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June 30, 2023

RECEIVED

JUN 30 2023

LA Public Service Commission

VIA UPS DELIVERY

Ms. Terri Lemoine Bordelon
Records and Recording Division
Louisiana Public Service Commission
602 North Fifth Street
Baton Rouge, Louisiana 70802

**Re: *In Re*: 2023 Reports of Entergy Louisiana, LLC as Required by LPSC
Order No. U-34447 (LPSC Docket No. X-_____)**

Dear Ms. Bordelon:

Enclosed are an original and three copies of the Public Redacted Version Third Annual Report of Entergy Louisiana, LLC (“ELL”) Regarding its Continued Membership in the Midcontinent Independent System Operator, Inc. Please retain the original and two copies for your records and return a date-stamped copy in the self-addressed stamped return envelope.

ELL is making this compliance filing pursuant to the terms of LPSC Order No. U-34447 (ELL MISO Renewal). Also pursuant to that Order, ELL is serving a copy of the filing on the service list of Docket No. U-34447.

The report contains information that is designated Highly Sensitive Protected Materials (“HSPM”), which is being provided to you 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 Practices and Procedures, as well as the Confidentiality Agreement executed in LPSC Docket No. U-34447.

The HSPM material is being produced only to the appropriate Reviewing Representatives who executed a confidentiality agreement in Docket No. U-34447. I have also enclosed five copies of HSPM materials. Please retain the HSPM materials for your files and return a date-stamped copy in the self-addressed stamped return envelope. Any additional copies of the Highly Sensitive Protected Materials will be made available to appropriate reviewing representatives upon receipt of an executed copy of a suitable Confidentiality Agreement and/or Non-Disclosure Certificate adopted in this matter.

Please do not hesitate to contact me should you have any questions, or if I otherwise may be of assistance to you in connection with this filing.

Respectfully submitted,

Harry M. Barton

HMB/lp

Enclosures

cc: Official Service List, Docket No. U-34447 (via electronic mail)

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BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

IN RE: 2023 REPORTS OF)
ENTERGY LOUISIANA, LLC AS) **DOCKET NO. X-_____**
REQUIRED BY ORDER NO. U-34447)

**THIRD ANNUAL REPORT OF ENTERGY LOUISIANA, LLC
REGARDING ITS CONTINUED MEMBERSHIP IN THE
MIDCONTINENT INDEPENDENT SYSTEM OPERATOR, INC.**

Entergy Louisiana, LLC (“ELL”), through undersigned counsel, hereby submits to the Louisiana Public Service Commission (“LPSC” or “Commission”) this Third Annual Report regarding ELL’s continued membership in the Midcontinent Independent System Operator, Inc. (“MISO”), as required by LPSC Order No. U-34447,¹ and more particularly, as required by Section II(B) of the Monitoring Plan (Corrected) filed on November 30, 2020, pursuant to the directives of that Order, which provides as follows: “For each year that the Monitoring Plan is in place, ELL shall file an Annual Report with the initial one to be filed on June 30, 2021. Subsequent Annual Reports shall be filed on the last business day of June in each succeeding year. That Annual Report shall contain the following items and information [listed below].”

1. **An annual cost/benefit analysis that compares an estimate of ELL costs in MISO in the previous calendar year to an estimate of ELL costs had ELL not joined an RTO and, instead, operated as a standalone Balancing Authority in the previous calendar year. The cost estimates shall include:**
 - a) **Energy-related costs corresponding to the production, purchase, and sale of energy;**
 - b) **Capacity-related costs corresponding to long-term planning reserve requirements; and**
 - c) **Administrative charges.**

¹ LPSC Docket No. U-34447, *In re: Application Regarding Continued Participation in the Midcontinent Independent System Operator, Inc. Regional Transmission Organization*, dated July 1, 2020.

ELL Response:

ELL estimates that participation in MISO in 2022 was approximately \$73 million less costly than operations would have been had ELL not participated in MISO and instead operated as a standalone Balancing Authority (“BA”). The \$73 million estimate is comprised of three main components:

- a) Lower energy-related costs from MISO participation compared to standalone BA operations of roughly \$51 million.
- b) Lower capacity-related costs from MISO participation compared to standalone BA operations of roughly \$40 million.
- c) Higher administrative costs from MISO participation compared to standalone BA operations of roughly \$18 million.

See Attachment 1 titled “MISO Historical Benefits Calculation – Results of 2022 ELL Analysis” for additional information related to this cost comparison.

2. **A comparison of how ELL's capacity, energy and transmission costs (revenues and expenses) have changed in the most recent calendar year as compared to each of the previous three calendar years.**

ELL Response:

See Attachment 2 titled “Capacity Energy and Transmission Costs.”

3. **The costs referred to in Section II.B.2. above shall include changes to:**
 - a) **ELL's total MISO Revenue Sufficiency Guarantee ("RSG") costs and revenues (with costs and revenues provided by RSG category including Voltage and Local Reliability ("VLR")) and any other RSG category (to the extent that this detail is provided in ELL's MISO settlement statements);**
 - b) **MISO Planning Reserve Margins applicable to ELL;**
 - c) **Local Resource Zone ("LRZ") 9 Capacity Import and Export Limits; and**
 - d) **Local Clearing Requirements.**

ELL Response:

- a) See Attachment 3 titled “RSG Charges” for a summary of ELL’s Revenue Sufficiency Guarantee (“RSG”) charges and Make Whole Payments for the period requested. Positive numbers reflect amounts paid to MISO, and negative numbers reflect amounts received from MISO.
- b) – d) See the table below regarding the MISO Planning Reserve Margin (“PRM”), Capacity Import Limit (“CIL”), Capacity Export Limit (“CEL”), and Local Clearing Requirement (“LCR”) for the MISO 2020-21, 2021-22, and 2022-23 Planning Years.

| | 2020-2021 | 2021-2022 | 2022-2023 |
|------------|-----------|-----------|-----------|
| PRM | 8.9% | 9.4% | 8.7% |
| CIL | 3,410.0 | 4,096 | 4,194 |
| CEL | 1,918.0 | 1,978 | 1,508 |
| LCR | 20,893.7 | 19,404.2 | 20,157.3 |

See also the highly sensitive Attachment 6 provided in response to Question 15 titled “ELL 2022-2023 Auction Results” for more detailed information regarding ELL’s participation in the 2022-23 Planning Resource Auction (“PRA”).

4. Identification of the causes for the changes in the capacity, energy and transmission costs and to what extent those changes can be attributed to MISO.

ELL Response:

For capacity, two primary changes since the 2021-2022 PRA could have affected the PRA results:

1. LMR RAN Filing (ER20-1846)
 - FERC accepted a Tariff filing on August 2020, effective this PRA, proposing enhancements to Load Modifying Resources (LMR) accreditation to help ensure increased availability during emergency conditions. This did not result in a significant difference in accreditation in this year’s auction.

2. Ongoing Fleet Change

- The auction results reflect the industry's ongoing shift away from coal-fired generation and increasing reliance on gas-fired resources and renewables, as well as other trends discussed in the MISO Forward report.

For energy, costs are impacted by the amount of purchases, sales, uplift payments, and other regular activities in the MISO market. For transmission-related charges (expenses), the variance between the average charges for 2019-2021 and 2022 are primarily due to no Attachment BB filings in 2022 and increases in Schedule 9 (Network Customer Transmission Expenses) and Schedule 26 (Network Upgrade Charge from MISO Transmission Expansion Plan ("MTEP")), which details are outlined in Attachment 2.

5. **Discussion of going forward changes expected within MISO that are anticipated to materially affect ELL's forward capacity, energy and transmission costs.**

ELL Response:

For capacity costs, below changes within MISO may affect PRA prices:

1. Ongoing Fleet Change

- The PRA results reflect the industry's ongoing shift away from coal-fired generation and increasing reliance on gas-fired resources and renewables, as well as other trends discussed in the MISO Forward report.

In addition to the above, FERC approved a MISO filing regarding the implementation of a seasonal resource adequacy construct which was implemented for the 23/24 PY. This has resulted in separate PRAs for each of the four seasons of the year and includes modifications to the way MISO develops the PRM, PRA design, capacity accreditation, must offer requirements, and treatment of planned outages. ELL is in the process of adapting future resource planning efforts to align with the seasonal construct and accreditation changes implemented by MISO.

For energy costs, one change within MISO may affect prices:

1. Scarcity Pricing and Value of Lost Load (“VOLL”)

- In 2023, MISO will be focusing on short-term enhancements, including the review and potential adjustments of pricing and cost allocation during emergency events, Transmission Constraint Demand Curves (TCDCs), Value of Lost Load (VOLL), and Operating Reserve Demand Curve (ORDC). MISO will also develop a comprehensive roadmap on a long-term vision for scarcity pricing. Impact on ELL customers is currently not quantified as MISO is still laying out the framework for discussions.

The transmission projects planned and proposed by ELL are posted on the Company’s OASIS page² and are generally updated on a monthly basis. The posted reports include the status of the projects in the MTEP process.

On July 25, 2022, the Tranche 1 Long Range Transmission Plan (“LRTP”) projects were approved following FERC’s approval of MISO’s Sub-regional Cost Allocation. On December 8, 2022, the MISO Board of Directors approved the MTEP22, Appendix A projects submitted by Transmission Owners, which contained 12 ELL transmission projects.

MTEP23 - For future transmission costs, ELL proposed 31 new projects at an estimated cost of \$2.7 billion for MTEP23 Target A, which is higher than ELL’s MTEP22. The drivers for these projects include reliability, resiliency, asset management (infrastructure improvements), and load growth. MISO’s presentations on these projects and other projects in MISO South are posted with the June 8, 2023 meeting materials.³ At this meeting, ongoing Generator Interconnection studies were also reviewed. As with MTEP22, there will be no formal Market Congestion Planning Study as part of MTEP23.

Long Range Transmission Plan (“LRTP”) - MISO is currently working on developing a more granular approach to cost allocation for LRTP than the postage stamp allocation that was

² http://www.oasis.oati.com/EES/EESdocs/Construction_Plan.htm.

³ <https://cdn.misoenergy.org/20230608%20SSPM2%20Item%2003c-1%20Louisiana%20Proposed%20Projects629149.pdf>.

approved by FERC for Tranche 1 projects, which will also be applied to Tranche 2, both of which focus on MISO North and Central Subregions. MISO has worked through the Regional Expansion Criteria and Benefits Working Group (“RECB WG”) to develop hypothesis to test relative to the appropriateness of more granular approaches to the allocation of project costs that reflect the anticipated range of benefits of such projects, and the results of their work are shared with stakeholders at the RECB WG. The most recent update was presented at the March 7, 2023 RECB WG.⁴ This item is expected to be discussed at the next meeting of the RECB, scheduled for July 18, 2023. In addition, state regulators are also exploring potential cost allocation solutions for future LRTP tranches in the Organization of MISO States (“OMS”) Cost Allocation Principles Committee (“CAPCOM”) forum. The next CAPCOM meeting is scheduled for June 26, 2023.

Joint Targeted Interconnection Queue (“JTIQ”) Study - Through a joint planning process, MISO and SPP developed this study to address issues relating to interconnecting new generation near the seam of the two RTOs. Following the identification of potential projects, two of which were also identified in LRTP Tranche 1, MISO and SPP worked through a joint stakeholder process to develop criteria and cost allocation for a new project type, JTIQ Projects, generally modeled after MISO’s existing Generator Interconnection Procedures. MISO and SPP have begun to draft associated tariff provisions for a filing targeted this fall, and feedback is being solicited from MISO stakeholders through the RECB WG and the Planning Advisory Committee (“PAC”), as the RTOs continue to work together to develop the necessary details to address current gaps in the proposed implementation of this new project type.

⁴ <https://cdn.misoenergy.org/20230307%20RECBWG%20Item%2003%20Granular%20Cost%20Allocation%20Presentation628099.pdf>.

The most recent update and associated tariff provisions were presented to the RECB WG on May 30, 2023⁵ and to the PAC on May 31, 2023.⁶ Stakeholder feedback was requested in both forums.

MISO/SPP Targeted Market Efficiency Projects (“TMEPS”) - This potentially new project type is being developed through the MISO/SPP Coordinated System Plan Study process, modeled after the existing MISO/PJM TMEP project type. In 2022, MISO and SPP evaluated Market to Market Settlement data to identify potential transmission solutions that would meet the criteria established for the MISO/PJM TMEP project type, and then tested potential solutions to the issues identified, but ultimately did not identify any projects that would meet the criteria applied to MISO/PJM TMEPS, or for which a business case could be made for recommending the construction of the solutions tested. MISO and SPP have continued to develop the associated process further, and once developed, MISO and SPP will present a proposal to their stakeholders and ultimately intend to file associated revisions to their JOA and respective tariffs. The timing and terms of this project type and the associated filing are being discussed in interregional planning forums, with periodic updates provided to MISO stakeholders at the Planning Advisory Committee (“PAC”) and in occasional updates to the MISO Board of Directors. The last update to the PAC on this topic was on March 26, 2023, and the last presentation on results of the study and next steps were presented at an Interregional Planning Stakeholder Advisory Committee (“IPSAC”) meeting on January 26, 2023.⁷

Potential Regional “TMEP-like” projects – In response to a stakeholder request for MISO to evaluate potential solutions to address congestion at existing resources in real time that

⁵ <https://www.misoenergy.org/events/2023/regional-expansion-criteria-and-benefits-working-group-recbwg--may-30-2023/>.

⁶ <https://www.misoenergy.org/events/2023/planning-advisory-committee-pac--may-31-2023/>-Planning Advisory Committee (PAC) - May 31, 2023 (misoenergy.org) see materials associated with item 7b.

⁷ <https://www.misoenergy.org/events/2023/miso-spp-ipsac--january-26-2023/>.

are not identified in MISO's planning studies, MISO is working to identify why these issues are not appearing in their existing planning studies, and whether any changes should be made to their planning assumptions in order to better represent future system conditions. It is not yet clear whether MISO will identify the need to develop a new project type to address the issues identified by the stakeholder relating to or whether MISO's investigation will reveal the need for improvements to its current planning study modeling approaches. MISO has included this study in its MTEP23 Scope but has indicated to stakeholders that the study will not result in any project recommendations in MTEP23, as it is exploratory in nature. The last update on this study was provided to the Planning Subcommittee (PSC) on May 3.⁸

6. **The number of hours of planned outage by ELL generation units, by month, for the previous calendar year.**

ELL Response:

The information responsive to this request has been designated as Highly Sensitive Protected Material and will be provided only to Reviewing Representatives authorized and designated under the confidentiality agreement executed in this docket and/or in LPSC Docket No. U-34447.

See the highly sensitive Attachment 4 titled "ELL 2022 Monthly Outage Hours."

7. **The number of hours of forced outage by ELL generation units, by month, for the previous calendar year.**

ELL Response:

The information responsive to this request has been designated as Highly Sensitive Protected Material and will be provided only to Reviewing Representatives authorized and

⁸ [https://cdn.misoenergy.org/20230503%20PSC%20Item%2003d%20Near-Term%20Congestion%20Study%20Scope%20\(PAC-2021-1\)628740.pdf](https://cdn.misoenergy.org/20230503%20PSC%20Item%2003d%20Near-Term%20Congestion%20Study%20Scope%20(PAC-2021-1)628740.pdf).

designated under the confidentiality agreement executed in this docket and/or in LPSC Docket No. U-34447.

See the highly sensitive Attachment 4 provided in response to Question 6.

- 8. The number of sustained (more than one minute) ELL transmission outages, by month, for the previous calendar year by voltage level.**

ELL Response:

See the table below for calendar year 2022. Compared to 2021, transmission sustained outages were reduced by 10%.

| Voltage (kV) | Jan | Feb | Mar | Apr | May | June | July | Aug | Sept | Oct | Nov | Dec | Total |
|--------------|-----|-----|-----|-----|-----|------|------|-----|------|-----|-----|-----|-------|
| 69 | 0 | 3 | 8 | | 9 | 9 | 4 | 15 | 15 | 3 | 13 | 11 | 90 |
| 115 | 0 | 0 | 3 | 3 | 8 | 1 | 3 | 3 | 0 | 11 | 2 | 13 | 47 |
| 138 | 2 | 1 | 1 | 3 | 1 | 8 | 5 | 2 | 8 | 1 | 2 | 7 | 41 |
| 230 | 4 | 1 | 6 | 2 | 7 | 8 | 7 | 3 | 5 | 1 | 5 | 12 | 61 |
| 345 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 500 | 1 | 0 | 2 | 0 | 0 | 4 | 2 | 0 | 3 | 9 | 1 | 2 | 24 |
| Total | 7 | 5 | 20 | 8 | 25 | 30 | 21 | 23 | 31 | 25 | 23 | 45 | 263 |

- 9. The administrative costs paid by ELL annually to MISO.**

ELL Response:

See the response to Question 10.

- 10. A comparison of the most recent annual administrative costs paid by ELL to MISO to the costs paid for the prior two calendar years.**

ELL Response:

See the table below for the annual administrative costs paid by ELL to MISO for the past three years:

| | 2020 | 2021 | 2022 |
|-----------------------------------|-----------------|-----------------|-----------------|
| MISO Market Admin | \$11,142,315.96 | \$10,683,581.03 | \$10,751,038.66 |
| Schedule 10 Transmission Admin | \$16,672,085.50 | \$18,054,683.72 | \$17,064,322.51 |

- 11. The monthly bill impacts on an average residential customer of those MISO administrative costs.**

ELL Response:

See the table below for the bill impacts per month on the average ELL residential customer for the past three years.

| | | | |
|-----------------|------|------|------|
| MISO Admin Fees | 2020 | 2021 | 2022 |
| | 0.35 | 0.37 | 0.35 |

See also Attachment 5 titled “Bill effect ELL MISO Admin Fees 2019-2021” for how these numbers were calculated.

- 12. The total overall salaries and compensation of the MISO executives and Board of Directors and a breakdown by position.**

ELL Response:

MISO provided the following information to ELL for incorporation herein. ELL has not sought to confirm its accuracy, and, as a general matter, takes no position on such information:

The following information is based on MISO’s 2021 IRS Form 990.

| NAME | TITLE | REPORTABLE COMPENSATION – 2021 |
|---------------------|--|-----------------------------------|
| John Bear | CEO | \$3,240,634 |
| Clair Moeller | President | \$1,434,161 |
| Richard Doying | Exec VP Market Development Strategy | \$1,458,798 |
| Melissa Brown | Senior VP and Chief Financial Officer | \$996,445 |
| Andre Porter | VP and General Counsel | \$944,186 |
| Jennifer Curran | VP Planning & Chief Compliance Officer | \$884,177 |
| Todd Ramey | VP Markets & Digital Strategy | \$798,570 |
| Todd Hillman | Senior VP & Chief Customer Officer | \$796,356 |
| John Carl Goode | Chief Information Officer | \$785,521 |
| Gregory Powell | VP Human Resources | \$659,220 |
| Keri Glitch | VP and Chief Info Security | \$631,452 |
| Richard Wayne Schug | VP Strategy and Business Development | \$586,179 |
| Kevin Caringer | Exec Director Standards & Assurance | \$644,535 |
| Jeffrey Bladen | Exec Director Digital Strategy | \$570,931 |
| Timothy Caister | Deputy General Counsel | \$459,943 |
| Kristina Tridico | Deputy General Counsel | \$456,309 |
| Patrick Brown | Exec Director Business Operations & Strategy | \$443,242 |
| Allegra Nottage | VP Human Resources & Chief Diversity Officer | \$272,910 |
| Phyllis Currie | Member, Board of Directors | \$184,750 |
| Barbara Krumsiek | Member, Board of Directors | \$176,125 |
| Horace Doggett | Member, Board of Directors | \$175,000 |
| Robert Lurie | Member, Board of Directors | \$173,750 |
| Theresa Wise | Member, Board of Directors | \$172,250 |
| Todd Raba | Member, Board of Directors | \$170,500 |
| Nancy Lange | Member, Board of Directors | \$168,625 |
| Mark Johnson | Member, Board of Directors | \$164,250 |

13. A comparison of the most recent annual salaries and compensation of the MISO executives and Board of Directions to that for the prior two calendar years.

ELL Response:

MISO provided the following information to ELL for incorporation herein. ELL has not sought to confirm its accuracy, and, as a general matter, takes no position on such information.

The following information is based on MISO's IRS Form 990 for the years 2019, 2020, and 2021.

| TITLE | 2021 | 2020 | 2019 |
|--|-------------|-------------|--------------------------|
| CEO | \$3,240,634 | \$3,043,831 | \$3,085,733 |
| President | \$1,434,161 | \$1,307,882 | \$1,219,495 |
| Exec VP Market Development Strategy | \$1,458,798 | \$1,093,834 | \$1,067,846 |
| Senior VP and Chief Financial Officer | \$996,445 | --- | \$1,214,187 |
| Chief Information Officer | \$785,521 | \$965,282 | \$922,160 |
| Senior VP and Chief Financial Officer | --- | \$876,683 | \$762,676 |
| VP and General Counsel | \$944,186 | \$815,035 | \$701,791 |
| VP Planning & Chief Compliance Officer | \$884,177 | \$769,951 | \$668,774 |
| Senior VP & Chief Customer Officer | \$796,356 | \$704,975 | \$643,379 |
| VP Human Resources | \$659,220 | \$658,297 | \$631,525 |
| VP Markets & Digital Strategy | \$798,570 | \$710,464 | \$635,636 |
| VP Strategy and Business Development | \$586,179 | \$515,297 | \$516,034 |
| VP and Chief Info Security | \$631,452 | \$566,755 | \$520,809 |
| Exec Director Standards & Assurance | \$644,535 | --- | --- |
| Exec Director Digital Strategy | \$570,931 | --- | --- |
| Deputy General Counsel | \$459,943 | --- | --- |
| Deputy General Counsel | \$456,309 | --- | --- |
| Exec Director Business Operations & Strategy | \$443,242 | --- | --- |
| VP Gov and Regulatory Affairs | --- | --- | \$485,637 |
| VP Forward Markets | --- | --- | --- |
| Exec Director Application Development | --- | \$456,537 | --- |
| Exec Director External Affairs – MN | --- | \$440,208 | --- |
| Exec Director Market Operations | --- | \$432,045 | --- |
| Exec Director External Affairs – IN | --- | \$440,818 | --- |
| VP Human Resources & Chief Diversity Officer | \$272,910 | \$420,433 | --- |
| Former Officer | --- | \$374,641 | --- |
| Member, Board of Directors | --- | --- | \$218,080 |
| Member, Board of Directors | \$184,750 | \$186,250 | \$183,375 |
| Member, Board of Directors | \$176,125 | \$346,022 | \$167,750 |
| Member, Board of Directors | \$175,000 | \$178,500 | \$166,250 |
| Member, Board of Directors | \$173,750 | \$172,250 | \$164,125 |
| Member, Board of Directors | \$172,250 | \$165,500 | \$163,750 |
| Member, Board of Directors | \$170,500 | \$166,000 | \$160,250 |
| Member, Board of Directors | \$168,625 | --- | \$156,375 |
| Member, Board of Directors | --- | --- | (thru 4/19) \$117,755 |
| Member, Board of Directors | \$168,625 | \$169,000 | \$113,750 |
| Member, Board of Directors | \$164,250 | \$167,000 | \$39,250 |

14. Justification for those administrative costs, and compensation.

ELL Response:

MISO provided the following information to ELL for incorporation herein. ELL has not sought to confirm its accuracy, and, as a general matter, takes no position on such information:

What does MISO do?

- Manages the largest RTO/ISO geographic footprint in North America
- Manages operations for one of the world's largest energy markets
- Manages relationships with hundreds of member, stakeholder and other industry organizations
- Provides more than \$4 billion in annual benefits to member organizations (as of 2022)
- Provides more than 255 years of combined experience among the MISO Operating Committee members

MISO was the First RTO and is North America's Largest RTO/ISO

MISO is the primary RTO/ISO in the central part of the North American continent spanning from the Gulf of Mexico in the south to Canada's Hudson Bay in the north, then, from the Great Lakes and Appalachian foothills in the east to the open prairies west of the Mississippi River. This footprint represents a truly diverse operating network. Across the MISO footprint, diversity exists in energy policy, structure of state and local governments, interpretation and implementation of regulations by individual stakeholders. This diversity demands that MISO's leadership engage with various stakeholders across the footprint in order to reconcile diverging styles into a unified, reliable approach to bulk electric grid operations.

MISO Operates A World Class Energy Market

MISO's leadership is responsible for overseeing one of the world's largest energy market platforms for matching the supply and demand of energy. Providing independent, equal and non-discriminatory access to the electric transmission system is a core function of MISO, as the largest RTO by geographic footprint. Since 2005, MISO has provided financially binding day-ahead and real-time pricing of energy. MISO's Markets include a Financial Transmission Rights Market, a Day-Ahead Market and a market for operating reserves and regulation. Overall, MISO managed more than \$40 billion in annual gross market energy transactions in 2021 on behalf of more than 500 Market Participants who serve approximately 45 million people.

Outstanding Performance of MISO Operations

MISO's efficient market operations and reliable balancing authority functions ensure and support increased grid reliability. The MISO Operating Committee members are responsible for all MISO operations, including the supervision of more than 68,000 miles of transmission lines and nearly 7,000 generating units with a market Generation Capacity of 189,421 MW. This requires coordination with 135 Non-transmission Owners, 57 Transmission Owners and 39 Local Balancing Authorities. In 2021-2022, through the MISO Transmission Expansion Plan (MTEP), including the Long-Range Transmission Planning (LRTP) Tranche 1 projects, MISO approved 400 new projects at 2,838 miles of transmission line and \$14.6 billion of new project investment.

MISO operators efficiently and reliably operate the bulk electric grid through optimized transmission utilization, allowing market transparency, eliminating pancaked transmission rates and centralizing unit commitment and dispatch. MISO engineers plan and coordinate with peer organizations and members to ensure seamless operations across our footprint as well as the rest

of the North American continent. This includes the outage coordination team who ensures that the right generators and transmission lines are online at the right time. Ultimately, the MISO Operating Committee is responsible for the performance of these professionals.

MISO Supports Stakeholder Engagement and Customer Service

Employees represent the most important stakeholder group at MISO. There are more than 900 employees based in Arkansas, Indiana, Minnesota, which also serve as our North, Central and South Region Control Centers, respectively, as well as the District of Columbia (D.C.). While the primary headquarters is in Carmel, Indiana, MISO's workforce is decentralized across the facilities to maintain diversity and flexibility.

Thought diversity and collaboration are essential to MISO as the most reliable, value-creating RTO. To enable broad stakeholder participation, MISO hosts meetings that are open to anyone that would like to participate and provides dial-in and WebEx access. A stakeholder can be a Member, Market Participant, government or regulatory official, or anyone who is interested in learning more about MISO.

The formal stakeholder process requires a dedicated team of professionals focused solely on engaging with stakeholders in a meaningful way. All of MISO's business units are involved in the stakeholder process and the relationships among MISO stakeholders are key to the decision-making process. Consistent engagement with these groups is a priority of the MISO Operating Committee to encourage constructive dialogue.

Relationships go far beyond the MISO-facilitated stakeholder meetings. MISO leadership and employees participate in industry events to engage with regulators, entrepreneurs, academics and other thought-leaders to enhance MISO's strategic vision. This level of engagement requires precise coordination to ensure that the right person is at the right event at the right time.

MISO's Value Proposition

With growing energy demands throughout MISO's footprint, our services help ensure reliable, least-cost delivered energy. As noted by its Value Proposition, MISO unlocks billions of dollars in annual benefits for its entire region. In 2022, those efforts provided approximately \$4 billion in benefits in the MISO region, driven by enhanced reliability, more efficient use of the region's existing transmission and generation assets, and a reduced need for new assets.

MISO's Value Proposition affirms its core belief that a collective, region-wide approach to grid planning and management delivers the greatest benefits. Our landmark analysis serves as a model for other grid operators and transparently communicates the benefits in everything we do.

MISO works every day to create value for its members. The market value that MISO adds became apparent shortly after the energy markets began in 2005. To quantify this value, MISO – in collaboration with its stakeholders – created the MISO Value Proposition in 2007. The Value Proposition breaks MISO's business model into recognized categories of benefits and calculates a range of dollar values for each defined category. From 2007 through 2022, the Value Proposition

studies revealed that MISO provided its footprint with an estimated \$40 billion in cumulative net benefits.

MISO is Guided by Proven, Experienced Leadership

The MISO Operating Committee consists of the organization's senior leaders. These executives are responsible for serving all stakeholders – ranging from Market Participants to government regulators to end use consumers. This requires the MISO leadership team to be both knowledgeable of their specific business unit, but also able to understand and speak to all areas of business to a certain degree. The executive team is dedicated to continuous strategic planning that ensures delivery of its cornerstones of Customer Service, Effective Communication and Operational Excellence.

MISO's leadership represents more than 255 years of combined experience. While most of this experience is within the energy industry, the Operating Committee also represents seasoned leaders within their own specific areas of focus. MISO Operating Committee members serve the energy industry in a multitude of ways while representing the needs and interests of our employees and stakeholders. This service involves countless hours of travel to facilitate personal interaction with as many stakeholders as possible. Through fostering leadership within MISO, the Operating Committee ensures effective management of the organization as well as stewardship of the region's electric transmission system.

Every full time MISO employee can contribute to the success of corporate metrics and in turn achieve incentive awards. A target payout for short term incentive performance is established for the employee, which may depend on a number of factors. MISO's Board of Directors annually retains the services of expert outside executive compensation consultants in the review of officer compensation. These consultants perform a full and independent study of direct compensation (base plus incentives), considering the level of compensation relative to the duties performed, the current competitive market for similar skills, knowledge and responsibility, and other strategic needs identified by the Board of Directors. The consultants prepare a full detailed report to the Human Resources Committee (HRC) of the Board of Directors for each office and key employee position, including recommendations for direct compensation changes. The HRC combines the recommendations of the consultants with evaluations of officer performance to recommend appropriate compensation levels to the Board of Directors for approval. Annually, the consultant prepares a letter of "reasonableness" of the total remuneration package for officers of the company, consistent with Section 4958 of the Internal Revenue Code.

MISO Administrative Charges

MISO funds its operational costs such as those described above pursuant to its FERC-filed Tariff through certain Schedules. Schedules 10, 16 and 17 are the primary schedules through which MISO, as the Transmission Provider, recovers administrative costs from Transmission Customers, Transmission Owners and other entities.

Costs recovered under Schedule 10 include those associated with building and operating MISO's

control rooms, including capital costs (actual costs of financing and not a return on equity), operating expenses, costs associated with administering MISO's Tariff, and annual FERC charges. Costs associated with financial transmission rights administrative services provided by MISO as the Transmission Provider are assessed to all Market Participants that are primary holders of Financial Transmission Rights (FTRs) pursuant to Schedule 16. These costs include, but are not limited to, those associated with coordination of FTR bilateral trading; administration of FTRs through allocation, assignment, auction or other FERC-accepted process; support of MISO's on-line, internet-based FTR tool; feasibility analyses of rights that can be outstanding and accommodated by the Transmission System; and administration of FTRs and revenue distribution. Schedule 17 costs are associated with MISO's Energy and Operating Reserve Markets Support Administrative Service, which is provided to all Market Participants that participate in MISO's markets. These costs include market modeling and scheduling functions; market bidding support; locational marginal pricing support; market settlements and billing; market monitoring functions; and simultaneous co-optimization for the scheduling and enabling of the least-cost, security-constrained commitment and dispatch of generation resources to serve load and provide operating reserves while also establishing a spot energy market.

The amount of annual administrative charges to be assessed to a Transmission Owner is determined by first identifying the total amount of MWhs of wholesale energy sales used as the Schedule 10 billing determinant for that year. Thereafter, the percentage of MWhs attributable to a Transmission Owner such as ELL is determined. For 2021, the approximate percentage of MWhs attributed to ELL is as follows:

| | |
|------------------|-------------|
| 2021 Total MWhs: | 720,986,904 |
| ELL MWhs: | 71,276,265 |
| ELL % of MWhs: | 9.89% |

Next, the total amount of recoverable administrative costs is identified and assessed to a Transmission Owner based upon their applicable percentage of MWhs of wholesale sales as noted above. For 2021, the approximate amount of recoverable administrative costs assessed to ELL is as follows:

| | |
|---------------------------------------|---------------|
| 2021 Total MISO Administrative Costs: | \$355,169,000 |
| ELL Portion: | \$35,111,761 |

MISO's administrative costs include compensation paid to executives as discussed herein. In 2021, MISO's executive W-2/1099-MISC reportable compensation totaled \$17,448,819 and other compensation totaled \$1,714,418. Based on the percentage of MWhs attributed to ELL in the example above, its approximate portion of these totals is calculated to be \$1,490,516.

Transmission Owners that are utilities may recover their assessed MISO administrative costs from their customers in monthly bills. (See, Section II(B)(11).) Likewise, revenues earned by these entities from their participation in MISO may also be credited to customers.

References

[Fact Sheet \(misoenergy.org\)](#)

[2022 Value Proposition Annual View - Detailed Report628393.pdf \(misoenergy.org\)](#)

MISO's 2019, 2020 & 2021 IRS Form 990

- 15. A list of the net capacity purchase or sales, by amount and cost, made by ELL through its participation in the most recent MISO Planning Resource Auction.**

ELL Response:

Certain information responsive to this request has been designated as Highly Sensitive Protected Material and will be provided only to Reviewing Representatives authorized and designated under the confidentiality agreement executed in this docket and/or in LPSC Docket No. U-34447.

ELL participated in MISO's PRA for the 2022-23 Planning Year (June 1, 2022 – May 31, 2023). For that period, ELL had sales of [REDACTED] of capacity from the MISO market at [REDACTED], reflecting the auction clearing price from Local Resource Zone 9 of [REDACTED]. See the highly sensitive Attachment 6 titled "ELL 2022-2023 Auction Results" for more detailed information.

- 16. The allocation of Auction Revenue Rights ("ARRs") and Financial Transmission Rights ("FTRs") received by ELL in the previous calendar year.**

ELL Response:

The information responsive to this request has been designated as Highly Sensitive Protected Material and will be provided only to Reviewing Representatives authorized and

designated under the confidentiality agreement executed in this docket and/or in LPSC Docket No. U-34447.

See the highly sensitive Attachment 7 titled "ELL Annual ARR Allocation Results_PY2122," and the highly sensitive Attachment 8 titled "ELL Annual ARR Allocation Results_PY2223."

17. **The cost of ARRs and FTRs purchased by ELL in the MISO market processes in the previous calendar year.**

ELL Response:

The information responsive to this request has been designated as Highly Sensitive Protected Material and will be provided only to Reviewing Representatives authorized and designated under the confidentiality agreement executed in this docket and/or in LPSC Docket No. U-34447.

[REDACTED]

18. **The net congestion charges (i.e., net of congestion revenues), if any, paid by ELL to MISO in the previous calendar year.**

ELL Response:

ELL's net congestion charges are shown in the table below, with positive numbers reflecting net congestion charges and negative numbers reflecting net congestion revenues. Congestion charges represent the cost of delivering owned and contracted generation to load. This can be calculated by subtracting the Marginal Congestion Component ("MCC") of the Locational Marginal Price ("LMP") of the generator source from the MCC of the LMP of the load sink.

The table below reflects congestion charges (net of revenues from ARRs and FTRs) from resources owned or under contract by ELL prior to MISO integration on December 19, 2013 ("pre-

MISO integration resources”).⁹ After the termination of the Entergy System Agreement on August 31, 2016, ELL modified its net congestion calculation. While the System Agreement was in effect, ELL was allocated a share of the total net congestion incurred by the System Agreement Operating Companies. This calculation included both Day-Ahead and Real-Time market effects, with the specifics of the calculation dictated by the System Agreement for purposes of allocating costs among the System Agreement Operating Companies. Now that ELL is operating as a standalone entity outside of the System Agreement, ELL can produce a simplified congestion calculation that only includes Day-Ahead market effects. ELL has chosen to exclude the Real-Time market effects because: (1) the Real-Time market effects on congestion are difficult to quantify; (2) FTRs hedge congestion incurred in the Day-Ahead market only; and (3) over 98% of ELL’s load needs have been served through the Day-Ahead market since joining MISO. The following table reflects ELL’s net congestion charges from its pre-MISO integration resources utilizing the new Day-Ahead only methodology.

| ELL’s Net Congestion from Pre-MISO Integration Resources | |
|---|--|
| Period | Net Congestion Charge/(Revenue) |
| Jan. 1, 2022 – Dec. 31, 2022 | (\$19,126,620) |

19. **A summary of the types of ancillary services purchased by ELL from MISO as well as those provided by ELL to MISO and the compensation paid and received by ELL for such services in the previous calendar year.**

ELL Response:

Certain information responsive to this request has been designated as Highly Sensitive Protected Material and will be provided only to Reviewing Representatives authorized and

⁹ The pre-MISO integration resources include Ninemile Unit 6 because that resource was granted transmission service by the Independent Coordinator of Transmission prior to MISO integration. See ELL’s Fifth Post-Integration Monitoring Report filed September 30, 2016 in LPSC Docket No. U-32675 for a more detailed explanation of pre-MISO integration resources.

designated under the confidentiality agreement executed in this docket and/or in LPSC Docket No. U-34447.

Three types of ancillary services are purchased from MISO by ELL and provided by ELL to MISO: Supplemental, Spinning, and Reserve. See highly sensitive Attachment 9 titled “Ancillary Charges” for a summary of ELL’s Ancillary charges for the period requested. Positive numbers reflect amounts paid to MISO, and negative numbers reflect amounts received from MISO.

20. **A breakdown of the energy mix used to supply ELL's customers, showing the MWh and average cost by month of power and energy supplied by resources owned or controlled (through limited- or long-term bilateral purchase power agreements) by ELL, energy "put" to ELL by QFs, and purchases from the MISO markets in the previous calendar year. This shall include tables reflecting monthly generation output totals by unit, for legacy gas generators, owned or under contract by ELL. These tables were previously submitted in Docket No. U-32675 and were entitled "ELL Legacy Gas Generation December [year]."**

ELL Response:

See the public Attachment 10 titled “ELL Generation 2022 – Annual MISO Report.”

21. **A list of the principles, practices, and protocols ELL utilized to procure capacity and energy in the previous calendar year, including:**
- i. The manner of offering in generation and bidding and scheduling load into the Day Ahead and Real Time Markets;**
 - ii. ARR nominations;**
 - iii. and All other material aspects of any MISO administered market interaction.**

ELL Response:

Certain information responsive to this request has been designated as Highly Sensitive Protected Material and will be provided only to Reviewing Representatives authorized and

designated under the confidentiality agreement executed in this docket and/or in LPSC Docket No.

U-34447.

█ [REDACTED]

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[REDACTED]

[REDACTED]

- ii) In advance of MISO integration, each Entergy Operating Company received ARR Entitlements based on their historical firm transmission usage. These ARR Entitlements were available for nomination for the Partial Year (December 19, 2013 through May 31, 2014) and can be available for nomination in each Annual ARR Allocation Process. [REDACTED]

[REDACTED]

- iii) ELL is not aware of anything further that has been requested.

22. All underlying workpapers supporting ELL's analyses.

ELL Response:

Certain information responsive to this request has been designated as Highly Sensitive Protected Material and will be provided only to Reviewing Representatives authorized and designated under the confidentiality agreement executed in this docket and/or in LPSC Docket No. U-34447.

See the highly sensitive Attachment 11 and Attachment 12 titled “2022 MISO Energy-Related Benefits_ELL_WP_HSPM” and “2022 MISO Capacity-Related Benefits_ELL_WP_HSPM,” respectively, for the underlying workpapers for the response to question 1. All other underlying workpapers have been provided, where appropriate, in the applicable responses.

Respectfully submitted,

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MISO Historical Benefits Calculation

Results of 2022 ELL Analysis

March 2023

Overview

- The results of the 2022 MISO savings calculation indicate that ELL continues to experience meaningful benefits from MISO participation -- \$73 million of benefits in 2022 compared to standalone BA operations
- ELL's 2022 benefits are about the same as those estimated for 2021
 - ELL's energy-related benefits increased as a result of higher gas prices and LMPs in 2022 compared to 2021
 - ELL's capacity-related benefits decreased as a result of changes in ELL's peak load
 - The two changes essentially offset one another, resulting in a small net decrease in benefits (less than \$1 million) compared to 2021
- The following slides discuss the 2022 results in more detail.

Highlights of the energy-related cost/benefit calculation

- ELL's energy-related benefits analysis determines whether the purchases and sales made in MISO in 2022 would have occurred had ELL not joined MISO and, instead, operated as a standalone BA
- This is done by including impediments to trade, or "hurdle rates," in the analysis to represent the minimum threshold required by traders to pursue a trade in a bilateral market corresponding to a standalone BA
 - For example, if a transaction in MISO had a \$2/MWH benefit and the minimum required by traders in a standalone BA is \$3/MWH, the analysis would determine that the transaction would not have occurred in standalone BA
 - If a transaction in MISO had a \$5/MWH benefit, the analysis would determine that the transaction would have occurred under standalone BA operations, with the buyer and seller splitting the \$5/MWH benefit
- The benefit of ELL's purchases and sales in MISO were larger in 2022 than they were in 2021
 - This increase was driven by significant increases in gas prices and LMPs
 - The net increase in energy-related benefits was roughly \$9 million, which reflects a decrease in flex benefits.

Highlights of the capacity-related cost/benefit calculation

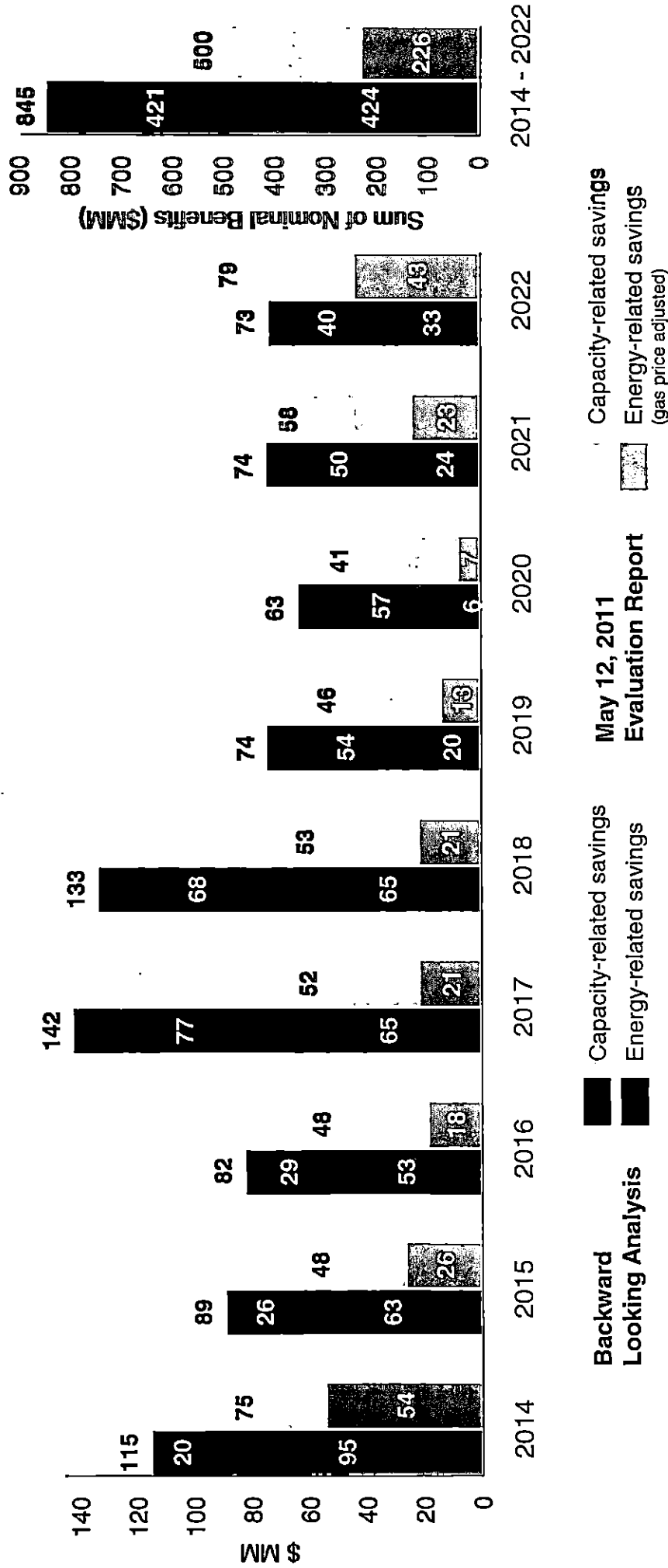
- The capacity-related cost/benefit calculation is based on two main items:
 - First, a comparison of the MW of long-term planning reserves required in MISO versus what would have been required had ELL not joined an RTO¹
 - Second, an estimate of the value of this difference in MW -- the avoided cost of the additional planning reserves -- based on the long-term cost of capacity
- ELL's capacity-related benefits decreased between 2021 and 2022 due to a change in the first item
 - ELL estimated that fewer MW of long-term planning reserves were avoided by participating in MISO due to changes in peak load²
 - This resulted in a \$10 million decrease in benefits.

¹ It is important to note that the calculation produces a conservative estimate of capacity-related benefits given the way this first item is measured. The impact of forced outage rates is included in the calculation of the long-term planning reserves required in MISO but not in the standalone calculation. If it were included in the standalone calculation, standalone requirements would be larger, the difference between the two cases would be larger, and capacity-related benefits would be larger.

² ELL's non-coincident peak (NCP) load is used to measure requirements as a standalone; ELL's coincident peak (CP) load with MISO is used to measure requirements in MISO. As a result, if both NCP load and CP load increase or decrease by the same amount, there is no net difference between the cases and no difference in the benefit of MISO participation. However, if NCP load decreases and CP load increases (as it did between 2021 and 2021), there is a smaller difference between the two cases and less benefit to MISO participation.

ELL's estimated benefits from MISO participation

- ELL continues to experience meaningful benefits from MISO participation -- \$73 million of benefits in 2022 compared to standalone BA operations.



Notes:
 -- The May 12, 2011 Evaluation Report assumed continuation of the ESA for all OpCos except EAL thru 2015, and all OpCos except EAL and EML thereafter. The Backward-Looking analysis reflects continuation of the ESA for all OpCos except EAL thru November, 2015, for all OpCos except EAL and EML thru August, 2016, and termination of the ESA thereafter.
 -- Energy-related savings include incremental administrative costs.
 -- 2017 - 2022 capacity-related savings corresponding to the Backward-Looking analysis reflects the impact of forced outage rates on MISO requirements but not on standalone requirements.

**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

***IN RE:* 2023 REPORTS OF)
ENERGY LOUISIANA, LLC AS) DOCKET NO. X-_____
REQUIRED BY ORDER NO. U-34447)**

PUBLIC

PROVIDED ON CD

**ATTACHMENT 2 – Capacity Energy and Transmission Costs
ATTACHMENT 3 – RSG Charges
ATTACHMENT 5 – Bill Effect ELL MISO Admin Fees 2020-2022
ATTACHMENT 10 – ELL Generation 2022 – Annual MISO Report**

JUNE 2023