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By Terri Bordelon at 4:36 pm, Apr 13, 2020

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April 13, 2020

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VIA FACSIMILE AND US MAIL

Ms. Terri Lemoine Bordelon Records and Recording Division Louisiana Public Service Commission P.O. Box 91154 Baton Rouge, LA 70821-9154

Re: In Re: Rulemaking to Study Renewable Energy Tariff Options with a Focus on Bringing New Renewable Resources into Louisiana Docket Number: R-35423

Dear Ms. Bordelon:

On behalf of SLEMCO, I am enclosing an original and three (3) copies of SLEMCO's Response to Request for Information and notice of Technical Conference for filing in the record in accordance with the Commission's filing procedures. We also ask that you return a date-stamped copy to me in the enclosed, self-addressed envelope.

Also enclosed please find my firm's check in the amount of \$25.00 to cover the cost of fax filing same.

Should you have any questions, please do not hesitate to contact me. Thank you for your courtesy and assistance with this matter.

With kind regards, I am,

Very truly yours,

DAVIDSON, MEAUX, SONNIER, McELLIGOTT, FONTENOT, GIDEON & EDWARDS

THEODORE G. EDWARDS, IV

TGEIV/egb

Enclosures

cc: Service List (via e-mail)

BEFORE The

LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NO. R-35423

LOUISIANA PUBLIC SERVICE COMMISSION EX PARTE

In Re: Rulemaking to Study Renewable Energy Tariff Options with a Focus on Bringing New Renewable Resources into Louisiana.

RESPONSE TO REQUEST FOR INFORMATION AND NOTICE OF TECHNICAL CONFERENCE

- 1. Please provide your definition of a green tariff offering. SLEMCO understands green tariffs to be optional programs in regulated electricity markets offered by utilities and approved by the state's public utility commission to allow eligible consumers, generally large commercial and industrial loads, to buy bundled renewable electric energy from a specific project through a special utility rate.
- 2. Please provide your definition of a renewable energy product. How do you see this as distinctive from a green tariff? SLEMCO understands renewable energy products to refer to electricity produced by the use of renewable resources which are naturally replenished on a human timescale such as sunlight, wind, rain, tides, waves and geothermal heat. A green tariff refers to specific programs allowing for the purchase of renewable energy products.
- 3. Please describe any existing green tariff programs in other states in which you either participate as a customer or offer as a utility. Currently, SLEMCO acquires all of its required energy for resale to retail electric consumers through an existing agreement with Cleco Cajun and SLEMCO is bound by that contract through the spring of 2025. The contract does allow SLEMCO to acquire a small amount of Hydro Power from the SWPA. All power costs from CLECO Cajun and SWPA are passed through to SLEMCO consumers in accordance with tariffs filed with the Commission. SELCMO does not currently have any green tariff programs available to it.
 - a. Please indicate which customers are eligible for such a program.
 - b. Please describe any limitations on customers for participating in such a program and why (including but not limited to new vs. existing customers, total customer peak load, or utility cap).
 - c. Please describe any limitations on eligible renewable technologies including size

- 4. Please describe any other existing green tariff programs in other states that you are familiar with which you believe might provide useful context to this proceeding. SLEMCO is unaware at the present time of any other green tariff programs; however, in anticipation of a new contract for the purchase of wholesale power beginning in 2025 the company is exploring all alternatives.
 - a. Please indicate which customers are eligible for such a program.
 - b. Please describe any limitations on customers for participating in such a program and why.
 - c. Please describe any pros or cons you have perceived from said programs.
- 5. Is there a set of overarching principles that should guide the development of green tariff programs in LPSC jurisdictional areas? Please describe those principles and their importance to the development of green tariff programs. Other than to suggest that any green tariff programs should not be subsidized by utility customers ineligible to access the same, SLEMCO has no additional comments at this time.
- 6. Should any green tariff programs recommended by this proceeding be limited to certain size customers or certain customer classes? Please describe any suggested limitations and the reasons for excluding some size customers or customer classes. SLEMCO has no specific suggestions at this time.
- 7. Please suggest different types of green tariff programs that you think that the LPSC should consider for adoption in this proceeding. Include the reasons for those suggestions, the potential benefits such offerings might create and any potential limitations for those programs. To the extent that such programs have been adopted in other jurisdictions, please provide information on how those programs have operated. SLEMCO has no specific suggestions at this time.
- 8. Based on your experience as a utility, a third-party developer, a customer, or other relevant market participant, please describe the ownership and contracting options that are best suited for a green tariff program. SLEMCO has no specific suggestions at this time and has no relevant experience to rely upon.
 - a. Please describe how each option works.
 - b. Please describe strengths and weakness of each option.
 - c. Please describe implications for contract term and pricing of the different options.

- d. Please discuss whether different ownership and contracting models can co-exist within the same utility service territory.
- 9. Please discuss who should receive the renewable attributes for green tariffs and any implications that has for designing the green tariff. SLEMCO has no specific suggestions at this time.
- 10. What concerns, if any, do you have with each utility formulating its own green tariff for approval versus the Commission instituting uniform green tariff options? Rural Electric Cooperatives which are generally not in the generation or grid transmission business and who operate on a non-profit basis have different financial and operational considerations than do IOU's specifically those which own their own generation and transmission assets. As such, SLEMCO believes each utility should design its own programs subject to commission approval rather than a one size fits all approach.
- 11. What obstacles, if any, do you foresee that may prevent the creation of robust green tariff, or other renewable product options in Louisiana? Competing special interests within the fuel and renewable product industries are generally the biggest hurdles to overcome in creating optionality in this arena.
- 12. Please discuss any best practices in your experience in the pricing of green tariffs. SLEMCO has no such experience.
 - a. What standard offer fees could customers avoid?
 - b. What expected fuel cost riders and other fees could customers avoid?
 - c. What additional costs might be incurred through the administration of a green power program?
 - d. Would the pricing vary depending on the term of the contract?
- 13. Are there additional costs or benefits that green tariff projects might offer the electricity system in LA? Except as described below, none are known to SLEMCO at this time.
 - a. Do renewable energy projects potentially reduce the need for new peak load capacity? Not necessarily as some renewable products may not be subject to scheduling with the peak demand.
 - b. Does the green tariff provide extra value to the utility in terms of grid stability, reliability, and/or distribution capacity? Not necessarily for the same reasons stated immediately above.

- c. Are there any negative consequences that new renewable capacity might have on the grid? Yes to the extent that renewable capacity is over contracted for and the availability of 24 hour on demand generation is not maintained to meet system wide load requirements or the cost thereof increases unacceptably.
- 14. Should the Commission conduct annual reviews to determine the effectiveness and benefits of any green tariff programs, and how should such reviews be structured? SLEMCO has no specific suggestions at this time.
- 15. What types of educational outreach will be needed to effectively implement green tariff programs? Advertisement of availability through websites and internet social media platforms will prompt customer inquiries and promote consumer education.
- 16. How could or should green tariff, or other renewable products, be accounted for in future resource and capacity planning? SLEMCO has no specific suggestions at this time; however, we have historically experienced difficulty in utilizing the hydro component of our power supply due to independent transmission operators having difficulty in scheduling same on a timely basis.
- 17. Please comment on how renewable storage technology factors into a discussion of green tariffs. Storage Technology could positively impact scheduling difficulties and could be utilized to minimize peak demand.
- 18. What is a reasonable timeline to complete this green tariff proceeding? SLEMCO has no specific suggestions at this time.
- 19. Please provide any other information that you believe should be considered by the Commission in developing and implementing green tariff programs. SLEMCO has no specific suggestions at this time.

Respectfully submitted;

DAVIDSON, MEAUX, SONNIER, McELLIGOTT, FONTENOT, GIDEON & EDWARDS, LLP

BY:

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CERTIFICATE OF SERVICE

I, the undersigned counsel, hereby certify that a copy of the above and foregoing has been served on the persons listed on the Service List by facsimile, by hand delivery, by electronic mail, or by depositing a copy of same with the United States Postal Service, postage prepaid, and properly addressed:

Lafayette, Louisiana, this $\cancel{12}$ day of April, 2020.

THEODORE G. EDWARDS, IV

SERVICE LIST FOR R-35423 AS OF 4/13/2020

COMMISSIONERS

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