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**VIA FEDEX**

Ms. Terri Bordelon  
Louisiana Public Service Commission  
Records Division  
602 N. Fifth St.  
Galvez Bldg, 12th Floor  
Baton Rouge, LA 70802  
Fax: 225-342-0877

Re: LPSC Docket No. U-37425, *Entergy Louisiana, LLC, Application for approval of generation and transmission resources in connection with service to a single customer for a project in North Louisiana*

Dear Ms. Bordelon:

Enclosed please find one (1) original and three (3) copies of the Sierra Club's Pre-Hearing Brief in the above-referenced proceeding, as well as the \$25 fee for fax filing. If you have any questions or require any additional information, please do not hesitate to contact me.

Respectfully submitted,

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Fedex

**BEFORE THE  
LOUISIANA PUBLIC SERVICE COMMISSION**

**IN RE: APPLICATION FOR APPROVAL  
OF GENERATION AND TRANSMISSION  
RESOURCES IN CONNECTION WITH  
SERVICE TO A SINGLE CUSTOMER  
FOR A PROJECT IN NORTH  
LOUISIANA.**

**DOCKET NO. U-37425**

**SIERRA CLUB'S PRE-HEARING BRIEF**

Pursuant to the Administrative Law Judge's Report of Status Conference, Sierra Club respectfully submits this Pre-Hearing Brief to the Louisiana Public Service Commission ("Commission" or "LPSC") addressing the remaining issues in dispute in as set forth in the Joint Pre-Hearing Statement.

**INTRODUCTION**

The Commission should reject the Application of Entergy Louisiana, LLC ("Entergy," "ELL", or the "Company") to build over 2 GW of generation and related transmission assets (the proposed "Projects") to serve a large data center customer ("Meta" or "Customer"). Entergy has not met its burden to show that this consequential proposal benefits its customers, considering the significant risks and uncertainties. As set for in the Direct Testimony of Sierra Club witness Devi Glick,<sup>1</sup> with the risks to Entergy's existing customers who may be required to bear a significant portion of those costs, the proposed Projects are not in the public interest.

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<sup>1</sup> Direct Testimony of Devi Glick on Behalf of Sierra Club, April 16, 2025 ("Glick Direct Testimony").

First, Entergy has not submitted credible evidence to show that its proposal would benefit its existing customers. Several lines of evidence support this conclusion. As Ms. Glick's testimony shows, the Economic Analysis submitted by Company witness Datta, when corrected, does not show economic benefits to existing customers.<sup>2</sup> The economic analysis the Company conducted to support its claim that the project will result in a net value for ratepayers is outdated, based on a single and limited scenario, omits consideration of production cost and other impacts, and over-states the future value of transferring the three gas generators to Entergy's non-data center ratepayers in 2041. When the Company's analysis is modified to assume Meta pays only its minimum bill over the term of the ESA, the net benefits from the project disappear.<sup>3</sup>

Moreover, under its proposal, Entergy is not proposing to build sufficient generation to serve the Customer. The shortfall between Meta's load and the installed capacity of the proposed gas generators is substantial, and increases when considering the need to include reserve margin for the new data center load.<sup>4</sup> Entergy will have to use existing capacity on its system, contract with an external party for capacity from an existing resource, or else build new capacity, to make up that capacity shortfall. In other words, the data center customer would receive the significant benefits of resources that it is not being asked to pay for, including any excess capacity from existing generation that the Company's existing customers have paid for. Further, a key benefit promised to existing customers—the construction of 1,500 MW of solar paid for by Meta—does not

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<sup>2</sup> Glick Direct Testimony at 23-30.

<sup>3</sup> Glick Direct Testimony at 7, 27.

<sup>4</sup> Glick Direct Testimony at 6, 45.

appear likely to materialize. The failure to build this solar would deprive existing customers of lower and more-stable energy prices, but Entergy's rebuttal testimony shows that the Company does not intend to build this solar,<sup>5</sup> meaning customers will not only face the risk of stranded assets from the gas units, but also unchecked volatility and risk in energy prices.

Second, Entergy did not consider any meaningful alternatives to the proposed Projects.<sup>6</sup> A foundational concept in prudent utility planning is the consideration of reasonable alternatives to address a purported need. But here Entergy did not consider any alternatives to the three proposed gas generators. Further, Entergy did not perform comprehensive capacity expansion modeling.<sup>7</sup> A capacity expansion analysis should have served as a critical first step in Entergy's resource planning, and underlying benchmark, for the most cost-effective new resource portfolio. This has not occurred. In addition, neither Entergy nor Meta has provided detailed information on the data center's projected demand including hourly load shape, load flexibility, and major drivers of energy consumption.<sup>8</sup> As such, not only was there no consideration at all of a different supply-side suite of resources, there has not even been the possibility to consider demand-side approaches for reaching a lower-cost suite of solutions. Simply put, Entergy has not justified its selection of the three CCCTs over alternatives—such as a portfolio with incrementally less gas and, for example, one with incrementally more solar, battery energy storage and supply-side measures—with the kind of robust modeling or alternatives

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<sup>5</sup> See Beauchamp Rebuttal Testimony at 42-43..

<sup>6</sup> Glick Direct Testimony at 7, 40-45.

<sup>7</sup> Glick Direct Testimony at 25, 30.

<sup>8</sup> Glick Direct Testimony at 9, 44-45.

analysis that is standard and expected in evaluating need and whether a project is in the public interest. Instead of ‘measuring twice before cutting,’ Entergy simply rushed to the shed and grabbed a chainsaw.

Third, some of the proposed assets in this proceeding are being allocated to all customers despite the fact that they would not be needed absent the new large customer.<sup>9</sup> These projects—such as the Mount Olive to Sarepta Transmission line—are not needed today but for the proposed data center load. Entergy has not demonstrated that the Mount Olive to Sarepta Transmission line is needed immediately but for the data center load and therefore has not justified classifying it as a System Improvement and allocating the costs to all ratepayers.

In sum, Entergy has negotiated a deal that protects its shareholders and Meta at the expense of its existing Louisiana customers. Absent significant changes that protect existing customers, as discussed below and in the Direct Testimony of Devi Glick, Sierra Club respectfully asks the Commission to reject the proposal.

#### **LIST OF CONTESTED ISSUES**

- a. Whether ELL’s proposed construction of the Planned Generators serves the public convenience and necessity and is in the public interest, and is therefore prudent, in accordance with the Commission’s 1983 General Order.<sup>10</sup>**

Sierra Club disputes that the Company’s construction of the three new combined cycle combustion turbine (“CCCT”) generators described in the Company’s Application

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<sup>9</sup> Glick Direct at 7, 9, 13, 24.

<sup>10</sup> The 1983 General Order, as amended by General Order (May 27, 2009), *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*, Docket No. R-30517.

serve the public convenience and necessity, and is in the public interest. As discussed in the testimony of Sierra Club witness Devi Glick, Entergy has not sufficiently demonstrated its claims about public benefits associated with the proposed generators.<sup>11</sup> Specifically, ELL failed to conduct any production cost analysis, failed to evaluate or disclose the costs and risks to existing customers when Meta's 15-year term expires, failed to evaluate reasonably likely scenarios where Meta extends or cancels its contract, and failed to update their analysis to address Meta's increased load forecasts.<sup>12</sup> Moreover, ELL did not justify selection of the three gas generators over alternatives, such as a portfolio with less gas and incremental solar PV and battery energy storage, with the kind of robust modeling or alternatives analysis that is standard and expected in evaluating need and whether a project is in the public interest. ELL also failed to robustly evaluate the potential for load flexibility at the new data center, grid enhancing technologies ("GETs"), or other alternative technologies to reduce system costs as it expands its system to meet new customer demand. Thus, ELL has not demonstrated that the proposed gas generators are the lowest-cost option for serving Meta's energy needs.

Given the substantial cost of the proposed gas generators and transmission investments, and the risks to Entergy's existing customers who may be required to bear a significant portion of those costs, the proposed gas plants are not in the public interest unless the application is modified to increase protections for the non-data center customers as outlined in the Direct Testimony of Devi Glick.<sup>13</sup> Specifically, the

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<sup>11</sup> See generally Direct Testimony of Devi Glick.

<sup>12</sup> *Id.* at 23-30.

<sup>13</sup> Glick Direct at 8-9.

Commission should not approve the certificate of public convenience and necessity unless:

1. The Commission also requires ELL to bring online at least 1,500 MW of standalone and paired solar PV and storage in the next five years. The solar and storage will reduce the gap between the capacity of the proposed CCCTs and the demand of the data center customer, it will reduce fuel costs for all ratepayers, and it will help Meta meet its commitment to match 100 percent of its electricity use with clean energy.
2. The Commission requires ELL to study and file with the Commission a report that evaluates how much solar and hybrid solar PV and storage is necessary to fill the gap between the data center's demand and the capacity of the proposed gas plants.
3. The Commission requires ELL to update its Economic Analysis – and file that update with the Commission – to reflect the updated customer load and should evaluate the net system impacts from the project under a number of scenarios instead of just a single view of Meta's projected load.
4. The Commission does not allow ELL to place the System Improvement costs into rate base during the near-term time when the project was not needed but for the data center load.
5. The Commission requires ELL to provide a clear study and plan – to be filed with the Commission – for how ELL is going to utilize the Mount Olive to Sarepta transmission line to the benefit of ELL ratepayers, including to facilitate the deployment of more renewables and BESS resources, before it is allowed to put the costs into rate base.
6. The Commission requires ELL to file with the Commission more information about the data center's energy demand including hourly load shape, load flexibility, and major drives of energy consumption.
7. The Commission requires ELL to study and file with the Commission a report that evaluates the potential for load flexibility at its site and the Company should study the value of load flexibility during the top 0.25, 0.5 and 1.0 percent highest load hours in the year.
8. The Commission requires ELL to study and file with the Commission a report that evaluates the role of GETs in allowing it to serve Customer load, and the rest of ratepayers, in a more economic manner.

**b. Whether the Planned Generators provide benefits to all ELL customers and are to be treated as system resources for all ELL customers.**

Sierra Club disputes that proposed generators provide benefits to all ELL customers and are to be treated as system resources for all ELL customers. As the applicant, ELL has the burden of demonstrating that the proposed CCCT's are the "lowest reasonable total cost" option as required by the Commission's rules.<sup>14</sup> As discussed in the Direct Testimony of Devi Glick,<sup>15</sup> ELL has failed to meet that burden, and therefore, the Commission should reject the Company's request to include and treat the proposed CCCTs as system resources for the benefit of all ELL customers.

**c. Whether ELL should be granted an exemption from the Commission's Market-Based Mechanisms General Order for the Planned Generators based upon the specific facts and circumstances presented in this case.**

ELL should not be granted an exemption from the Commission's Market-Based Mechanisms General Order. The MBM Order requires jurisdictional utilities to use a competitive request for proposal ("RFP") solicitation process to review all available options for adding generating capacity greater than 50 MW.<sup>16</sup> The Order includes several, narrow exceptions to the requirement to conduct a competitive RFP, none of which apply

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<sup>14</sup> General Order, "IRP Rules for Electric Utilities in Louisiana," March 21, 2012, Docket No. R-30021, Attachment A, p. 3, ¶ i; *see also* General Order (February 16, 2004), 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, Docket No. R-26172 Subdocket A, 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 and Executive Meeting; the October 29, 2008 General Order No. R26172, Subdocket C; and the October 14, 2024 General Order No. R-34247 (requiring, among other things, that any proposed exemption from the Commission's Market Based Mechanism Order be "supported both by a fully vetted Integrated Resource Plan that has been submitted to the Commission and sworn support justifying the need for the limitations.") [hereinafter, "MBM Order"]

<sup>15</sup> Glick Direct at 23-30.

<sup>16</sup> *Id.*, Attachment A at 3.

here.<sup>17</sup> The MBM Order also allows utilities to propose an alternative market-based mechanism or procedure for adding capacity, in those instances where an RFP is not in the public interest.<sup>18</sup> Such an alternative approach must be supported by a “fully vetted Integrated Resource Plan.”<sup>19</sup> As discussed in the Direct Testimony of Devi Glick,<sup>20</sup> ELL’s proposed CCCTs are not supported by a robust alternatives analysis demonstrating that they are the least cost portfolio of resources to serve demand, and the proposal is inconsistent with the Company’s most-recent Integrated Resource Plan. Consequently, ELL has failed to demonstrate that the project is eligible for an exemption to the MB Rule.

**d. Whether the variable and generation dependent expenses incurred under Long Term Service Agreements are deemed eligible for recovery through the Fuel Adjustment Clause consistent with the LPSC General Order dated November 6, 1997.**

ELL’s variable and generation dependent expenses incurred under Long Term Service Agreements are not eligible for recovery through the Fuel Adjustment Clause unless ELL demonstrates that those costs are prudently incurred.

**e. Whether ELL’s proposed construction of the Mount-Olive-to-Sarepta Transmission Facilities is in the public interest and in the interests of affected customers, and therefore prudent, in accordance with the Transmission Siting Order.**

As explained in the Direct Testimony of Devi Glick, ELL has not demonstrated that the Mount Olive to Sarepta Transmission line is needed immediately but for the data center load and therefore has not justified classifying it as a System Improvement and allocating

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<sup>17</sup> *Id.*

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> Glick Direct at 23-30, 40-41.

the costs to all ratepayers.<sup>21</sup> Specifically, ELL made no attempts as part of the analysis to quantify the potential costs and benefits of the transmission line, which is critical to understanding the net benefits of the project. ELL also failed to evaluate the opportunity costs of constructing *this* transmission line, compared to other lines that may be better poised to provide value for ratepayers by way of their location and ability to facilitate integration of new capacity and energy resources that are least cost for ratepayers.

**f. Whether there should be any conditions, reporting requirements, or review placed on the certification of the Planned Generators and/or the Mount-Olive-to-Sarepta transmission line.**

As discussed above, and in the Direct Testimony of Devi Glick, if the Commission approves the proposed project, it should impose several conditions to protect customers.<sup>22</sup>

Also as discussed in the Direct Testimony of Devi Glick, even without the Meta datacenter and proposed CCCTs, ELL has a growing need for capacity and energy.<sup>23</sup> Given growing energy demand across the country (largely as a result of increasing datacenter demand) it is becoming more difficult and expensive to procure new resources. As a result, customers face the risk that ELL will need to procure or rely on costlier resources to meet demand, which in turn increases system costs. As explained in the Direct Testimony of Devi Glick, ELL might continue to rely on its costly legacy coal resources to serve customer need. Absent action from the Commission to protect existing ratepayers, non-data center customers will be unfairly subsidizing the cost to maintain those legacy resources—resources that may not be needed at all, but for the proposed datacenter customer

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<sup>21</sup> Glick Direct at 26.

<sup>22</sup> See Contested Issue a, *supra*.

<sup>23</sup> Glick Direct at 17-21.

need at issue. Instead of extending the lives of legacy assets, ELL should focus on deploying low-cost renewable and efficient replacement resources.

If the Commission approves the proposed CCCTs, ELL should not be permitted to delay the retirement of its expensive and inefficient legacy fossil plants to support Meta's increasing load. Those legacy units should be retired as soon as possible and any ongoing investments and costs that ELL's seeks to pass on to all its customers for the sake of serving Meta's load should be limited and scrutinized by the Commission. ELL should only be allowed to delay the retirement of its legacy units with planned near-term deactivation dates if the Company has formally committed to, and is in the process of bringing online, at least the 1,500 MW of incremental solar and storage to meet data center demand.

- g. Whether the Commission should require a future certification proceeding for ELL's planned Babel to Webre transmission line and condition any such certification on increasing the minimum bill charges to Laidley to include its revenue requirement, in whole or in part, if the Commission determines in such future certification proceeding that the Babel to Webre transmission line would not be needed in 2030 but for the addition of Laidley's load.**

Sierra Club does not take a position on this issue.

- h. Whether ELL's ratepayers should be shielded from the cost of any transmission facilities necessary to serve the Customer data center beyond those facilities identified in ELL's Application and witness Beauchamp's supplemental testimony.**

Customers should be shielded from any imprudent transmission costs. As discussed in the Direct Testimony of Devi Glick, the Commission should not allow ELL to place the System Improvement costs into rate base during the near-term time when the project was not needed but for the data center load. The Commission should require a clear study and plan – to be filed with the Commission – for how ELL is going to utilize the Mount Olive to Sarepta transmission line to the benefit of ELL ratepayers, including to facilitate the

deployment of more renewables and BESS resources, before it is allowed to put the costs into rate base.

- i. Whether the Electric Service Agreement and Contribution in Aid of Construction and Capital Costs Agreement are subject to Commission approval.**

The Electric Service Agreement and Contribution in Aid of Construction and Capital Costs Agreement are subject to Commission approval.

- j. Whether the Commission should authorize ELL to implement the CSR.**

The Commission should not authorize ELL to implement the CSR without first adopting the conditions and recommendations discussed above and in the Direct Testimony of Devi Glick.

- k. Whether the CSR provisions pose a risk of harm to customers.**

The CSR provisions pose a risk of harm to customers unless the Commission adopts the conditions and recommendations discussed above and in the Direct Testimony of Devi Glick.

- l. Whether ELL may solicit, procure, certify, and designate to Customer 1,500 MW of solar and/or hybrid resources (“Initial Renewable Subscription Amount”) as proposed in the Corporate Sustainability Rider (“CSR”) and associated ratemaking treatment.**

As a condition of approval of any certificate of public convenience and necessity, ELL should be required to procure 1,500 MW of solar or hybrid resources as proposed in the CSR.

- m. Whether the provisions of the CSR adequately ensure the development of 1,500 MW of solar and/or hybrid resources.**

As discussed in the Direct Testimony of Devi Glick, the CSR does not adequately ensure the development of 1,500 MW of solar or hybrid resources. The Commission should not approve the proposed certificate of public convenience and necessity without also

*requiring* ELL to bring online at least 1,500 MW of standalone and paired solar PV and storage in the next five years. The solar and storage will reduce the gap between the capacity of the proposed CCCTs and the demand of the data center customer, it will reduce fuel costs for all ratepayers, and it will help Meta meet its commitment to match 100 percent of its electricity use with clean energy.

**n. Sierra Club takes no position on Disputed Issue n.**

**o. Whether there should be a mechanism for sharing a percentage of any positive Net Customer Margins with ELL's ratepayers.**

Sierra Club takes no position on this issue.

**CONCLUSION**

For these reasons, and as explained in the Direct Testimony of Devi Glick and the testimony of the other intervenors in this case, the Commission should reject ELL's proposed certificate of public necessity. If the Commission approves the proposed project, it should impose the following conditions, at a minimum:

1. The Commission should require ELL to bring online at least 1,500 MW of standalone and paired solar PV and storage in the next five years.
2. ELL should not be permitted to delay the retirement of its expensive and inefficient legacy fossil plants, including Nelson 6, to support Meta's increasing load. The legacy units should be retired as soon as possible and any ongoing investments and costs that ELL's seeks to pass on to all its customers for the sake of serving Meta's load should be limited and scrutinized by the Commission.
3. ELL should only be allowed to delay the retirement of its legacy units with planned near-term deactivation dates if the Company has formally committed to, and is in

the process of bringing online, at least the 1,500 MW of incremental solar and storage to meet data center demand

4. ELL should study and file with the Commission a report that evaluates how much solar and hybrid solar PV and storage is necessary to fill the gap between the data center's demand and the capacity of the three CCCTs proposed.
5. ELL should update its Economic Analysis – and file that update with the Commission – to reflect the updated customer load and should evaluate the net system impacts from the project under a number of scenarios instead of just a single view of Meta's projected load.
6. The Commission should not allow ELL to place the System Improvement costs into rate base during the near-term time when the project was not needed but for the data center load. The Commission should require a clear study and plan – to be filed with the Commission – for how ELL is going to utilize the Mount Olive to Sarepta transmission line to the benefit of ELL ratepayers, including to facilitate the deployment of more renewables and BESS resources, before it is allowed to put the costs into rate base.
7. The Commission should require ELL to file with the Commission more information about the data center's energy demand including hourly load shape, load flexibility, and major drivers of energy consumption.
8. ELL should require the customer to study and file with the Commission a report that evaluates the potential for load flexibility at its site and the Company should study the value of load flexibility during the top 0.25, 0.5 and 1.0 percent highest load hours in the year.

9. ELL should study and file with the Commission a report that evaluates the role of GETs in allowing it to serve Customer load, and the rest of ratepayers, in a more economic manner.

Respectfully submitted this 3<sup>rd</sup> day of July, 2025.



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**CERTIFICATE OF SERVICE**

I hereby certify that I have, on July 3, 2025, served copies of the foregoing pleading upon all other known parties of this proceeding by email.



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Joshua Smith  
Sierra Club