNMw%3D

[38] Staff Report Issued by W. Noah Hoggatt, LPSC Staff Attorney, I-36175 (Louisiana Public Service Commission February 28, 2023), https://lpscpubvalence.lpsc.louisiana.gov/portal/PSC/ViewFile?fileId=ZWth%2F6UVInE%3D

previous Cleco IRP report, referenced above, defeats the stated purpose of the IRP Rule's requirement to "evaluate a comprehensive set of potential resource options, including supply-side, demand-side and economic transmission resource options," which does not include any qualifier about whether transmission projects are already under way. The intent of the requirement on its face is to *assess* whether transmission projects *should* get under way, given a set of assumptions and projections. The reasoning above goes against the spirit of the Commission's IRP Rule as it would effectively exclude new transmission options from being considered in the IRP, instead requiring them to have been considered outside an IRP first.

Evaluation of transmission options can be done through capacity expansion models, many of which can endogenously expand transmission ties between the various model zones to get at the most cost-effective combination of new resources and transmission to meet reliability requirements.[39] Cleco stated that the Aurora model has only fixed ties between zones and does not allow for endogenous expansions of transfer capacity.[40] If this is still the case with the latest version of Aurora, we recommend Cleco consider a different or additional modeling tool, one that allows for identifying cost-effective transmission investments within the model.

Further, we recommend Staff revisit whether utilities' should be permitted to continue relying on the Aurora modeling tool if it is decidedly ill-equipped to evaluate transmission options as the IRP Rule requires.

Cleco should clarify plans for protecting existing customers from data centers and other large loads

Finally, Cleco should clarify and discuss in its draft IRP report how it intends to protect existing customers from the impacts of data centers and other large loads. We are filing these comments roughly a week after Louisiana Economic Development said in a press release that Applied Digital plans to build a data center with 300 MW of IT load within Cleco's service

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[39] Energy Systems Integration Group, *Capacity Expansion Modeling for Transmission Planning: Summary of an ESIG Workshop* (Energy Systems Integration Group, 2022), https://www.esig.energy/wp-content/uploads/2022/11/ESIG-CEM-workshop-summary-112922.pdf

[40] Response to UCS RFI 1-3.

territory.[41] The growth of data centers, which can have a wide array of power-grid impacts, is generally expected to be very significant between now and Cleco's next IRP filing in 2029.

UCS analyzed the impacts of growing data center load in Louisiana, and found that under a "high growth" scenario of about 5 GW of new data center load, the new load triggers $26 billion in additional statewide wholesale electricity costs from 2026-2041.[42] This includes billions spent on new generation capacity and a more than doubling of annual gas plant fuel costs. The impacts of these city-sized loads can be enormous, and this IRP is a good proceeding to outline a strategy for mitigating such impacts.

We therefore urge the Company to act now in this IRP to outline its strategy for preventing undue harms to its customers from this load growth. Key areas of discussion in the draft IRP should include:

- Whether the Applied Digital data center will be met with existing or new generation.
- Which of the IRP's contemplated investments are driven by a need to meet demand from new data centers or other large loads.
- How Cleco plans to evaluate demand-side resources, as required by the IRP Rule, to meet new large loads and reduce supply-side investment needs.
- How Cleco plans to avoid overbuilding its system and creating stranded asset risk arising from load overestimation.
- A general plan for avoiding cross-subsidization by Cleco's ratepayers of data center and other large customers, including fuel costs, generation capital costs, and transmission mitigations.

UCS further notes that Future 3 outlined in Cleco's summer peak load forecast is significantly higher than Futures 1 and 2, and would see a more-than-doubling of the Company's system from around 2 GW in 2027 to more than 4 GW by 2039.[43] Cleco should provide more information on the basis for its Future 3 load projections and more details on the current status of new load applications in its service territory. We are aware that

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[41] Louisiana Economic Development, "Central Louisiana Secures $3.6 Billion Applied Digital AI Factory Campus," May 26, 2026, https://www.opportunitylouisiana.gov/news/central-louisiana-secures-3-6-billion-applied-digital-ai-factory-campus

[42] Paul Arbaje et al., *Data Center Threats in Louisiana | Union of Concerned Scientists* (Union of Concerned Scientists, 2026), https://www.ucs.org/resources/data-center-threats-louisiana

[43] Slide 6 of Data Filing.

negotiations with potential new large loads are often confidential, but we are nevertheless concerned that speculative large loads could potentially lead Cleco to identify a suboptimal reference resource plan that contemplates overbuilding. Taking the lead on a large load tariff in a separate proceeding is one way to reduce the risk of speculative data center projects that are shopping around in different jurisdictions.[44] This is another area that should be discussed in the draft IRP report.

Conclusion and recommendations

In conclusion, while UCS appreciates Cleco's effort to answer informal RFIs on its Data Filing, a formal discovery process is necessary for more fulsome engagement from Staff and other stakeholders in this important resource planning process. This is particularly the case given the unusual circumstance of the Interim IRP docket being merged into this docket, the Interim IRP Report no longer being comprehensively relevant due to changed circumstances, and the lack of detail in the Data Filing. Including more detail in the Data Filing would have increased transparency, but still would not have obviated the need for a formal discovery process to allow stakeholders to get the necessary information from Cleco in a timely manner.

In summary, for the reasons described above, Cleco should:

- **Clarify its assumptions for evaluating Brame Energy Center capital spending.** Cleco is contemplating further capital spending to extend the lives of two fossil fuel units that have had low to negative economic value for ratepayers in recent years. Because this is a key strategy under consideration in this IRP, the Company should publish its assumptions in a supplemental filing as soon as it has finalized them instead of waiting for the draft IRP report in October 2026.
- **Improve its approach to evaluating the impact of higher natural gas prices on investment decisions and ratepayer costs.** A more robust evaluation requires isolating the impact of high gas prices through modeling sensitivities on each Future. After running these, Cleco should break out the estimated annual fuel charges to customers in its draft IRP report. Further, we recommend the

[44] See example of AEP Ohio's large-load tariff significantly reducing the risk of speculative loads by cutting data center pipeline from 30 GW to 5.6 GW - https://dis.puc.state.oh.us/ViewImage.aspx?CMID=A1001001A26B12B61453D00940

Company endeavor to analyze ratepayers' exposure to gas price spikes at a higher temporal resolution through its production cost modeling efforts.

- **Analyze the impacts of MISO's planned changes to capacity accreditation.** Cleco should be using MISO's existing information to best approximate the new DLOL capacity accreditation methodology slated to come into effect in the 2028/2029 planning year. In the absence of analyzing the impact of this new method through sensitivities, Cleco would be solely using existing accreditation methodology that will be out of date very early on in the 20-year study period of this IRP.
- **Remove arbitrary or unnecessary restrictions from renewable and storage assumptions.** This includes the apparent geographic restriction of onshore wind, which at the very least needs further clarification and justification. The Company should also allow the model to build, at least in sensitivities, long duration storage technologies such as iron-air storage.
- **Analyze economic transmission options as the IRP Rule requires.** Staff has made position clear in multiple IRP reports in the previous cycle that utilities should be evaluating transmission options in these proceedings. The most reliable way for Cleco to incorporate this evaluation into this docket is to conduct the modeling itself, even if that requires the use of a capacity expansion model other than Aurora. Further, we recommend Staff revisit whether utilities should be permitted to rely on Aurora if the tool is incapable of robust evaluation of transmission options as the IRP Rule requires.
- **Clarify plans for protecting existing customers from the cost and reliability impacts of data centers and other large loads**. The Company is starting to see data centers and other large loads potentially coming onto its system, which could bring significant impacts, including with respect to cost and reliability. Protecting the rest of Cleco's customers from shouldering these impacts is paramount, and the Company should provide more clarity on how it will achieve this in the draft IRP report. Among other areas listed above, Cleco should provide more information on the status of large loads proposing to locate in its service territory, and the basis for Future 3's peak load forecast.

Respectfully,



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Certificate of Service

I hereby certify that I have, on this 4th day of June 2026, served the required number of copies of the foregoing correspondence upon all other known parties of this proceeding, by USPS or electronic mail.



Paul Arbaje

Union of Concerned Scientists