

**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

***IN RE:* APPLICATION OF ENTERGY)
LOUISIANA, LLC FOR APPROVAL TO)
CONSTRUCT WATERFORD 6 POWER)
STATION AND WESTLAKE POWER)
STATION, AND FOR COST RECOVERY)**

DOCKET NO. U-_____

DIRECT TESTIMONY

OF

PHONG D. NGUYEN

ON BEHALF OF

ENTERGY LOUISIANA, LLC

PUBLIC REDACTED VERSION

FEBRUARY 2026

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EXHIBITS

Exhibit PDN-1	List of Prior Testimony
Exhibit PDN-2 (HSPM)	IM 2024 CCCT REPORT

1 **I. INTRODUCTION AND BACKGROUND**

2 Q1. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

3 A. My name is Phong D. Nguyen. I am employed by Entergy Services, LLC (“ESL”)¹ as
4 Director, Advanced Economic Planning for the System Planning and Operations
5 (“SPO”) organization. My business address is 2107 Research Forest Drive, The
6 Woodlands, Texas 77380.

7
8 Q2. ON WHOSE BEHALF ARE YOU TESTIFYING?

9 A. I am testifying before the Louisiana Public Service Commission (“Commission”) on
10 behalf of Entergy Louisiana, LLC (“ELL” or the “Company”) in support of its
11 Application for approval to construct the Waterford 6 Power Station (“WF6”), a
12 proposed combined-cycle combustion turbine (“CCCT”) facility near Killona,
13 Louisiana, and Westlake Power Station (“Westlake”), a proposed CCCT facility in
14 Westlake, Louisiana, both of which are self-build proposals that were selected from a
15 request for proposals (“RFP”) issued in 2024 seeking certain resources for the region
16 referenced by the Midcontinent Independent System Operator, Inc. (“MISO”) as Local
17 Resource Zone 9 (“LRZ 9”) (the “2024 CCCT RFP”). For ease of reference, I refer at
18 times to WF6 and Westlake collectively in my testimony as the “Proposed Generators.”

19

1 ESL is an affiliated service company that provides engineering, planning, accounting, legal, technical, regulatory, and other administrative support services to each of the Entergy Operating Companies (“EOCs”). The EOCs are Entergy Louisiana, LLC, Entergy Arkansas, LLC, Entergy Mississippi, LLC, Entergy New Orleans, LLC, and Entergy Texas, Inc.

1 Q3. WHAT ARE YOUR RESPONSIBILITIES AS DIRECTOR, ADVANCED
2 ECONOMIC PLANNING?

3 A. I am responsible for conducting economic and financial evaluations of generation
4 supply resources for the EOCs, including ELL. In that function, I manage a staff that
5 conducts decision support analyses relating to generation supply investments, including
6 RFP economic evaluations, and analyses relating to power market conditions. I have
7 been involved in several RFPs for supply-side resources issued by the Entergy system
8 and have managed the economic evaluation process for numerous RFPs since 2009.
9

10 Q4. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL
11 BACKGROUND.

12 A. I earned a Bachelor of Science in Management with a concentration in Finance from
13 Tulane University in 1998. In 2000, I earned a Master of Business Administration
14 (“MBA”) degree from the University of New Orleans and began my employment with
15 Entergy Services, Inc. (the predecessor entity to ESL) in January 2001. Prior to
16 obtaining my MBA, I worked as a staff consultant at an accounting and consulting firm.
17

18 Q5. HAVE YOU TESTIFIED BEFORE A REGULATORY COMMISSION
19 PREVIOUSLY?

20 A. Yes, including before the LPSC. Please see Exhibit PDN-1 for a list of my prior
21 testimony.
22

1 Q6. WHAT WAS YOUR ROLE IN THE 2024 CCCT RFP?

2 A. I oversaw the RFP Administrative Team in connection with the 2024 CCCT RFP. In
3 that capacity, along with other members of the Administrative Team, I reviewed the
4 activities of the evaluation teams, reviewed evaluation results, and consolidated the
5 results of the evaluation teams into an overall recommendation.
6

7 Q7. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

8 A. My testimony supports the Application requesting certification of WF6 and Westlake
9 by providing an overview of the 2024 CCCT RFP issued by ELL and the process
10 through which the WF6 and Westlake self-build proposals were market-tested. This
11 market testing was undertaken to solicit proposals capable of addressing ELL's long-
12 term resource needs, and as a means of determining whether the Proposed Generators
13 were the best resource alternatives for ELL customers.

14 My testimony summarizes the results of the 2024 CCCT RFP evaluation,
15 addressing the criteria used to evaluate the projects bid into the RFP and the rationale
16 for selection, including both the quantitative and qualitative assessments that
17 contributed to that evaluation. Finally, my testimony addresses updated economic
18 evaluations for each of the Proposed Generators, utilizing the most current cost and
19 market assumptions.
20

21 Q8. PLEASE SUMMARIZE YOUR CONCLUSIONS.

22 A. WF6 and Westlake were the lowest reasonable cost viable resource alternatives
23 available to meet ELL customers' need for long-term efficient and reliable capacity in

1 accordance with the LPSC's Market-Based Mechanisms Order (the "MBM Order").²
2 The 2024 CCCT RFP was conducted under the oversight of an independent monitor
3 ("IM"), Merrimack Energy Group, Inc., and the results of the process support the
4 selection of WF6 and Westlake for certification.
5

6 **II. GENERAL DESCRIPTION OF 2024 CCCT RFP**

7 Q9. PLEASE DESCRIBE THE 2024 CCCT RFP.

8 A. The 2024 CCCT RFP solicited up to 2,000 megawatts ("MW") of certain new-build
9 generation providing capacity, energy and related services in LRZ 9 with individual
10 resource capacity required to be in the range of 600 MW to 800 MW (summer
11 conditions) and with an in-service date no later than January 1, 2031.³ The RFP
12 allowed for bidders to submit proposals for Purchase Power Agreements ("PPAs"),
13 Tolling Agreements, and/or Build-Own-Transfer ("BOTs") agreements. The RFP
14 further provided that certain self-build options would be market-tested—one at or near
15 the Company's existing Waterford site near Killona, Louisiana, and one at or near the
16 Company's existing Roy S. Nelson site in Westlake, Louisiana.
17

² As Company witness Patrick A. Sullivan explains in his Direct Testimony, the version of the MBM Order at issue in this Application is the version included in the General Order issued in 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*. The Commission amended the MBM Order through General Order 10-14-2024 (R-34247) (Oct. 14, 2024), issued in LPSC Docket No. R-34247, *In re: Rulemaking to consider changes to Commission General Order dated October 29, 2008 (Docket No. R-26172 Subdocket C) ("Market Based Mechanisms Order") to incorporate formal complaint procedures*, but as Mr. Sullivan explains, those amendments are inapplicable because they became effective after the 2024 CCCT RFP had been initiated.

³ The RFP provided that the Guaranteed Commercial Operation Date ("GCOD") for any PPA or Tolling Agreement was required to occur no later than January 31, 2031. The Guaranteed Substantial Completion ("GSC") date for any Build-Own-Transfer proposals was required to occur no later than December 31, 2030.

1 Q10. HOW WERE THE WF6 AND WESTLAKE FACILITIES PROCURED?

2 A. [REDACTED] were submitted in response to the 2024 CCCT RFP—[REDACTED]
3 [REDACTED]
4 [REDACTED]. Company witness Michael J. Plaisance provides additional detail
5 concerning the submissions as well as post-selection discussions and developments
6 with the bidder that submitted the proposed tolling agreement. Both WF6 and Westlake
7 were market-tested in the 2024 CCCT RFP, meaning the resources were intended to be
8 evaluated against any other proposals submitted in response to the RFP (and were, in
9 fact, evaluated against [REDACTED]). The
10 Proposed Generators were evaluated alongside [REDACTED] across
11 multiple evaluation teams. Based on the RFP evaluation, WF6 and Westlake were
12 identified as two cost-effective resources that could meet ELL's identified objectives.
13

14 Q11. PLEASE PROVIDE AN OVERVIEW OF THE ESL RFP EVALUATION PROCESS.

15 A. ESL evaluates proposals received in response to RFPs, including the 2024 CCCT RFP,
16 through various RFP Evaluation Teams, with each team having a defined focus. The
17 Economic Evaluation Team ("EET") is responsible for evaluating the economics of the
18 proposals and the economic ranking of the proposals, considering among other things
19 assessments conducted by the Viability Assessment Team ("VAT"), Accounting
20 Evaluation Team ("AET"), and the Transmission Evaluation Team ("TET").

21 In addition, the RFP evaluation process includes an RFP Administration Team
22 that is responsible for (1) ensuring that each RFP Evaluation Team has the information
23 needed to perform its analysis in a manner that is fair and impartial and will result in

1 the selection of the most viable and economic resources, and (2) facilitating the
2 evaluation of proposals by all RFP Evaluation Teams so that the evaluation process
3 resulted in the proper assessment of the economics and other relevant elements of the
4 proposals. The RFP Administration Team also ensures that bidder questions received
5 concerning the RFP are addressed, with questions and answers posted on the RFP
6 website. The RFP Administration Team also prepares a report that provides the
7 evaluation results, ranks the proposals, and makes recommendations for proposal
8 selections.

9
10 Q12. PLEASE PROVIDE AN OVERVIEW OF THE ECONOMIC ASSESSMENT OF
11 PROPOSALS IN THE 2024 CCCT RFP.

12 A. The EET was responsible for evaluating the economics of proposals received in
13 response to the 2024 CCCT RFP and, with input from the VAT, AET, and the TET,
14 the economic ranking of such proposals. The EET's economic evaluation estimated
15 the full-in economic cost and benefit to customers of each proposal evaluated, while
16 taking into account other relevant factors such as risk mitigation and reliability. As
17 discussed below, the evaluation considered the performance of proposals across a
18 number of metrics traditionally used in RFP economic evaluations, including Customer
19 Net Benefit, measured by subtracting all costs from all benefits attributable to the
20 resource over its useful life, on a present value and a dollars per kilowatt (\$/kW)-year
21 basis.

1 Q13. WHAT SAFEGUARDS WERE ESTABLISHED TO ENSURE THE 2024 CCCT RFP
2 ECONOMIC EVALUATION WAS CONDUCTED IN AN OBJECTIVE AND
3 IMPARTIAL MANNER?

4 A. Prior to receiving RFP proposals, the EET sent its economic evaluation model and
5 assumptions to, and reviewed that model and assumptions with, the IM and
6 Commission Staff. This process allowed the IM to review the input assumptions and
7 calculations within the model. After the RFP proposals were received, the IM and the
8 RFP Administrative Team reviewed each proposal and redacted certain information to
9 ensure that only the type of information needed to conduct each specific type of
10 evaluation was provided to the respective evaluation teams. The IM oversaw the
11 segregation of information from the proposals into the confidential EET report, which
12 is a compilation of confidential information provided to and utilized by the EET.

13 In addition, ESL implements a number of other procedures to ensure that
14 information provided by bidders is kept confidential and not improperly disclosed to,
15 or used by, any employee, consultant, or other ESL representative or any other Entergy
16 competitive affiliate. Each of the procedures is summarized below and is also
17 described in more detail in Appendix F of the main body to the 2024 CCCT RFP.⁴ In
18 particular, with respect to the 2024 CCCT RFP:

- 19 • All employees of ESL or any EOC were required to adhere to the Entergy
20 Affiliate Rules and Codes of Conduct, which, among other things, prohibit
21 actions that provide an unfair competitive advantage or preferential treatment

⁴ The 2024 CCCT RFP documents can be accessed at <https://rfp.entergy.com/ENTRFP/SEND/2024-CCCTRFP/Index.htm>.

- 1 to competitive affiliates and prohibit the inappropriate transfer of confidential
2 information to competitive affiliates.
- 3 • Each person participating in the evaluation of proposals was required to adhere
4 to an Evaluation Confidentiality Acknowledgment, which limits and restricts
5 the use of information.
- 6 • As explained above, ESL utilized an RFP Administrator (who was assisted by
7 the RFP Administration Team) to perform several duties, which included acting
8 as an intermediary between ESL and bidders to address issues relating to the
9 RFP and to ensure that each evaluation team had the relevant information
10 needed to perform its respective analysis and that all information was evaluated
11 on a collaborative basis to ensure that the most viable and economic resources
12 were selected.
- 13 • As referenced above, a detailed process has been developed for reviewing,
14 segregating, and evaluating proposals in order to ensure the objective and
15 impartial treatment of all bidders and appropriately preserve the confidentiality
16 of confidential information by bidders under the RFP.
- 17 • During RFP proposal evaluation, proposal information was segregated into
18 confidential reports, which were then made available to the appropriate RFP
19 Evaluation Teams. The different teams were permitted to see only those reports
20 that included information they needed in order to carry out their part of the
21 proposal evaluation.
- 22 • An IM was retained to oversee all aspects of the RFP to ensure that its design,
23 implementation, evaluation, and selection processes were impartial and

1 objective. The IM provides objective, third-party perspective on ESL's efforts
2 to ensure that all proposals are treated consistently and without undue
3 preference to any bidder.

- 4 • Self-build proposals were required to be finalized and submitted to the RFP
5 Administrator prior to receipt of third-party bids.

6 These RFP safeguards ensured the economic evaluation was performed fairly and
7 without prejudice.

8

9 Q14. PLEASE DESCRIBE THE ACCOUNTING ASSESSMENTS CONDUCTED BY
10 THE ACCOUNTING EVALUATION TEAM.

11 A. The AET reviewed each proposal to determine the accounting treatment and effects.
12 In performing the accounting assessment, the AET evaluates each proposal based on
13 both the accounting standards in effect at the time of proposal submission as well as
14 based on the accounting standards expected to be in effect during the delivery term of
15 the proposal.

16

17 Q15. PLEASE DESCRIBE THE VIABILITY ASSESSMENTS CONDUCTED BY THE
18 VIABILITY ASSESSMENT TEAM.

19 A. The VAT reviews and assesses the technical, environmental, fuel supply/
20 transportation, and commercial merits of each proposal to assess the proposal's ability
21 to meet the resource requirements identified in the RFP.

22

1 Q16. PLEASE DESCRIBE THE TRANSMISSION ASSESSMENTS CONDUCTED BY
2 THE TRANSMISSION EVALUATION TEAM.

3 A. The TET is responsible for assessing the interconnection, deliverability, and
4 transmission costs and risks associated with each proposal. The TET identifies and
5 estimates the timing, scope, and costs of transmission upgrades required to interconnect
6 and deliver the energy output of the proposed resources to the point of interconnection.
7 The TET also identifies and estimates the costs associated with interconnection,
8 deliverability, or transmission upgrades not identified and included in a bidder's
9 proposal through the MISO Definitive Planning Phase ("DPP") System Impact Study
10 and Facility Study processes.

11

12 Q17. YOU MENTIONED THE 2024 CCCT RFP WAS INDEPENDENTLY
13 MONITORED. WHO WAS THE INDEPENDENT MONITOR?

14 A. Merrimack Energy Group, Inc. served as the RFP Independent Monitor, ensuring the
15 RFP was conducted in a fair and impartial manner. The evaluation process was
16 conducted under the oversight of the IM, and all results were reviewed and discussed
17 in detail with the IM throughout the evaluation process. The Commission Staff also
18 reviewed the proposal evaluation process as well as the results, providing feedback and
19 guidance. In addition, the IM prepared a report following the conclusion of the 2024
20 CCCT RFP, a copy of which is attached hereto as Highly Sensitive Protected Materials
21 ("HSPM") Exhibit PDN-2.

22

1 **III. 2024 CCCT RFP ECONOMIC EVALUATION PROCESS**

2 Q18. WHAT COSTS AND BENEFITS WERE TAKEN INTO CONSIDERATION IN THE
3 ECONOMIC EVALUATION PROCESS?

4 A. The economic evaluation process for the 2024 CCCT RFP attempted to identify costs
5 and benefits that would materially affect customers' costs. The economic evaluation
6 utilized key inputs supplied by the bidders through the proposal submissions. For
7 acquisition proposals, bidder-supplied information included the acquisition price,
8 capacity, and fixed operations and maintenance ("FOM"). For any PPAs and tolling
9 proposals, bidder-supplied information would include the capacity charge and resource
10 capacity. Additionally, the EET modeled the variable supply cost based on bidder-
11 supplied heat rates in conjunction with gas price forecasts, emissions price forecasts,
12 and gas delivery costs provided by the fuel evaluation team. Imputed debt costs were
13 calculated for any PPA and/or tolling proposals. All proposals received by the EET,
14 regardless of type, were evaluated using consistent methods, models and assumptions
15 that were reviewed and verified by the IM to obtain the IM's concurrence.

16
17 Q19. PLEASE DESCRIBE THE ELL NET BENEFIT ANALYSIS THAT WAS
18 CONDUCTED.

19 A. The ELL Net Benefit analysis measured ELL's total cost of supplying service to ELL
20 customers with the addition of each individual proposal evaluated to the Company's
21 resource portfolio. The "Total Supply Cost Savings" associated with a particular
22 proposal is simply the difference between ELL's Total Supply Cost under a change

1 case where the proposal is included relative to the base case in which the proposal is
2 replaced with two CCCTs within the Company's portfolio.

3 The Total Supply Cost analysis relied on production cost modeling and
4 spreadsheet models to project the cost of serving customers with the addition of the
5 particular 2024 CCCT RFP proposal being evaluated to the generation portfolio. The
6 EET evaluated ELL's variable supply cost with the addition of each proposal using the
7 AURORA production cost model.⁵ The results of the AURORA modeling were then
8 included in the EET's spreadsheet model, which layered on projected capacity costs,
9 non-fuel operating costs, fuel demand cost, capacity value, and other non-fuel costs
10 associated with each proposal. Accordingly, the economic evaluation of each proposal
11 considered both fixed and variable costs, which included forecasted energy and
12 capacity values and ELL customer load payments.

13 The effect of each proposal on Total Supply Cost was evaluated over the
14 proposal term. In order to be prepared to compare proposals of different durations (*e.g.*,
15 10-year PPAs versus 30-year acquisitions) and size, the economic evaluation utilized
16 the levelized real \$/kW-year net benefit metric to normalize and compare proposals.
17 This metric has been used in prior ELL economic evaluations and is used in the industry
18 to compare and rank proposals.

⁵ AURORA is a software licensed from Energy Exemplar that is used to simulate operation of the MISO energy market to forecast wholesale power market prices. ESL has used the software for many years to assess the variable supply cost effects of adding a particular resource or set of resources to an EOC's portfolio.

1 Q20. PLEASE DESCRIBE HOW THE NATURAL GAS PRICE FORECAST WAS
2 DEVELOPED FOR USE IN THE ECONOMIC EVALUATION?

3 A. ELL uses a 30-day average of NYMEX futures gas prices for Year 1 of the forecast
4 period, as those prices tend to reflect near-term market expectations and are more
5 heavily traded. For Years 3-20 of the forecast period, ELL uses an average of
6 fundamentals-based forecasts prepared by well-recognized and independent third-party
7 consultants, which typically include IHS, Energy Ventures Analysis, PIRA, Wood
8 MacKenzie and ABB. Years 21+ reflect constant real dollars following Year 20. For
9 Year 2, ELL develops a linear interpolation between Year 1 and Year 3 as a transition
10 between NYMEX futures and the consultant average. Low and high cases are then
11 developed utilizing implied volatilities (*e.g.*, short-term energy outlook), sourced from
12 the Energy Information Agency, to create a distribution around Year 1 NYMEX prices
13 using +/- 0.5 standard deviations from the reference gas price. A linear interpolation
14 is again applied to Year 2, followed by the consultant average for Year 3 through Year
15 20, then by constant real dollars.

16 The above description addresses the forecasted commodity cost of Henry Hub
17 natural gas prices. Because NYMEX futures and the consultant forecasts do not reflect
18 the delivered cost of gas, ELL also includes adders for additional costs such as
19 transportation and taxes to arrive at a forecasted delivered-to-plant cost of natural gas.

20

21 Q21. PLEASE EXPLAIN THE CO₂ ASSUMPTIONS USED IN THE EVALUATION.

22 A. There is a probability that national carbon regulation or pricing for the power
23 generation sector will occur during the lives of the Proposed Generators. Accordingly,

1 a model evaluating the economics of a resource should not ignore that probability and
2 the associated cost; otherwise, it will produce a biased result and potentially lead to
3 suboptimal resource planning decisions that increase costs to customers. However, the
4 timing, design, and outcome of any carbon control program are evolving issues. Thus,
5 the Company models a range of potential policies and timing based on federal and
6 major state policy actions as well as potential longer-term trends and policies to limit
7 CO₂ emissions. The forecasts are based on projections supplied by ICF International.
8 ICF International is a global consulting services company that provides an array of
9 services, such as climate and resilience, across many industries. The reference CO₂
10 forecast is based on ICF's probability-weighted case and starts in 2024. For
11 sensitivities, the evaluation includes a low CO₂ scenario that assumes zero CO₂ and a
12 WF6 O&M sensitivity that assumes lower WF6 O&M due to O&M cost sharing with
13 Waterford Unit 5.

14
15 Q22. DOES THE TOTAL SUPPLY COST ANALYSIS CONSIDER THE EFFECT ON
16 LOCATIONAL MARGINAL PRICES ("LMPS") PAID BY CUSTOMERS?

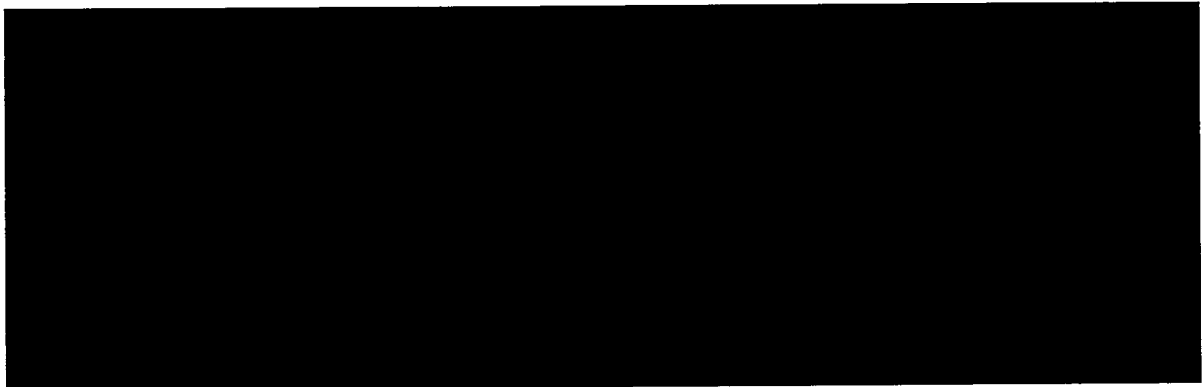
17 A. Yes. The variable supply cost component of the economic evaluation includes
18 customer load payments and the energy margins of the generation portfolio. For each
19 proposal, the economic analysis evaluated the change in load-bus LMPs and generator-
20 bus LMPs and the effect these changes have on customer costs. Thus, each proposal's
21 effect on customer LMPs was measured and included in the economic evaluation.

22

1 Q23. PLEASE SUMMARIZE THE RESULTS OF THE ECONOMIC EVALUATION
2 FROM THE 2024 CCCT RFP.

3 A. Overall, WF6 and Westlake consistently deliver the lowest Total Supply Cost and
4 greatest Customer Net Benefits to ELL customers and provide better overall economics
5 than the other proposals evaluated across numerous metrics and sensitivities evaluated.
6 The table below summarizes the RFP Net Benefit results.

7 **HSPM Table 1**



8
9
10 Q24. WHAT SENSITIVITY ANALYSES WERE PERFORMED?

11 A. The EET assessed proposals based on several sensitivities related to key drivers that
12 could impact the economic ranking of the proposals. Each proposal evaluated was
13 modeled under reference gas, reference CO2, and low/no CO2 price sensitivities as
14 well as a sensitivity scenario where the AURORA variable supply cost savings were
15 extrapolated based on an alternative methodology. In addition, the WF6 proposal was
16 evaluated utilizing an alternative in-service date as well as a scenario where operations
17 and maintenance expenses are shared amongst existing units at the Waterford site.

1 Across the range of sensitivities, the WF6 and Westlake proposals remained the top-
2 ranked proposals and were calculated to provide net benefits to customers.

3
4 Q25. WERE OTHER ECONOMIC METRICS ALSO CONSIDERED?

5 A. Yes. In addition to the levelized \$/kW-year metric, customer net benefits were
6 calculated based on a present value (NPV, 2025 real dollars) and on a \$/MWh levelized
7 real basis.

8
9 Q26. PLEASE PROVIDE ADDITIONAL DETAIL CONCERNING THE RESULTS OF
10 THE RFP ECONOMIC EVALUATION OF WESTLAKE.

11 A. Proposal 5787 (Westlake) was the highest-ranked, most economic proposal received in
12 the 2024 CCCT RFP, providing the highest customer net benefit under the reference
13 case and all sensitivities evaluated. Under reference assumptions, the customer net
14 benefit was equal to \$[REDACTED] million (NPV, 2025\$), or ~\$[REDACTED]/kW-year levelized real.

15 As one would expect, and as Company witness Nicholas D. Pressler discusses
16 in additional detail, Westlake is an efficient J-Frame CCCT resource with a relatively
17 low heat rate. The resource is expected to dispatch and produce energy at a relatively
18 high capacity factor and produce energy savings for ELL customers.

19
20 Q27. PLEASE DESCRIBE ADDITIONAL DETAIL CONCERNING THE RESULTS OF
21 THE RFP ECONOMIC EVALUATION OF WF6.

22 A. Proposal 1010 (WF6) was the second most economic proposal received in the 2024
23 CCCT RFP, providing similar but slightly lower customer net benefits than Westlake

1 under the reference and all sensitivities evaluated. Under reference assumptions, the
2 customer net benefits were estimated at \$[REDACTED] million (NPV, 2025 real dollars), or
3 approximately \$[REDACTED]/kW-year levelized real.

4 Like Westlake, WF6 is a J-Frame CCCT, and also is expected to dispatch at a
5 relatively high capacity factor and produce energy savings for ELL customers.
6

7 Q28. WAS THE THIRD-PARTY PROPOSAL FOR A TOLLING AGREEMENT FOUND
8 TO BE ECONOMICAL?

9 A. No. [REDACTED]

10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED].

14
15 **IV. UPDATED ECONOMIC ANALYSIS**

16 Q29. SINCE THE RFP SELECTION, HAVE YOU UPDATED THE ECONOMIC
17 ANALYSIS FOR EACH OF THE PROPOSED GENERATORS?

18 A. Yes. Since the RFP selection, I have updated the economic analysis to reflect the latest
19 project cost and assumptions.
20

21 Q30. PLEASE ELABORATE ON THE CHANGES.

22 A. ELL has updated its project cost and Commercial Operation Date ("COD") to reflect
23 the best and latest information. As discussed in the direct testimony of Company

1 witness Nicholas D. Pressler, the project costs have been updated to reflect updated
2 costs, including updated transmission costs and Engineering, Procurement, and
3 Construction (“EPC”) costs. The new project cost and COD for Westlake and WF6
4 are \$2,091 million (October 31, 2030) and \$2,027 million (July 31, 2030), respectively.
5

6 Q31. ARE WESTLAKE AND WF6 STILL ECONOMIC?

7 A. Yes. Even with the updated project cost, both resources are economic and show
8 positive net benefit of \$ [REDACTED] (NPV, 2025\$)] for Westlake and \$ [REDACTED]
9 (NPV, 2025\$) for WF6. The projects still would have been selected out of the 2024
10 CCCT RFP ahead of [REDACTED], and both produce positive net benefits for ELL
11 customers. Additionally, several sensitivity scenarios around property tax abatement
12 and natural gas/CO₂ prices were also performed. The abatement scenario assumes
13 lower property tax costs for the Westlake and WF6 resources, all else equal, and the
14 natural gas and CO₂ sensitivity assumes low natural gas and no CO₂ emissions costs.
15 The results of those sensitivity analyses are shown in HSPM Table 2 below and show
16 that Westlake and WF6 are expected to be economic under the different scenarios
17 modeled:

HSPM Table 2

Sensitivity Scenarios Customer Net Benefits (\$MM NPV, 2030 – 2060)

Scenario	Westlake	WF6
Reference	■	■
80% Property Tax Abatement ⁶	■	■
93% Property Tax Abatement ⁷	■	■
Low Gas, No CO ₂ ⁸	■	■

V. CONCLUSION

Q32. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

⁶ Assumes reference gas, medium CO2 commodity pricing.

⁷ Assumes reference gas, medium CO2 commodity pricing.

⁸ Assumes no property tax abatement.

AFFIDAVIT

STATE OF TEXAS

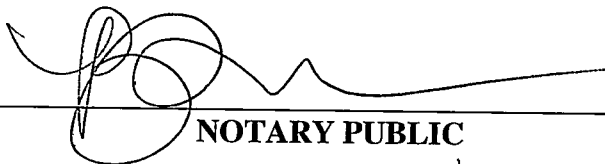
COUNTY OF MONTGOMERY

NOW BEFORE ME, the undersigned authority, personally came and appeared, **PHONG NGUYEN**, 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.


PHONG NGUYEN

SWORN TO AND SUBSCRIBED BEFORE ME
THIS 4th **DAY OF FEBRUARY 2026**


NOTARY PUBLIC

My commission expires: 08/05/2027

