entergy

Erin M. Murphy
Senior Counsel
Entergy Services, LLC
504-576-4122 | emurph6@entergy.com
639 Loyola Avenue, New Orleans, LA 70113

RECEIVED
MAR 13 2023
LA Public Service Commission

March 13, 2023

By Hand Delivery
Mr. Brandon Frey
Louisiana Public Service Commission
602 North Fifth Street
Baton Rouge, Louisiana 70802

Re: ***Ex Parte*****: Application of Entergy Louisiana, LLC for Approval of Alternative Process to Secure up to 3,000 MW of Solar Resources, Certification of those Resources, Expansion of the Geaux Green Option, Approval of a New Renewable Tariff, and Related Relief (LPSC Docket No. U-_____)**

Dear Mr. Frey:

I have enclosed, on behalf of Entergy Louisiana, LLC ("ELL" or "Company"), the original and three copies of Phase 1 of the Application for Approval of Alternative Process to Secure up to 3,000 MW of Solar Resources, Certification of those Resources, Expansion of the Geaux Green Option, Approval of a New Renewable Tariff, and Related Relief. This application is supported by the Direct Testimonies and Exhibits of Laura K. Beauchamp and Phillip R. May. Please retain the original and two copies for your files and return a date-stamped copy by-hand to our courier.

I ask that you docket this Application and proceed to any hiring necessary for Commission review. As stated in the Application, the Company requests a fifteen (15) day intervention period in this matter. If you have any questions, please do not hesitate to call me. Thank you for your courtesy and assistance.

Sincerely,

E. Murphy

Erin M. Murphy

EMM/jlc
Enclosures
cc: LPSC Commissioners (*via electronic mail*)

ROUTE TO		ROUTE FROM
DEPT. Bull	DATE 3/13	DEPT.
DEPT.	DATE	DEPT.
DEPT.	DATE	DEPT.
DEPT.	DATE	DEPT.

Paid F23-68005

BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

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

APPLICATION OF ENTERGY LOUISIANA, LLC FOR APPROVAL OF AN ALTERNATIVE PROCESS TO SECURE UP TO 3,000 MW OF SOLAR RESOURCES, CERTIFICATION OF THOSE RESOURCES, EXPANSION OF THE GEAUX GREEN OPTION, APPROVAL OF A NEW RENEWABLE TARIFF, AND RELATED RELIEF

NOW COMES Entergy Louisiana, LLC ("ELL" or the "Company"), through undersigned counsel, and respectfully submits to the Louisiana Public Service Commission ("LPSC" or "Commission") this Application, which seeks approval for an alternative market-based mechanism, in support of securing up to 3,000 megawatts ("MW") of solar resources; for certification of those resources; for a portion of those resources to be eligible for inclusion in the Company's Geaux Green Option Rider ("Rider GGO"); for a new renewable tariff; and for related relief. The Company is requesting a finding that the proposal in this docket is in the public interest, that it serves the public convenience and necessity, that the costs of investment that will occur pursuant to any Order in this docket are deemed eligible for recovery through appropriate rate mechanisms, and related regulatory relief. In support of these requests, the Company represents the following:

INTRODUCTION

I.

ELL is a limited liability company duly authorized and qualified to do business in the State of Louisiana, created and organized for the purposes, among others, of manufacturing, generating, transmitting, distributing, and selling electricity for power, lighting, heating, and other such uses.

II.

The Company has a need for additional capacity, and the long-term resource planning process has identified solar resources as an economic option to fulfill that need. Beyond meeting the Company's needs for capacity, the additional solar resources sought will serve the public interest by providing benefits to ELL's customers and the State of Louisiana for numerous reasons explained in this Application and supporting testimony.

III.

The Company is seeking up to 3,000 MW of solar capacity, and the resources that comprise that capacity will allow the Company to continue to provide reliable electric service to its customers at the lowest reasonable cost.

IV.

Each of the resources comprising the up to 3,000 MW will be constructed in Louisiana, which means that local economies will benefit from the jobs created during construction and the tax revenues generated as a result of their construction.

V.

The up to 3,000 MW sought pursuant to the proposals in this docket will help ELL's customers work toward meeting their environmental and sustainability goals. As demonstrated by the Company in other recent dockets, a growing number of ELL's large commercial and industrial ("C&I") customers have asked for assistance in aligning their electric energy consumption with such goals. In addition, the State of Louisiana is experiencing high growth in the industrial sector, with many of the prospective companies also looking for clean energy to support their own sustainability goals. ELL's ability to serve this existing and potential future load through the addition of carbon-free solar resources to its generating mix will benefit all customers, present and future, in addition to helping to secure the jobs and economic benefits realized by the State as a whole when it can attract new industry.

VI.

The demand by large C&I customers for clean energy is strong, as is evidenced by the waitlist of customers wishing to participate in ELL's Rider GGO tariff, which is an asset-based tariff that allows eligible customers to align some or all of their electricity requirements with renewable energy. Procuring additional renewable resources that can support Rider GGO – as well as ELL's proposed new renewable tariff – will enhance further ELL's ability to support and serve these existing and future customers and to help them meet their sustainability goals by allowing them to match portions of their electricity needs with the environmental benefits provided by the additional resource.

VII.

The Commission's support and approval is necessary to bring more solar resources to Louisiana, and thus, it is necessary for the State's economic development efforts. Alternatives to the traditional Commission process will help to meet the demand for clean energy in a more timely manner than is currently possible.

VIII.

The Application in this docket will be presented in two phases. This first phase of the Company's Application and supporting testimony presents the Company's need for additional solar resources, details the benefits to all customers from securing those resources, and provides an outline of the proposals that will be made in this docket. The purpose of this phase is to establish the basis for the Company's request for approval of up to 3,000 MW of additional solar resources, as well as detail the customer benefits that would result from such an addition, and also to furnish a summary of the other requests in this docket, thereby providing the Commission with notice of the forthcoming proposals. With this phase of the Application, the Company is submitting the Direct Testimonies of Phillip R. May and Laura K. Beauchamp. The purpose of the testimony of each witness is as follows:

- Phillip R. May – President and Chief Executive Officer of ELL. Mr. May provides an overview of the relief that ELL is seeking in this docket and the Application. He also discusses the expectations of customers for clean energy that is needed to help them meet their sustainability goals, as well as the economic development opportunity that is on the horizon for Louisiana and the need for clean energy to support that growth.
- Laura K. Beauchamp – Director, Resource Planning and Market Operations for ELL. Ms. Beauchamp describes ELL's need for up to 3,000 MW of additional solar resources, including the objectives that inform ELL's long-term resource planning process and the reasons why the additional resources will meet these objectives. She also discusses the benefits that these resources are expected to provide to ELL's customers and the reasons why the Company is seeking an alternative process to support their addition.

IX.

The second phase of this Application will provide specific information detailing the request for an alternative market-based mechanism to support the addition of up to 3,000 MW of solar resources; specific information to support the certification of those resources; the request for a portion of those resources to support the expansion of the portfolio supporting Rider GGO; the proposal for a new renewable tariff and the benefits that the tariff will provide to all customers; the proposed cost recovery treatment for the additional resources and for the new renewable tariff; and the Company's request for related regulatory relief.

COMPLIANCE WITH APPLICABLE COMMISSION RULES AND ORDERS AND OTHER REGULATORY APPROVALS

X.

For the reasons discussed herein, and in the Direct Testimonies of ELL's witnesses in phase one and in phase two of this Application, the requests in this docket serve the public convenience and necessity and are in the public interest, and therefore are prudent, and the additional solar resources should be certified in accordance with the Commission's 1983 General Order.[1] The up to 3,000 MW of solar additions being proposed in this docket will allow the Company to continue to fulfill its obligation to provide reliable electric service to its customers at the lowest reasonable cost, including meeting the increasing demands of customers for clean energy. As Ms. Beauchamp explains, the additional solar resources will help to meet the Company's long-term capacity needs while providing significant benefits to all of ELL's customers by providing renewable capacity that complements our existing portfolio. The

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

additional solar resources, when coupled with new and existing renewable tariffs, also provide a means for assisting ELL's customers to meet their environmental sustainability goals and, as has been discussed herein, allow Louisiana to remain competitive in its ability to attract and retain large C&I operations in Louisiana. Finally, it should be noted that each of the resources that will be procured pursuant to any Order in this docket will be constructed in Louisiana. This means that local economies will benefit from the jobs created during construction and the tax revenues generated as a result of their construction. The second phase of this Application, and the Direct Testimonies that accompany it, will provide evidence addressing the requirements of the 1983 General Order.

XI.

The MBM Order[2] augments the procedures of the 1983 General Order and generally requires a utility proposing to acquire or build new generating capacity to "employ a market-based mechanism" consisting of a Request for Proposal ("RFP") competitive solicitation process. The MBM Order also allows a utility to propose an "alternative market-based mechanism or procedure if it can demonstrate that circumstances indicate that a formal RFP would not be in the public interest." For the reasons discussed by Ms. Beauchamp, ELL will be proposing in phase two of this Application an alternative market-based mechanism for the acquisition of up to 3,000 MW of solar resources. This alternative market-based mechanism will consist of a streamlined competitive procurement process to solicit, evaluate, and select resources at the lowest reasonable cost to customers.

---

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

XII.

The Company also requests that the Commission find that a new renewable tariff that will be proposed in the second phase of this Application is in the public interest and, therefore, approve it for implementation consistent with the Tariff Filings General Order.[3] Further, the Company requests Commission approval of the cost recovery treatment associated with this new renewable tariff, as will be proposed in phase two of this Application.

XIII.

The Company is requesting approval to expand Rider GGO by including a portion of the resources deployed pursuant to an Order in this docket within the resource portfolio supporting that Rider. The Company proposes to undertake this expansion, if approved, in accordance with the terms, allocations of cost and benefits, as defined by the GGO Cost Allocation Ratio that the Commission approved in Order No. U-36190. The Company is requesting that the Commission approve the modifications to the Rider necessary to accomplish the proposed expansion, as will be discussed further in the testimonies supporting phase two of this Application.

XIV.

The Company is seeking specific approval of the terms, conditions, rights, remedies, and limitations set forth in the model purchased power agreement ("PPA") and model Build-Own-Transfer ("BOT") agreement that will be included in phase two of this Application, and confirmation that, absent any imprudence by ELL, ELL's owners, its shareholders, will not be responsible, beyond the remedies specified in the agreements, for any acts or omissions by the sellers, their employees, or contractors of any tier for any incident arising out of the work

---

[3] *See*, General Order 7/1/2019, *In re: Proceeding to Establish Rules Regarding Electric Utility Tariff Filings and Related Review, Including Site Specific Rate Filings*, Docket No. R-34738.

performed by or for the sellers under the PPAs or BOT agreements entered into by ELL. As discussed further in the testimonies supporting phase two of this Application, ELL needs confirmation from the Commission that the Company can recover from customers the costs it prudently incurs to address any such circumstances.

XV.

The Company is asking the Commission to acknowledge that it may become necessary for the Company to seek rate relief if, during the terms of PPAs that are entered into pursuant to any Order in this docket, the Company should experience adverse financial implications resulting from those PPAs. Adverse financial implications could arise from debt imputation or the recognition of long-term liabilities from the application of lease accounting to the PPAs. At this time, the Company is not asking the Commission to grant the Company rate relief to address any costs that the Company may incur as a result of the above-described debt imputation or lease accounting. The Company does, however, ask that the Commission recognize, in any Order in this docket, that the Company is entitled to rate relief as determined by the Commission to address the potential adverse effects of debt imputation or lease accounting, and to commit that the Commission will determine the form of and provide such relief in a timely manner.

XVI.

The Company also will be requesting that the costs associated with the up to 3,000 MW of additional solar resources be deemed eligible for recovery through mechanisms in place at the time the respective resources are placed into service, as will be discussed in further detail in the second phase of this Application.

REQUEST FOR TIMELY TREATMENT

XVII.

As mentioned herein, the Company's Application in this matter will be made in two parts. After the filing of phase two of the Application, the Company requests that the Commission direct or establish a Procedural Schedule in accordance with the 120-day certification period set forth in the 1983 General Order.

REQUEST FOR NOTICE

XVIII.

ELL requests that notices, correspondence, and other communications concerning this Application be directed to the following persons:

Lawrence J. Hand, Jr.
Elizabeth C. Ingram
4809 Jefferson Highway
Mail Unit L-JEF-357
Jefferson, Louisiana 70121
Telephone: (504) 840-2528
Facsimile: (504) 840-2681
lhand@entergy.com
eingram@entergy.com

W. Raley Alford, III
Alison N. Palermo
909 Poydras Street, Suite 2500
New Orleans, Louisiana 70112
Telephone: (504) 523-1580
Facsimile: (504) 524-0069
wra@stanleyreuter.com
anp@stanleyreuter.com

Erin M. Murphy
Harry M. Barton
Brett P. Fenasci
639 Loyola Avenue
Mail Unit L-ENT-26E
New Orleans, Louisiana 70113
Telephone: (504) 576-4122
Facsimile: (504) 576-5579
emurph6@entergy.com
hbarton@entergy.com
bfenasc@entergy.com

ELL requests that the foregoing persons be placed on the Official Service List for this proceeding, and respectfully requests that the Commission permit the designation of more than one person to be placed on the Official Service List for service in this proceeding.

REQUEST FOR CONFIDENTIAL TREATMENT

XIX.

Portions of the Company's evidence supporting this Application contain information considered by the Company to be proprietary and confidential. Disclosure of certain of this information may expose the Company and its customers to an unreasonable risk of harm. Therefore, in light of the commercially sensitive nature of such information, the Company has submitted two versions of each of the affected documents, one marked "Non-Confidential Redacted Version" and the other marked "Confidential Version." In anticipation of the execution of a suitable confidentiality agreement in this docket, the Confidential Versions bear the designation "Highly Sensitive Protected Materials" or words of similar import. Although the confidential information and documents included with this Application may be reviewed by appropriate representatives of the LPSC Staff and intervenors pursuant to the terms and conditions of a suitable confidentiality agreement once such an agreement has been executed in this docket, this confidential information also is being provided pursuant to, and shall be exempt from public disclosure pursuant to, the Commission's General Order dated August 31, 1992 and Rule 12.1 of the Rules of Practice and Procedure of the Commission.

PRAYER FOR RELIEF

XX.

WHEREFORE, for the foregoing reasons, Entergy Louisiana, LLC respectfully requests that, after due and lawful proceedings are held, its Application be approved. In particular, the Company requests that the Commission:

1. find that the alternative market-based mechanism proposed in this docket is in the public interest and, therefore, is consistent with the Commission's MBM Order, and/or, in the

alternative, granting any exemption to the MBM Order deemed necessary by the Commission;

2. find that the up to 3,000 MW of additional solar resources that will be procured pursuant to any Order issued in this docket serve the public convenience and necessity, are in the public interest, and are therefore prudent, in accordance with the Commission's 1983 General Order;

3. find that the proposals made by the Company in this docket have complied with, or are not in conflict with, the provisions of all applicable LPSC Orders, to the extent applicable;

4. find that the new renewable tariff proposed in this docket is in the public interest and, therefore, is approved for implementation;

5. approve the proposed cost recovery treatment associated with the new renewable tariff proposed in this docket;

6. find that a portion of the solar resources that will be procured pursuant to any Order issued in this docket are eligible for inclusion in the Rider GGO resource portfolio;

7. for the portion of the solar resources that are ultimately included in Rider GGO, find (i) that 75% of costs associated with the resources acquired through PPAs, a portion (as determined by the GGO Cost Allocation Ratio approved in Order No. U-36190) of the subscription fees generated through Rider GGO, all Midcontinent Independent System Operator, Inc. ("MISO") energy revenues for the resources included within Rider GGO, and the bill credits for Rider GGO are deemed eligible for inclusion in and recovery via the Company's Fuel Adjustment Clause; and (ii) that the estimated first year revenue requirements of owned solar resources, 25% of the costs associated with resources

acquired through PPAs, and a portion (as determined by the GGO Cost Allocation Ratio approved in Order No. U-36190) of the subscription fees generated through Rider GGO, are deemed eligible for recovery in accordance with the terms of the Company's Formula Rate Plan ("FRP") that is in place at the time the facilities are placed into service; in the alternative, if ELL does not have an FRP in place at the time the solar facilities are placed in service, grant the Company permission to defer the first year revenue requirement of the owned resources and 25% of the costs associated with resources acquired through PPAs (net of Rider GGO revenues – allocated in accordance with the GGO Cost Allocation Ratio), and establish a regulatory asset, including carrying costs at the then-effective weighted average cost of capital, until those costs can be reflected in rates;

8. find that the costs associated with the solar resources that are added to the Company's portfolio pursuant to any Order in this docket are eligible for recovery through mechanisms in place at the time that the respective resources are placed into service;
9. find that a 30-year depreciation period is appropriate for any facility that is owned by the Company and which is acquired pursuant to any Order in this docket;
10. find that the Company is entitled to seek rate relief from the Commission to address any adverse effects of debt imputation or lease accounting that result from any PPA that is entered into pursuant to any Order in this docket, at such a time as those effects arise;
11. approve the terms, conditions, rights, remedies, and limitations set forth in the model PPA and model BOT agreement that will be submitted in this docket and confirm that ELL's shareholders shall not be responsible, beyond the remedies specified in those documents, for any acts or omissions by any seller, its employees, or its contractors of

any tier in connection with seller's ownership or operation of the relevant facility, including, without limitation, seller's failure to deliver the contracted products;

12. find that the confidential testimony, exhibits, and other materials referenced in this Application shall be exempt from public disclosure pursuant to the Commission's General Order dated August 31, 1992, and Rule 12.1 of the Rules of Practice and Procedure of the Louisiana Public Service Commission;

13. direct the procedural steps necessary to facilitate, after the filing of the second phase of the Application, a Commission decision on the Company's Application consistent with the 120-day requirement in the Commission's 1983 General Order;

14. establish a fifteen-day period for interventions in this proceeding;

15. direct that notice of all matters in these proceedings be sent to Lawrence J. Hand, Jr. and Elizabeth Ingram, as well as to Erin Murphy, Harry M. Barton, Brett Fenasci, W. Raley Alford, III, and Alison Palermo as representatives of Entergy Louisiana, LLC; and

16. grant such other relief to which the Company shows itself to be entitled.

Respectfully submitted,

Erin M. Murphy, La. Bar No. 36601
Harry M. Barton, La. Bar No. 29751
Brett P. Fenasci, La. Bar No. 29858
639 Loyola Avenue
Mail Unit L-ENT-26E
New Orleans, Louisiana 70113
Telephone: (504) 576-4122
Facsimile: (504) 576-5579
emurph6@entergy.com
hbarton@entergy.com
bfensac@entergy.com

-and-

W. Raley Alford, III, La. Bar No. 27354
Alison N. Palermo, La. Bar No. 31276
STANLEY, REUTER,
THORNTON, ALFORD, L.L.C.
909 Poydras Street, Suite 2500
New Orleans, Louisiana 70112
Telephone: (504) 523-1580
Facsimile:(504) 524-0069
wra@stanleyreuter.com
anp@stanleyreuter.com

ATTORNEYS FOR
ENTERGY LOUISIANA, LLC