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January 31, 2024

BY HAND DELIVERY
Mr. Brandon Frey
Louisiana Public Service Commission
602 North Fifth Street
Baton Rouge, Louisiana 70802

Re: Entergy Louisiana, LLC's Notice of Exemption Regarding the Audubon Substation and Related Transmission Facilities Consistent with Louisiana Public Service Commission General Order Dated October 10, 2013 (LPSC Docket No. U-_____)

Dear Mr. Frey:

I have enclosed the original and three copies of a Non-Confidential redacted version of the Notice of Exemption of Entergy Louisiana, LLC for the Audubon Substation and Related Transmission Facilities Consistent with LPSC General Order dated October 10, 2013 ("Notice"). The Notice is supported by the Affidavits and Exhibits of Laura K. Beauchamp, Bradley D. Skok, Catherine R. Ward, and Ryan D. Jones. Please retain the original and two copies for your files and return a date-stamped copy to our courier.

I have also enclosed five copies of the Confidential Version of the referenced filing, which is being provided under seal pursuant to the provisions of the LPSC General Order dated August 31, 1992, and Rules 12.1 and 26 of the Commission's Rules of Practice and Procedure. The confidential materials included in the filing consist of competitively sensitive market information or sensitive infrastructure information, the disclosure of which may create an artificial target for suppliers/vendors or create physical security risks. For this reason, this material is confidential and commercially sensitive. The disclosure of the information contained herein would subject not only the Company, but also its customers, to a substantial risk of harm. Accordingly, it is critical that this information remain confidential.

Please retain the appropriately marked Confidential Version for your files and return a date-stamped copy to our courier. Additional copies of the Confidential Version of this filing will be provided to appropriate representatives of the LPSC Staff and made available to other interested parties once a suitable Confidentiality Agreement has been executed.

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

Sincerely,

Matthew T. Brown

Enclosures
cc: LPSC Commissioners (*public version only via electronic mail*)

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J24-72097

BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

ENTERGY LOUISIANA, LLC'S NOTICE OF EXEMPTION REGARDING THE AUDUBON SUBSTATION AND RELATED TRANSMISSION FACILITIES CONSISTENT WITH LOUISIANA PUBLIC SERVICE COMMISSION GENERAL ORDER DATED OCTOBER 10, 2013	)	**DOCKET NO. _____**

NOTICE OF EXEMPTION

OF

ENTERGY LOUISIANA, LLC

JANUARY 2024

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I. INTRODUCTION

Entergy Louisiana, LLC ("ELL" or the "Company") submits this Notice of Exemption to the Louisiana Public Service Commission ("LPSC" or the "Commission") providing notice that, consistent with the Commission's Transmission Siting Order,[1] the Company is undertaking a portfolio of transmission projects required to add a new 500/230kV Substation in Ascension Parish, Louisiana (Audubon Substation) and approximately 7.8 miles of new transmission line to connect the new substation to existing 230kV and 500kV transmission lines (the "Project," which is described in more detail below) for the primary purpose of accommodating a new clean energy complex ("Customer Complex") being developed by a new customer (the "Customer")[2] and for which the Customer has executed a binding Electric Service Agreement ("ESA") with the Company. As such, under Section VIII(6) of the Commission's Transmission Siting Order, the Project qualifies for an exemption from the requirement that the Company obtain a Certificate of Convenience and Necessity ("CCN") prior to the construction of the Project because the construction of such facilities is being undertaken by the Company for the primary purpose of accommodating the needs of a new or expanding industrial load or set of industrial loads located in Louisiana.

While a notice of exemption is not required under the Siting Order, the Company provides the Commission with such notice via this filing given the significant investment involved with the Project and the short time frame for completion of the Project to accommodate the needs of the

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1 General Order in Docket No. R-26018, *In Re: Determination as to Whether the Commission Should Issue a General Order Asserting Jurisdiction Over the Certification of Utility Transmission Projects and the Determination of Whether Those Projects Are in the Public Interest* (Oct. 13, 2013) ("Siting Order").

2 Siting Order, Section VIII(6).

Customer. The Company is not requesting that the Commission take any action in this docket.[3] Rather, this notice filing is being made to present the Commission with the facts on which the Company relies for its view that the Project is exempt from certification under the Siting Order and to afford the Commission an opportunity to inquire further about the Project details and the Company's plans if it determines it appropriate to do so.[4] In order to meet the Customer's timing needs and in light of the contractual deadlines to provide new service to the Customer's Complex, ELL intends to commence construction of the Project in April of this year.

II. QUALIFICATION FOR EXEMPTION UNDER THE TRANSMISSION SITING ORDER

The Transmission Siting Order, which was adopted in 2013, was the result of the LPSC rulemaking initiated in Docket No. R-26018. The Siting Order generally provides that any utility seeking to construct a transmission project meeting the definition of Transmission Facility must first obtain LPSC certification that the project serves the public convenience and necessity, unless it qualifies for certain enumerated exemptions. For example, Section VIII(6) of the Siting Order exempts from certification new transmission point-of-delivery facilities, including radial lines, loop flow lines, switching stations, substations, and any other transmission projects undertaken for the primary purpose of accommodating the needs of a new or expanding industrial load or set of

[3] Representatives of the Company met informally with representatives of the Commission Staff, including outside counsel and expert consultants, during the latter half of 2023 to apprise them of the status of various projects in MTEP23, including this one; in November 2023, the Company met with these representatives of Staff and apprised them of the Company's intention to submit this filing.

[4] The Company is amenable to answering reasonable discovery from the Commission Staff regarding the facts presented in this Notice of Exemption and attached affidavits.

industrial loads located in Louisiana.[5] As noted in the affidavit of Ryan D. Jones, while all components of the Project qualify for an exemption under Section VIII(6), certain individual components of the Project may also qualify under various other provisions of the Siting Order, including Sections VIII(1) (exempting new substations), VIII(5) (exempting projects needed to address violations of North American Electric Reliability Corporation ("NERC") standards), and VIII(7) (exempting projects that are in the nature of rebuilds, upgrades, or modernization or reconstruction of equipment to increase its capacity).

In October 2021, the Customer announced the construction of its new Customer Complex. As explained in this Notice and the attached affidavits, the Customer in December 2023 signed a binding ESA to take service for the Customer Complex, and the Project is necessary for the Company to be able to provide reliable electric service to the Customer Complex and undertaken primarily for that purpose. The Project includes several transmission components and a new substation designed to provide electric service to the Customer Complex. As such, the primary purpose of the Project is to accommodate the needs of the Customer's new industrial load located in Louisiana, and the Project therefore qualifies for exemption under Section VIII(6) of the Commission's Siting Order.

[5] The Commission Staff has proposed changes to the Siting Order, including modifications to the exemption at issue in this filing (exemption VIII(6)). Staff's proposal remains pending before the Commission. Docket No. R-36199, *In re: Review and Possible Modification of the Commission's General Order Dated October 10, 2013 Governing Transmission Certification and General Siting*, Initial Staff Report and Recommendation for a Revised Siting Order (filed Sept. 2, 2023).

III. CONTENTS OF FILING

The Company's Notice is supported by the following affidavits:

- Laura K. Beauchamp – Ms. Beauchamp is the Company's Director, Resource Planning and Market Operations, and is responsible for managing the planning of generation, transmission, and wholesale power activities for ELL. She provides an overview of the Company's filing, including a summary of the other affidavits. She also provides an overview of the Customer's Complex and the Company's Project required to serve the Complex. She identifies certain facts upon which the Company relies to establish that, under the terms of the Siting Order, a Certificate of Convenience and Necessity is not required for the Company's construction of the components that constitute the Project.
- Bradley D. Skok – Mr. Skok is the Manager, Transmission Planning, within the Power Delivery Planning group of Entergy Services, LLC's ("ESL") Power Delivery Organization and is responsible for the analysis and identification of new transmission facilities needed to reliably serve the Customer Complex. He explains the role of Midcontinent Independent System Operator, Inc. ("MISO") and both the Company's and MISO's analyses that identified the new transmission facilities as necessary for service to the Complex and that establish that the Project is being undertaken for the primary purpose of serving the needs of the Customer Complex.
- Catherine R. Ward – Ms. Ward is the Director, Project Management – Capital Projects in ESL's Capital Projects organization and is responsible for developing and delivering large transmission projects in areas served by the Entergy Operating Companies, including ELL. Ms. Ward discusses the Company's plan for designing

and constructing the new transmission facilities constituting the Project, along with a schedule outlining the Project's milestones. She further provides the currently estimated cost of the Project to construct the new transmission facilities, their proposed location, and a general description, maps and illustrations of the new transmission facilities.

- Ryan D. Jones – Mr. Jones is the Manager, Regulatory Affairs, for ELL. He describes the requirements of the Siting Order and how the affidavits and exhibits included with the Company's Notice provide the information that establishes that the new transmission facilities that compose the Project qualify for an exemption to the CCN requirement under the Siting Order. In addition, Mr. Jones discusses certain terms of the ESA and Reimbursement Agreement executed by the Customer for the Customer Complex that address the new revenue the Company will receive from serving the Customer Complex and recovery of the costs of the Project.

IV. DEVELOPMENT OF THE PROJECT

A. Circumstances Encouraging Industrial Development Such as the Customer's Complex

As Ms. Beauchamp explains in her Affidavit, the Customer's Complex is part of the unprecedented industrial growth ongoing in the Amite South region of the Company's service area. This projected load growth is a major driver of the transmission projects submitted by the Company to MISO in the MTEP23 process. Indeed, the Company's Project presented in this filing

has been approved by MISO as a component part of a larger East Bank project submitted to MISO in the MTEP23 process.[6]

The development of the Customer's Complex is the benefit of a unique and historic set of circumstances which have converged to give the State of Louisiana the opportunity to develop and grow its economy further and substantially. Of particular significance is the transition to clean energy. Recently enacted Inflation Reduction Act ("IRA") regulations have made it economical to produce low/zero carbon products such as hydrogen and ammonia through clean energy tax credits. The IRA tax credits were established to spur domestic investment in industrial production sectors to enable economic viability for such projects. Additionally, the Amite South region, including the area in which the Project will be developed, has characteristics that are highly attractive to customers who are evaluating locations for new industrial facilities – namely, infrastructure in terms of existing production facilities, technical and human expertise, potential off take customers, carbon sequestration reservoirs to be able to sequester the carbon, and finally access to ports to be able to export these clean products globally to address worldwide demand.

B. The Customer's Complex

As discussed in more detail by Company affiants Ms. Beauchamp and Mr. Jones, in October 2021, the Customer announced the planned construction of the Customer Complex. The Customer has requested certain levels of electric service to support the Complex. The Customer has requested permanent service to be supplied at 230 kV. Ms. Beauchamp and Mr. Jones discuss

[6] The larger project referenced was submitted to MISO, and approved, as Amite South Reliability Project – Phase 2 ("Phase 2 Project"). The Company will be addressing the balance of the Phase 2 Project as well as certain other projects that were approved in MTEP23 and that are necessary to serve the projected load growth in Amite South, in filings that are expected to be made later, as appropriate, in 2024.

in more detail the timing of the new electric service, the new revenue to be received from serving the Customer Complex, and the cost recovery for the Project.

C. Project Development

As Mr. Skok explains in his affidavit, the Company's major electrical sources in the area of the Customer Complex consist of the Waterford 500 kV, Willow Glen 500kV, Conway 230kV, and Panama 230kV substations, served by existing generation at the Waterford generation station. Existing transmission lines include the Waterford to Willow Glen 500kV, Conway to Bagatelle 230kV, and the Conway to Panama 230kV transmission lines. As currently configured, typical flows are from north to south from the existing 500kV (Waterford to Willow Glen) to existing, largely industrial, loads.

As Mr. Skok further explains, currently, the transmission system in the Amite South region in the industrial corridor between Baton Rouge and New Orleans is highly constrained, including the area on the East Bank of the Mississippi River where the Customer's Complex is to be located. The transmission system in the area is a critical path for importing power into the Amite South load pocket. Based on the Customer's demand and the planned location of the Customer's Complex, without additional transmission capability, service to the Complex will further constrain the transmission system in this area. While there have been no violations of NERC Reliability Standards identified along the area's transmission system under current system conditions, there is very little incremental capacity available to serve industrial block load additions in this area without creating such a violation. Additionally, the possible acceleration of generator deactivations in the Amite South load pocket due to environmental rule changes would further

constrain the transmission system in this corridor, as it would necessarily increase the power imports through that path.

Mr. Skok explains that, in order to determine the capability of the transmission system to provide reliable service to the Customer's Complex, an initial study was performed based on the current configuration of the system with only the Customer's Complex modeled as an incremental load at the level requested by the Customer. This study indicates that, under existing conditions, with the addition of the Customer's Complex, various transmission facilities will overload, and low voltages will occur as a result of various transmission contingency events. Based on the Company's evaluation of the overload/low voltage conditions identified, a corrective action plan – in this case, the Project – was developed to resolve the violations. The main components of the Project are the new 500/230kV Audubon Substation and approximately 7.8 miles of new transmission line connecting the new substation to existing 230kV and 500kV transmission lines and to the Customer-owned substation. Exhibit BDS-1 (Highly Sensitive Protected Materials ("HSPM")) shows the Company's existing transmission facilities and the new facilities added by the Project. Subsequent power flow analysis incorporating both the Customer Complex's incremental load and the new facilities included in the Project verified the sufficiency and efficacy of the Project to resolve the violations. The results of these studies are reflected in Exhibit BDS-2 (HSPM), which shows the estimated transmission element overload and/or low voltage condition in the initial study and the subsequent results with the Project incorporated in the study. The results reflected in Exhibit BDS-2 (HSPM) demonstrate that the Project is necessary to accommodate the electrical requirements of the Customer's Complex, and the Project is being proposed and undertaken primarily for that purpose.

MISO also has performed an independent evaluation of the assumptions and inputs modeled in the Company's studies and the results of its evaluation confirm the necessity of the Project to reliably serve the Customer's Complex. The Company's Project presented in the Company's application here was developed by ESL through the bottom-up planning process described by Mr. Skok in his affidavit, proposed to MISO, and approved, through the MTEP23 process.[7]

V. THE PROJECT IS NECESSARY FOR ELL TO RELIABLY SERVE THE CUSTOMER'S COMPLEX AND UNDERTAKEN PRIMARILY FOR THAT PURPOSE

The Project is necessary for the Company to be able to provide reliable electric service to the Customer's Complex and is being undertaken primarily for that purpose. The Project includes several transmission components and a new substation, the primary purpose of which is to provide electric service to the Customer's Complex. In her affidavit, Ms. Ward provides a detailed description of all components of the Project, which components are necessary for reliable service to the Customer's Complex. All of the new and upgraded facilities included in the Project, as described in Ms. Ward's affidavit, are necessary for ELL to provide service to the Customer's Complex and undertaken primarily for that purpose.[8]

The Company will design, procure, and construct the following Project elements that will be required for ELL to provide service to the Customer's Complex:

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[7] *See* MISO MTEP23 Appendix A – New Projects Recommended for approval, at https://cdn.misoenergy.org/MTEP23%20Appendix%20A%20-%20New%20Projects%20recommended%20for%20approval629964.xlsx, Project 401.

[8] As noted by Mr. Skok in his affidavit, based on sound and prudent utility practices incorporated in its design, the construction of the Project may also provide incremental transmission capacity to accommodate future load growth on the East Bank of the Mississippi River.

New Substation

To accommodate the needs of the Customer Complex, ELL will construct the new 500/230kV Audubon Substation in Sorrento, Louisiana, including the following elements:

- The design will be a 500kV four-breaker ring bus containing four (4) 500kV breakers and four nodes.
    - Two nodes will cut into and out of the existing Waterford – Willow Glen 500kV line.
    - Two nodes will support seven (7) 400 MVA 500kV/230kV single-phase auto transformers.
- The 230kV Switchyard design will be a seven-bay breaker-and-a-half configuration with at least fifteen (15) breakers and 15 nodes to accommodate initial buildout and future connections.
    - Two nodes in support of the two new 230kV transmission lines from the Audubon 500kV/230 kV Substation to the customer substation named Blue Stream; with the ability to expand to four nodes for future development.
    - Two nodes to cut into and out of the existing Conway – Panama 230kV transmission line.
    - Two nodes to cut into and out of the existing Bagatelle – Conway 230kV transmission line.
    - One node in support of a 60 MVAR capacitor bank.
    - Provisions to accommodate six (6) future nodes.

Substation Upgrades

To accommodate the needs of the Customer Complex, ELL will need to construct upgrades at the following substations:

- Waterford 500kV Substation – Replace existing line relaying and settings;
- Willow Glen 500kV Substation – Replace existing line relaying and settings;
- Conway 230kV Substation – Replace two (2) breakers and existing line relaying and settings;

- Panama 230kV Substation – Replace two (2) breakers and existing line relaying and settings;
- Bagatelle 230kV Substation – Replace existing line relaying and settings; and
- Sunshine 230kV Substation – Replace four (4) breakers and existing breaker relaying and settings.

Transmission Line Additions and Upgrades

To serve the Customer Complex, ELL will install cut-ins of the following existing transmission lines into the new Audubon Substation:

- Waterford to Willow Glen 500kV transmission line (the addition of approximately 2.0 miles of new 500kV transmission line)
  - Build 1.0 mile of 500kV line on single-circuit structures from Audubon Substation to Waterford Substation
  - Build 1.0 mile of 500kV line on single-circuit structures from Audubon Substation to Willow Glen Substation
- Conway to Panama 230kV transmission line (the addition of 1.4 miles of new 230kV transmission line)
  - Build 0.7 miles of single-circuit 230kV line from Conway Substation to Audubon Substation (#1)
  - Build 0.7 miles of single-circuit 230kV line from Panama Substation to Audubon Substation
- Conway to Bagatelle 230kV transmission line (the addition of 1.6 miles of new 230kV transmission line)
  - Build 0.9 miles of single-circuit 230kV line from Bagatelle Substation to Audubon Substation
  - Build 0.7 miles of single-circuit 230kV line from Conway Substation to Audubon Substation (#2)
- Audubon Substation to the Customer Complex (the addition of approximately 2.8 miles of new 230kV transmission line)

- Build 1.4 miles of single-circuit 230kV line from Audubon Substation to Customer station #1

- Build 1.4 miles of single-circuit 230kV line from Audubon Substation to Customer station #2

To accommodate the needs of the Customer Complex, ELL will also need to perform the following transmission line upgrades:

- Reconductor two spans on the Point Pleasant to Willow Glen transmission line to increase ampacity to 1,607 amps; and

- Reconductor two spans on the Willow Glen to Wise transmission line to increase ampacity to 1,607 amps.

The substation structures and overhead transmission lines will be built to 150-mph wind loadings, and the substation pad will be built above base flood elevation.

Distribution Upgrades

To serve the Customer Complex, ELL will perform distribution relocations near the 230kV cut-ins and install new distribution circuit to feed station service requirements.

VI. LOCATION AND MAPPING OF THE PROJECT

As illustrative exhibits to her Affidavit, Ms. Ward provides the following:

- Exhibit CRW-1 (HSPM): A map detailing the routing and location of the Project facilities;
- Exhibit CRW-2: A scoping diagram of the Project facilities;
- Exhibit CRW-3: Diagrams of the standard typical pole sections for construction of the transmission lines; and
- Exhibit CRW-4: One-line diagrams of the Audubon Substation.

The location and siting presented in these exhibits are subject to change during the course of project development.

VII. PROJECT SCHEDULE

Ms. Ward discusses the Project Schedule in her affidavit. The Company anticipates using existing rights-of-way ("ROW") where possible. However, as described in Ms. Ward's affidavit, the Company anticipates it will need to acquire additional ROW for the Audubon Substation site (including required access), the 500kV transmission lines, the new 230kV transmission lines, and for new distribution lines.

VIII. PROJECT COSTS

The estimated cost to complete the Project is $209.1 million. An itemized estimate of project costs is included as Exhibit CRW-5 (HSPM) to Ms. Ward's Affidavit. At this time, funding for the Project is expected to come from the operating funds of the Company.

IX. NEW REVENUE FROM SERVING THE CUSTOMER COMPLEX AND RECOVERY OF PROJECT COSTS

As noted above, the Customer signed an ESA with ELL in December 2023. Additionally, as Mr. Jones explains in his affidavit, the Customer executed a long lead Reimbursement Agreement ("RA") with ELL in July 2023.

Mr. Jones discusses the new revenue to be received from serving the Customer Complex and the effects of such revenue on the costs of the Project incurred by ELL's customers. The Company is not proposing any other specific recovery of the Project costs or revenue requirement outside of the normal course of ratemaking. In other words, if the Company's Formula Rate Plan ("FRP") is still effective at the time that the Project is placed in service, the Company would recover the revenue requirement of the Project through the normal FRP recovery mechanisms. If

no FRP is in effect at the time that the Project is placed in service, then it would be treated as a base rate item for purposes of cost recovery.

Mr. Jones discusses the interplay of the revenues received under the ESA and the retail revenue requirement for the Project. He also discusses the transmission wholesale revenues that the Company expects to receive for the Project and how those revenues will be offset against the revenue requirement for the Project.

X. REQUEST FOR CONFIDENTIAL TREATMENT

Portions of the supporting Affidavits and exhibits contain information considered by the Company to be proprietary and confidential. Disclosure of certain portions of this information may expose the Company and its customers to an unreasonable risk of harm, including creating an artificial target for suppliers/vendors or creating physical security risks. Therefore, in light of the nature of such information, which includes commercially or competitively sensitive market information and sensitive infrastructure information, the Company has submitted two versions of the Affidavits of Ms. Ward and Mr. Skok, one marked "Public Redacted Version" and the confidential version marked "Highly Sensitive Protected Materials." 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 Notice may be reviewed by appropriate representatives of the LPSC Staff and interested parties 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 Louisiana Public Service Commission.

XI. CONCLUSION

As noted above, while a notice of exemption is not required under the Siting Order, the Company provides the Commission with such notice via this filing given the significant investment involved with the Project and the short time frame for completion of the Project to satisfy the needs of the Customer. In order to meet the Customer's timing needs and in light of the contractual deadlines to provide new service to the Customer's Complex, ELL intends to commence construction of the Project in April of this year.

Respectfully submitted,

By:_____

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