

PUBLIC VERSION

EXHIBIT 6

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DIRECT TESTIMONY OF RICHARD LEON SHARP

LA Public Service Commission

ON BEHALF OF CLECO POWER LLC

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TO RULE 12.1 OF THE COMMISSION'S
RULES OF PRACTICE AND PROCEDURE

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

EX PARTE: APPLICATION OF	)	
CLECO POWER LLC FOR	)	
AUTHORIZATION OF: (I) SITE	)	
SPECIFIC CONTRACT FOR LARGE	)	
LOAD CUSTOMER;	)	
(II) BRIDGE CAPACITY	)	
CONTRACT; (III) CONSTRUCTION	)	DOCKET NO. U-_____
OF NEW TRANSMISSION	)	
INTERCONNECTION;	)	
(IV) CONSTRUCTION OF NEW	)	
GENERATION; (V) ASSOCIATED	)	
WAIVERS; AND (VI) EXPEDITED	)	
TREATMENT.	)	

DIRECT TESTIMONY

OF

RICHARD LEON SHARP

ON BEHALF OF

CLECO POWER LLC

JULY 1, 2026

**CLECO POWER LLC
DIRECT TESTIMONY OF RICHARD LEON SHARP
LPSC DOCKET NO. U-_____**

EXHIBITS

EXHIBIT NO.	DESCRIPTION
RLS-1	Listing of Previously Filed Testimony of Richard Leon Sharp
RLS-2 (HSPM)	Capacity Agreement
RLS-3 (HSPM)	Forecasted Capacity and Load

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I. INTRODUCTION AND BACKGROUND

Q1: PLEASE STATE YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS.

A: My name is Richard Leon Sharp. I am the Director – Resource Planning for Cleco Power LLC (“Cleco Power” or the “Company”). My office address is 2030 Donahue Ferry Road, Pineville, Louisiana, 71360.

Q2: PLEASE DESCRIBE YOUR JOB RESPONSIBILITIES.

A: As Director – Resource Planning, I manage the forward-looking resource planning process for Cleco Power. My responsibilities include ensuring compliance with applicable reliability standards and Louisiana Public Service Commission (“LPSC” or the “Commission”) directives, supporting the selection of reliable resource portfolios at the lowest reasonable cost, and providing support for certification proceedings and other regulatory filings. My responsibilities further include the development of Cleco Power’s Integrated Resource Plan (“IRP”) in conjunction with Commission proceedings under LPSC Order No. 08-28-2024 (R-36262) Corrected, issued August 28, 2024 (the “IRP General Order”). My responsibilities further include identifying potential dispatchable (thermal) and renewable energy projects for Cleco Power, and reviewing and evaluating such energy projects and offers presented to Cleco Power, whether those proposals arise from formal requests for proposals (“RFP”) or via other means.

Q3: PLEASE DESCRIBE YOUR PROFESSIONAL AND EDUCATIONAL HISTORY.

A: I have been awarded a Bachelor of General Studies degree from Northwestern State University, in addition to a Master of Business Administration degree from the College of Business at Bellevue University.

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1 I have been employed by Cleco Power LLC, or an affiliate since 2000 and have held
2 various roles of increasing responsibility in Financial Analysis, Risk Management,
3 Resource Planning, and Executive Leadership over an unregulated business.

4 **Q4: HAVE YOU PREVIOUSLY PRESENTED TESTIMONY BEFORE THE**
5 **COMMISSION?**

6 **A:** Yes, I have previously given testimony in front of the Commission. I provided testimony
7 on behalf of Cleco Power in the proceedings listed in Exhibit RLS-1.

8 **Q5: WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

9 **A:** My testimony supports the Company's application (the "Application") in this proceeding.
10 The Application seeks, among other things, the approval of an Electric Service Agreement
11 ("ESA") that is a Site Specific Contract and related agreements with Applied Digital
12 Corporation (the "Customer"); approval to enter into a capacity agreement with Tenaska
13 Frontier Partners, Ltd. ("the "Capacity Agreement"); approval of or exemption for
14 construction of transmission interconnection infrastructure to serve a new, \$3.6 billion
15 hyperscale data center to be developed by the Customer in Rapides Parish, Louisiana (the
16 "Project");¹ and approval of the Company's construction of new generation infrastructure
17 to serve Cleco Power's existing and future customer load.

18 The purpose of my testimony is to discuss the Company's long-term planning process and
19 to demonstrate that the Company's proposed combined cycle gas turbine ("CCGT")
20 generator resource is necessary to ensure reliable service to Cleco Power's existing
21 customers, independent of the addition of the Customer's data center load. While the

¹ See <https://www.opportunitylouisiana.gov/news/central-louisiana-secures-3-6-billion-applied-digital-ai-factory-campus>.

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1 Customer's projected load increases near-term capacity requirements, the Company's need
2 for new dispatchable generation is driven by system-wide resource adequacy and reliability
3 considerations that exist regardless of the new data center and reflects prudent long-term
4 resource planning.

5 Cleco Power's Application details its prayers for relief; however, my direct testimony will
6 focus on the Customer's expected load profile, a brief overview of the Project, Cleco
7 Power's generation needs, and the proposed power supply needed to serve the Company's
8 customers including the Project. Cleco Power is requesting, among other things,
9 Commission authorization for significant investments in generation to serve current and
10 future customers, and transmission necessary to reliably serve the Customer. Consistent
11 with Cleco Power's most recent Interim IRP (as defined below), the Company has
12 identified the need for additional generation resources to satisfy its future resource
13 adequacy and reliability obligations, independent of serving the Customer's data center.
14 These needs are driven not only by reliability considerations, but also by required
15 accredited capacity necessary to comply with applicable planning requirements, the risks
16 associated with an aging generating fleet and the planned retirement of multiple existing
17 generating units. The addition of the Customer further supports this identified need, while
18 enabling a significant portion of the costs associated with the new generation facilities and
19 related investments to be borne by the Customer thus benefiting existing Cleco Power
20 customers, which is discussed further by Company witness Austin Finn.

21 I and other Company witnesses filing Direct Testimony in support of the Application
22 describe in detail the full listing of requests included in the Company's Application.

23 **Q6: HOW IS YOUR TESTIMONY ORGANIZED?**

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1 **A:** My testimony begins with a brief overview of the Project, the capacity needed next year,
2 and transmission facilities Cleco Power plans to develop to serve the Customer while
3 continuing to reliably and cost-effectively serve its existing customers. I then describe
4 Cleco Power's IRP process and discuss the results of the Company's most recent
5 September 5, 2025, Interim IRP in LPSC Docket No. I-37725 (the "Interim IRP"),² which
6 identifies the need for additional dispatchable generation resources to address the
7 Company's aging generation fleet, and meet Cleco Power's future load growth and
8 required capacity obligations, independent of the Company serving this Project.

9 I also discuss the various requirements imposed by the Midcontinent Independent System
10 Operator, Inc. regional transmission organization ("MISO"), including the applicable
11 resource adequacy and capacity accreditation framework, and explain how the Project and
12 the planned generation fits within those requirements and support broader system needs.

13 **II. CUSTOMER LOAD PROFILE AND PROJECT OVERVIEW**

14 **Q7: PLEASE BRIEFLY DESCRIBE THE PROJECT AND THE RELATED**
15 **AGREEMENTS AT ISSUE IN THE APPLICATION.**

16 **A:** The underlying development at issue in the Application is a new 430 MW hyperscale data
17 center that is currently under construction in Rapides Parish. As is more fully discussed in
18 Cleco Power witness D. Andrew Owens' direct testimony, the Project is expected to be the
19 most significant economic development in this area in many years. As Mr. Owens
20 describes, the Project is expected to be economically transformative for Rapides Parish, its
21 surrounding communities, and all of Louisiana. The Project is expected to create 1,000

² Cleco Power's Interim IRP is filed in LPSC Docket No. I-37725, which has been consolidated into LPSC Docket No. I-37765.

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1 construction jobs at its peak as well as 200 well-paying full-time jobs in Rapides Parish
2 which will have significant benefits, both from the direct employment by the Customer as
3 well as through the economic ripple effects experienced from an injection of such
4 significant human and economic capital into the area (please refer to footnote 1, above).

5 The Project will have significant capacity and energy requirements, and Cleco Power and
6 the Customer have worked closely to reach commercial terms on an ESA and related
7 agreements that provide the energy and capacity needed by the Customer. The ESA and
8 related agreements are discussed in more detail by Company witnesses Austin Finn and
9 Vincent Sipowicz.

10 To continue serving existing and future customer load reliably and cost-effectively, Cleco
11 Power must develop new dispatchable generation resources. As discussed throughout this
12 Application and the supporting testimony of the Company's witnesses, these investments
13 are consistent with Cleco Power's resource planning needs and are structured so that certain
14 costs associated with serving the Project are appropriately assigned directly to the
15 Customer under the ESA, thereby mitigating financial impacts to existing customers.

16 With respect to transmission, Company witness Shannon Jenkins discusses the
17 transmission interconnection project in more detail in his Direct Testimony while Mr. Finn
18 and Mr. Sipowicz address the terms of the ESA and the fact that the Customer will be
19 paying 100% of the cost of the interconnection facilities required to interconnect the Project
20 to Cleco Power's transmission system.

21 **Q8: DOES CLECO POWER CURRENTLY HAVE THE CAPACITY NECESSARY TO**
22 **SERVE THE CUSTOMER'S ANTICIPATED LOAD DURING THE 15-YEAR**
23 **TERM OF THE ESA?**

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1 **A:** No, it does not. The Customer's projected demand of 430 MW and expected [REDACTED] load
2 factor provide an estimated [REDACTED] increase in Cleco Power's peak load and an expected
3 [REDACTED] increase relative to the amount of energy sold annually to Cleco Power's existing
4 customers. Prior to new generation being available to support Cleco Power's portfolio
5 needs, Cleco Power will need an interim solution to support its capacity requirements in
6 MISO and comply with the Commission General Order No. 7-16-2024 (R-36263), issued
7 July 16, 2024, which requires LPSC-jurisdictional electric utilities to have a minimum
8 amount of capacity available to satisfy the utility's MISO-imposed resource adequacy
9 requirements (hereinafter referred to as the "Minimum Capacity Obligation" or "MCO"
10 requirements).

11 **Q9: HOW DOES CLECO POWER PLAN TO ADDRESS ITS CAPACITY POSITION**
12 **WITH THE ADDITION OF THIS CUSTOMER'S ANTICIPATED LOAD?**

13 **A:** To address its capacity position following the addition of the Customer's anticipated load,
14 Cleco Power has secured the Capacity Agreement with Tenaska Frontier Partners, Ltd.
15 ("Tenaska") that will provide capacity while a new generation resource is being
16 constructed and placed into service, which is addressed further by Company witness Robert
17 Breedlove.

18 Under the Capacity Agreement, Cleco Power will procure MISO Zonal Resource Credits
19 ("ZRCs") associated with 370 MW of net capacity for a 10-year term starting June 2027,
20 providing capacity to meet MISO's resource adequacy and accredited capacity
21 requirements as well as the Commission's MCO requirements.

22 The costs associated with the Capacity Agreement will be paid entirely by the Customer
23 pursuant to the ESA and related agreements. The Capacity Agreement has been structured

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1 so that it imposes no cost or financial risk on Cleco Power's existing customers, while
2 enabling Cleco Power to reliably meet the Company's MISO obligations and LPSC MCO
3 requirements. Mr. Finn and Mr. Sipowicz discuss the relevant provisions of the ESA that
4 relate to the Customer's obligation to pay for the costs that Cleco Power incurs under the
5 Capacity Agreement.

6 **Q10: PLEASE SUMMARIZE THE CAPACITY AGREEMENT.**

7 **A:** The Capacity Agreement is a [REDACTED]
8 [REDACTED] executed between Tenaska, as seller, and Cleco Power, as buyer, and became
9 effective April 9, 2026, subject to authorization by the Commission satisfactory to Cleco
10 Power in its sole and absolute discretion. [REDACTED]

11 [REDACTED]
12 [REDACTED] The Capacity
13 Agreement is attached to my testimony as Exhibit RLS-2.³
14 Cleco Power is purchasing MISO ZRCs sourced exclusively from Local Resource Zone 9
15 ("LRZ9"), which will be used to satisfy Cleco's MISO resource adequacy requirements.
16 One (1) ZRC represents one (1) MW of Seasonal Accredited Capacity ("SAC") as defined
17 in the MISO Tariff. The ZRCs are supported by the Tenaska Frontier Generating Station,
18 an approximately 830 MW natural gas-fired combined-cycle facility located near Shiro in
19 Grimes County, Texas. [REDACTED]

20 [REDACTED]
21 [REDACTED] Cleco Power will

³ Exhibit RLS-2 contains Highly Sensitive Protected Materials ("HSPM").

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1 have no right to dispatch the unit and will not receive any energy or ancillary service
2 revenues under the agreement; in other words, the Capacity Agreement is strictly for
3 capacity that Cleco Power will use to satisfy its MISO and LPSC resource adequacy
4 requirements.

5 The Capacity Agreement term runs from the Effective Date through May 31, 2037,
6 covering ten (10) MISO Planning Years ("PY"), beginning with the 2027-2028 Planning
7 Year starting June 1, 2027. [REDACTED]

8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]

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1 [REDACTED]
2 [REDACTED]
3 [REDACTED]
4 [REDACTED]
5 [REDACTED]

6 [REDACTED]
7 [REDACTED]
8 [REDACTED]

9 [REDACTED] As discussed further by Mr.
10 Owens, the Company requests that the Commission set a procedural schedule that will lead
11 to timely approval of the Application no later than the Commission's March 2027 Business
12 and Executive meeting.

13 **Q11: HOW DOES CLECO POWER PLAN TO MANAGE ITS EXISTING**
14 **GENERATION RESOURCES PRIOR TO CONSTRUCTION OF NEW**
15 **GENERATION TO AVOID SYSTEM RELIABILITY CONCERNS?**

16 **A:** Cleco Power will continue to actively manage its existing generation resources through
17 disciplined good utility practices and rigorous transmission planning and analysis to
18 maintain system reliability. This includes monitoring unit availability and performance,
19 optimizing maintenance and outage schedules to preserve capacity during critical periods,
20 and leveraging flexibility within the MISO market framework to supplement the fleet. Mr.
21 Breedlove discusses the Company's current generation fleet and the risks and other issues

4 [REDACTED]

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1 presented by aging assets as well as environmental rules. With respect to transmission,
2 Cleco Power conducts comprehensive transmission planning studies and reliability
3 analyses to ensure the system can continue to deliver power safely and reliably under a
4 range of operating conditions, including contingencies, peak demand periods, and extreme
5 weather events, as discussed in detail by Company witness Chris Thibodeaux. These
6 analyses guide near-term operational decisions and confirm that existing resources can be
7 supported by the transmission system prior to the construction of the new generation;
8 however, they do not eliminate the need for timely construction of new dispatchable
9 generation to provide a durable, long-term solution and avoid increasing reliability risk for
10 the Company's customers.

11 **Q12: COULD A TRANSMISSION-ONLY SOLUTION ACHIEVE CLECO POWER'S**
12 **RESOURCE ADEQUACY REQUIREMENTS?**

13 **A:** No, it cannot. A transmission-only solution is not a viable option. As discussed further by
14 Mr. Thibodeaux, to reliably serve the Company's customers, Cleco Power will require
15 additional capacity in the region to reliably serve its customers physical load and to meet
16 the Company's own planning reserve margin obligations. Satisfying these requirements
17 and obligations requires additional generation on the system located near the Customer's
18 new data center. Without such additional generation, all Cleco Power customers would be
19 exposed to unreasonable reliability risks and unreasonable costs. This exposure arises from
20 the tightening supply and demand balance for capacity in MISO LRZ9 and in MISO South
21 generally. Tighter supply, which is driven by a combination of fossil fuel unit retirements,
22 challenges with developing and constructing new generation, and a MISO interconnection
23 queue with a backlog and significant delays coupled with load growth are driving clearing

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1 prices in MISO's Planning Resource Auction ("PRA") that have trended higher in recent
2 planning years. MISO's recent implementation of the "Reliability Based Demand Curve"
3 (as discussed more fully below) increases the risk of higher clearing prices in the PRA and
4 increases the risk of Cleco Power having insufficient capacity resources to cover its
5 planning reserve margin obligations. As I explain below, Cleco Power analyzed its current
6 resource portfolio and market-available resources and determined that there is not
7 sufficient capacity available long-term to reliably serve existing customers and the
8 Customer without the addition of new generation.

9 **Q13: WHAT IS CLECO POWER PROPOSING WITH RESPECT TO ADDITIONAL**
10 **BASELOAD GENERATION?**

11 **A:** Consistent with the conclusions of Cleco Power's most recent Interim IRP, the Company
12 proposes to develop new dispatchable baseload generation with a target in-service date as
13 soon as 2032⁵ to address projected system-wide capacity, resource adequacy, and reliability
14 needs. The Interim IRP identified the need for additional firm generation resources to
15 manage forecasted load growth, evolving capacity accreditation requirements, and the
16 increasing risks associated with an aging generation fleet and tightening regional supply
17 conditions. The Company's existing generation fleet is discussed further by Mr.
18 Breedlove. The proposed dispatchable generation technology is a 756 MW CCGT
19 generator that would be located near the Project at a new substation.⁶

⁵ Cleco Power's most recent Interim IRP's preferred portfolio and action plan identified the addition of a CCGT by 2033.

⁶ Cleco Power submitted the proposed 756 MW CCGT generator into MISO's Expedited Resource Addition Study ("ERAS") process on September 19, 2025, as Project Number E0048.

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1 The proposed new CCGT generator is intended to serve Cleco Power's overall system and
2 all customers, enhancing long-term reliability and compliance with applicable planning
3 obligations while also mitigating risks associated with the Company's aging generation
4 fleet. While serving the Project contributes to near-term capacity requirements, the
5 underlying need for additional generation exists independent of the Project and reflects
6 prudent long-term resource planning.

7 **Q14: WHAT IS A COMBINED CYCLE GAS TURBINE, ALSO KNOWN AS A CCGT?**

8 **A:** A CCGT generator is an efficient, natural gas-fired generation resource capable of
9 providing both baseload and load-following power. In addition to being capable of
10 producing reliable energy on a continuous, around-the-clock basis, modern CCGT
11 generators are dispatchable, allowing them to respond efficiently to changes in system
12 demand and complement intermittent resources such as solar photovoltaic ("PV")
13 resources. CCGT generators can ramp output up or down, start and stop more quickly than
14 traditional baseload alternatives, and operate across a wide range of output levels, which
15 enhances overall system flexibility and reliability. Further, new CCGT generators utilize
16 a readily available fuel source (natural gas), can be designed to be cofired with hydrogen,
17 and produce significantly lower carbon dioxide and other emissions compared to coal-fired
18 generation, making them a cost-effective and environmentally improved solution for
19 meeting long-term system needs. As I noted earlier, Mr. Breedlove discusses the
20 Company's proposed new CCGT generator in detail in his testimony.

21 **Q15: WHAT IS THE ANTICIPATED POWER OUTPUT OF THE CHOSEN**
22 **RESOURCE, AND WILL ALL OF THIS POWER OUTPUT BE EXCLUSIVELY**
23 **DEVOTED TO THE CUSTOMER?**

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1 **A:** The CCGT generator will have a nameplate capacity of 756 MW and, no, the proposed
2 CCGT generator is being constructed to serve Cleco Power's total load in the future, which
3 will of course include the Customer's load assuming approval of this Application. This
4 new generator will be a part of the Company's overall generation resource portfolio. Cleco
5 Power anticipates that, as a system resource, the CCGT generator will be committed and
6 dispatched in normal order, consistent with MISO's security constrained economic unit
7 commitment and dispatch, to serve the needs of all Cleco Power's customers, as is the case
8 with any other system resource.

9 **Q16: DID CLECO POWER CONSIDER OTHER TYPES OF RESOURCES TO SERVE**
10 **ITS LONG-TERM SYSTEM REQUIREMENTS?**

11 **A:** Yes, it did. In addition to a CCGT generator, Cleco Power also considered combustion
12 turbines ("CT"), solar PV, battery storage, and solar PV paired with energy storage. These
13 resources were considered in the Interim IRP and are also being considered in the on-going
14 IRP that is expected to be completed in May 2027 in LPSC Docket No. I-37765.
15 Additionally, energy efficiency and demand response are considered in the course of the
16 Company's IRP process, and are complementary technologies that may be capable of
17 meeting the Company's resource needs on a non-firm basis. However, cost-effective
18 energy efficiency and demand response programs are not designed nor are they capable of
19 serving a large load customer requiring 430 MW of firm capacity and energy on a 24/7
20 basis.

21 **Q17: COULD THE OTHER TYPES OF RESOURCES THAT WERE CONSIDERED IN**
22 **THE INTERIM IRP SERVE THE COMPANY'S LONG-TERM SYSTEM**
23 **REQUIREMENTS?**

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1 **A:** No. As noted earlier, the Project has the potential to significantly increase Cleco Power's
2 energy sales and requires reliable power around the clock. A CCGT generator is designed
3 to provide baseload power around the clock, and therefore serves as the optimal solution
4 to meet the Company's need for reliable generation to serve the Company's customer
5 requirements. An alternative solar PV resource alone would be intermittent and only
6 available during certain daytime hours in addition to being affected by weather conditions.
7 Even when combined with energy storage resources, the limited capacity factor of a solar
8 project would require several times the amount of net capacity (MW) of the CCGT
9 generator to provide a comparable amount of energy (MWh). Additionally, MISO has
10 published projections that solar PV resources are expected to receive the lowest capacity
11 accreditation as a percentage of net capacity when MISO's Direct Loss of Load ("DLOL")
12 methodology begins in PY 2028/2029.⁷ Cleco Power would need enough storage capacity
13 to cover the hours in which the solar PV resources are not producing energy. A CT, while
14 flexible and having a lower cost to construct than a CCGT generator, is also not as fuel
15 efficient as a CCGT generator because it does not have the ability to utilize exhaust heat
16 (energy) from the CT (like a CCGT generator) to create additional electric power. A
17 reciprocating internal combustion engine generator can also be identified as a limited use
18 resource. The U.S. Energy Information Administration ("EIA") reported that while nearly
19 all natural gas-fired generators are dispatchable, CCGT generators are highly efficient,
20 which enables them to generate low-cost power over extended periods, and are configured
21 to provide power to serve base and intermediate load, while CT and reciprocating internal

⁷ See Planning Year 2026-2027 Indicative DLOL-Based Unforced Capacity and Planning Reserve Margin Requirement Results available at MISO's website: www.misoenergy.org.

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1 combustion engines are used mostly to meet peak demand on the electric grid and run much
2 less frequently.⁸ The average capacity factor of a reciprocating internal combustion engine
3 generator was 13% compared to a baseload CCGT generator at 66% in 2022.⁹
4 Additionally, EIA reported that the average tested heat rate for reciprocating internal
5 combustion engine generation was 8,894 Btu/kWh in 2022 and 8,924 Btu/kWh in 2024,
6 compared to CCGT generation at 7,596 Btu/kWh and 7,548 Btu/kWh in 2022 and 2024
7 respectively.¹⁰

8 **Q18: WHAT IS THE CUSTOMER'S ANTICIPATED LOAD?**

9 **A:** The Customer's maximum demand is 430 MW and is expected to operate 24/7 with an
10 estimated [REDACTED] load factor translating into annual energy consumption of [REDACTED]
11 [REDACTED] ("MWh") each year. The proposed new CCGT generator will
12 help serve the Customer's load in addition to providing additional capacity to account for
13 transmission losses and MISO-imposed planning reserve margin requirements ("PRMR")
14 not only for this load, but for all Cleco Power customers, and will support projected unit
15 retirements over the next 10 years.

16 **Q19: WHAT WOULD OCCUR IF THE CUSTOMER'S COMMERCIAL OPERATION**
17 **DATE CHANGED FROM ITS CURRENT DATE?**

18 **A:** The ramp-up information discussed by Mr. Finn is based on the best available information
19 provided by the Customer, and the timeline is subject to change. If the Customer's

⁸ Use of natural gas-fired generation differs in the United States by technology and region, February 22, 2024.
Available at <https://www.eia.gov/todayinenergy/detail.php?id=61444>.

⁹ *Id.*

¹⁰ Table 8.2. Average Tested Heat Rates by Prime Mover and Energy Source, 2014-2024 (Btu per Kilowatt hour),
Sourced from Form EIA-860, Annual Electric Generator Report. The table is available at
https://www.eia.gov/electricity/annual/html/epa_08_02.html.

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1 expected date for commercial operation changes, then Cleco Power will work with the
2 Customer to accommodate its new date(s) and have power available when needed.

3 **III. RESOURCE PLANNING**

4 **Q20: PLEASE EXPLAIN CLECO POWER'S RESOURCE PLANNING GOALS,**
5 **GENERALLY.**

6 **A:** Cleco Power's resource planning is guided by its goal to maintain a resource portfolio
7 focused on customer outcomes and to provide reliable, resilient, and affordable power to
8 satisfy the needs of the Company's customers and preserve quality of life in the
9 communities in which the Company operates. Cleco Power must consider both the near-
10 term and long-term benefits and risks associated with every project.

11 With that in mind, Cleco Power recognizes that customers' expectations for electric service
12 are continually changing alongside technological advancements and evolving market and
13 policy considerations. Therefore, Cleco Power's goal is to meet its customers' needs for
14 reliable, affordable electric services and energy solutions both for today and the future.

15 **Q21: CAN YOU PLEASE ELABORATE ON THE ROLE THAT RELIABILITY,**
16 **AFFORDABILITY, AND SUSTAINABILITY PLAY IN RESOURCE PLANNING?**

17 **A:** The North American Electric Reliability Corporation ("NERC"), is responsible for
18 developing and enforcing standards for the U.S. bulk power system, as well as evaluating
19 reliability and resource adequacy risks, subject to Federal Energy Regulatory Commission
20 ("FERC") oversight in the United States. "Reliable Operation" is defined as "Operating
21 the elements of the [Bulk-Power System] within equipment and electric system thermal,
22 voltage, and stability limits so that instability, uncontrolled separation, or cascading
23 failures of such system will not occur as a result of a sudden disturbance, including a

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1 cybersecurity incident, or unanticipated failure of system elements.”¹¹ NERC defines
2 adequacy as “The ability of the electric system to supply the aggregate electrical demand
3 and energy requirements of the end-use customers at all times, taking into account
4 scheduled and reasonably expected unscheduled outages of system elements.”¹² In other
5 words, reliability means ensuring that the stability of the grid is maintained through
6 adequate resources to meet capacity and energy needs along with adequate transmission
7 and distribution systems to ensure that power consistently meets ever-changing customer
8 requirements. Ensuring that there are adequate resources to meet customer demand is more
9 than just supplying a certain number of megawatts or zonal resource credits. Resource
10 adequacy must consider the diversity of the supply portfolio, both in technology type and
11 operational characteristics, combined with customer-targeted energy efficiency and
12 demand side resources. It also must consider the location of resources, proximity of those
13 resources to customer load, and the availability of those resources under various conditions.
14 The ability of the transmission and distribution system to deliver energy from those
15 resources to customers also is a key aspect of maintaining reliability, and the careful
16 integration of generation, transmission, and distribution ensures that reliability can be
17 delivered at the lowest reasonable cost.

¹¹ See 16 U.S.C. § 824o(a)(2) (defining the Electric Reliability Organization as the organization certified by FERC to establish and enforce reliability standards for the bulk-power system, subject to Commission review); Federal Energy Regulatory Commission, *Reliability Explainer* (explaining that FERC reviews, approves, and enforces mandatory reliability standards developed by NERC for the bulk-power system); NERC, *2025 Long-Term Reliability Assessment* news release (describing NERC’s role in assessing reliability and resource adequacy risks across the North American bulk power system); NERC, *Reliability Principles* (stating that the reliability of interconnected bulk power systems shall be assessed, monitored, and maintained on a wide-area basis). See https://www.nerc.com/globalassets/standards/reliability-standards/glossary_of_terms.pdf.

¹² *Id.*

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1 Affordability as a planning objective means keeping customer costs reasonable,
2 considering current and expected cost impacts of infrastructure improvements made on
3 behalf of the Company's customers and taking advantage of scale to provide cost synergies.
4 Cleco Power recognizes the importance of maintaining affordable rates for customers and
5 aims to maintain rates below the national average. This requires balancing various cost
6 components such as capital investment, operations and maintenance expenses, and fuel
7 costs. Cost stability requires that Cleco Power examine its portfolio over a variety of
8 futures to ensure the long-term supply productivity of any resource.

9 Sustainability as a planning objective refers to the use and protection of the natural
10 environment, ensuring compliance with existing and likely regulations, adaptability of
11 resources, and paths towards a lower-carbon economy. Portfolios that can adapt and
12 remain sustainable over the long-term horizon bring customers increased benefits and help
13 to manage long-term cost stability. When considering Cleco Power's sustainability
14 objective, the Company also monitors customer desire for decarbonization through lower
15 emission generation, renewables, and offerings that allow customers to meet their own
16 sustainability goals in partnership with their utility.

17 **Q22: CAN YOU PLEASE DESCRIBE CLECO POWER'S LONG-TERM RESOURCE**
18 **PLANNING PROCESS?**

19 **A:** Cleco Power conducts long-term resource planning through its IRP process, which is
20 designed to identify a cost-effective portfolio of resources needed to provide reliable,
21 resilient, and affordable power to satisfy the needs of the Company's customers and
22 preserve community quality of life over a long-term planning horizon while complying
23 with applicable reliability, environmental, and regulatory requirements. Through this

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1 process, Cleco Power evaluates a wide range of resource options and scenarios, including
2 projected load growth, existing and planned generation resources, fuel price uncertainty,
3 environmental compliance obligations, capacity accreditation requirements, and evolving
4 regional market conditions.

5 Cleco Power's most recent Interim IRP filed with the Commission and its on-going IRP
6 evaluate the Company's ability to meet future system needs in light of increasing load
7 growth, an aging generation fleet, tightening regional capacity conditions, and changes in
8 the MISO resource adequacy construct. The Interim IRP concludes that Cleco Power will
9 require additional firm, dispatchable generation resources in the early 2030s-time frame;
10 around 2033 to maintain reliable service, satisfy capacity requirements, and manage risk
11 in a cost-effective manner under a variety of potential future conditions.

12 As part of the resource planning process, Cleco Power continues to refine its IRP pursuant
13 to the Commission's IRP General Order. Cleco Power's Interim IRP, filed September 5,
14 2025, reflects updated inputs and assumptions to the Company's IRP that was previously
15 acknowledged by the Commission on February 21, 2024, in Docket I-36175. Due to the
16 inherent uncertainty and fluidity in long-term resource planning, Cleco Power's IRP
17 process provides a framework for the Company to plan for resources over the next several
18 years, but it cannot reasonably serve as a prescriptive plan for long-term generation needs
19 due to ever-changing circumstances. Prudent resource planning decisions are necessarily
20 based on the best information that is reasonably available at the time decisions are made.

21 There are instances in which Cleco Power's resource planning process addresses, but a
22 previously filed IRP may not have contemplated, unique load-serving issues and solutions
23 that arise, such as the case in this Application. The proposed large load discussed in this

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1 Application is significant and requires a solution that is highly dependent on the
2 Customer's location and specific requirements.

3 The Project was incorporated into Cleco Power's planning analyses as a large, high-load
4 factor customer and evaluated consistently with other long-term load growth assumptions.

5 While the Project contributes to near-term capacity requirements, the Interim IRP
6 demonstrates that the need for additional dispatchable generation exists independent of the
7 Project. As a result, the Project aligns with and reinforces Cleco Power's long-term
8 planning conclusions rather than creating a generation need solely to serve a single new
9 customer.

10 Cleco Power can serve the Project while maintaining its ability to provide reliable,
11 affordable, and sustainable power to all customers. From a reliability perspective, the
12 Project will be served through a combination of the Capacity Agreement and long-term
13 resource planning that maintains compliance with applicable MISO planning reserve and
14 resource adequacy construct requirements. From an affordability standpoint, the ESA and
15 related agreements ensure that costs associated with serving the Project including the
16 Capacity Agreement and transmission facilities are appropriately recovered directly from
17 the Customer, thereby protecting existing customers from cost-shifting and undue financial
18 risk. Additionally, as further discussed by Mr. Finn, the revenues provided by the
19 Customer will significantly reduce the cost impact of the new CCGT generator for existing
20 customers. Finally, from a sustainability perspective, the Interim IRP identifies modern,
21 high-efficiency natural gas-fired generation as a prudent long-term resource, offering
22 significantly lower emissions than legacy resources while providing the operational
23 flexibility needed to support a changing generation mix. Through its resource planning

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1 process and the disciplined evaluation of the Project, Cleco Power continues to pursue a
2 resource portfolio that balances reliability, cost-effectiveness, and environmental
3 performance for the benefit of all customers.

4 **Q23: WHAT BROADER CHANGES IN THE UTILITY INDUSTRY HAVE**
5 **INFLUENCED HOW CLECO POWER MUST PLAN FOR RELIABILITY AND**
6 **ADEQUATE CAPACITY?**

7 **A:** The electric industry is undergoing a period of rapid and fundamental change that has
8 significantly altered how regulated utilities must plan for reliability and adequate capacity.
9 One of the most consequential shifts has been the acceleration of large-scale load growth,
10 driven by economic development, electrification, and data-intensive facilities, which has
11 increased both the magnitude and speed at which new capacity is required. At the same
12 time, utilities are confronting the planned retirement of legacy generation and growing
13 operational risk from aging fleets, thereby reducing excess capacity that has historically
14 supported reliability planning.
15 These challenges are further compounded by material changes in regional market and
16 reliability frameworks. MISO has transitioned from an annual to a seasonal resource
17 adequacy construct, reflecting the reality that reliability risks now vary materially by
18 season. In addition, MISO has adopted probabilistic capacity accreditation methodologies
19 that place greater emphasis on actual performance under stressed system conditions.
20 Together, these changes have reduced effective accredited capacity and increased the
21 importance of high-performing, dispatchable resources to ensure compliance with planning
22 reserve margin requirements.

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1 Utilities must also plan in an environment characterized by longer development timelines,
2 constrained supply chains, labor limitations, and transmission interconnection backlogs, all
3 of which limit the ability to respond quickly once capacity shortfalls emerge. These
4 realities make it increasingly important to identify and advance generation and
5 transmission solutions earlier in the planning horizon rather than relying on short-term
6 market mechanisms or delayed decision-making.

7 Viewed as a whole, these industry-wide changes require a more proactive and
8 forward-looking approach to reliability planning. Cleco Power's planning reflects this
9 reality by aligning new dispatchable generation and supporting transmission investments
10 to effectively operate within evolving reliability standards, regional market rules, and the
11 narrowing margin for error that now defines the modern electric utility operating
12 environment.

13 **Q24: PLEASE DESCRIBE CLECO POWER'S EXISTING RESOURCE PORTFOLIO.**

14 **A:** Cleco Power has approximately 2.5 GW of net capacity, which equals approximately [REDACTED]
15 [REDACTED] to support existing customers' needs. In addition, Cleco Power
16 will control approximately 240 MW of solar resources prior to the end of 2026 through a
17 long-term power purchase agreement ("PPA").¹³ Table 1 shows Cleco Power's current
18 resources by fuel type and SAC percentage.
19

¹³ Please refer to LPSC Order No. U-36502, issued October 8, 2024.

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HSPM Table 1.

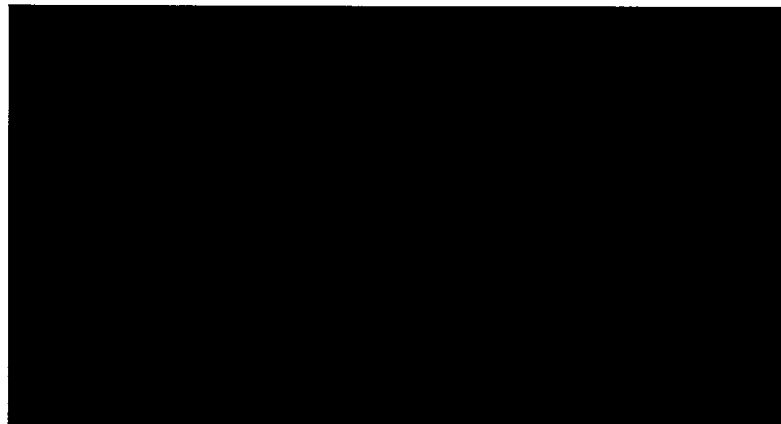
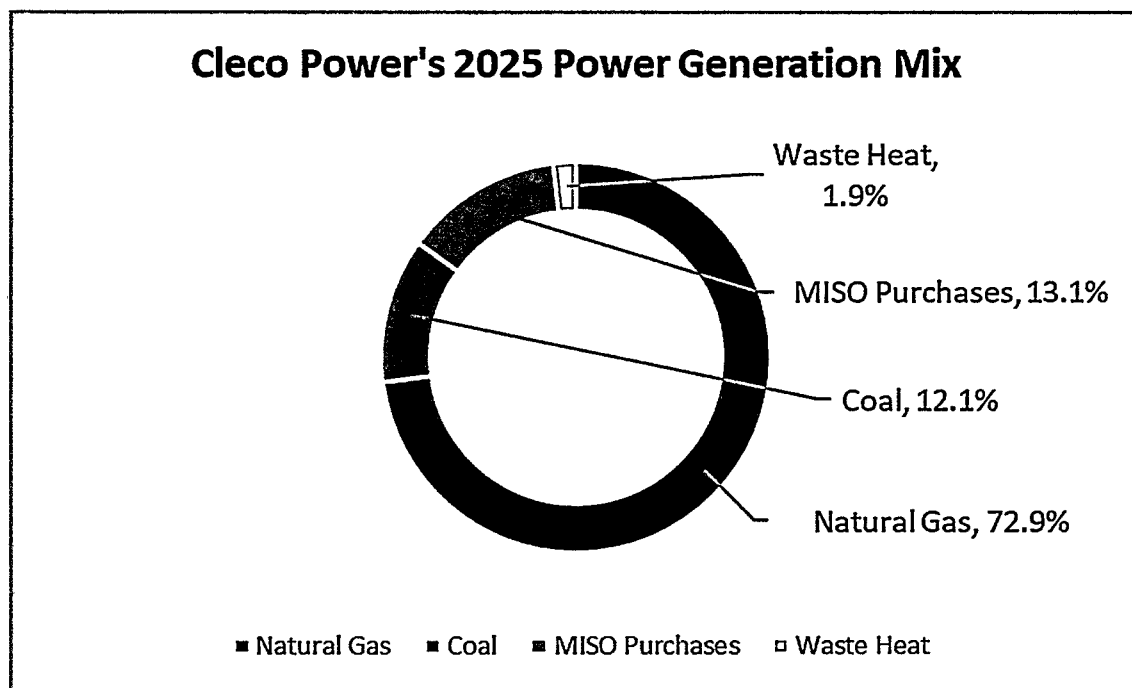


Figure 1 below shows Cleco Power's energy mix in 2025 by generation type.

Figure 1



Approximately 17% of the Company's current net capacity is composed of legacy natural gas-fueled generation that has been in service for over 50 years. Coal generation comprising 30% of the Company's net capacity has an average age of 21 years with the oldest unit having been in service for 44 years. CCGT generation comprising 50% of the

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1 Company's net capacity has been in service for an average of ~25 years. Cleco Power has
2 made and will continue to make investments to maintain these generators when
3 economical; as discussed further by Mr. Breedlove, some of these generators are expected
4 to be deactivated within the next 10 years.¹⁴

5 **Q25: HOW DOES MISO RESOURCE ADEQUACY REQUIREMENTS INFLUENCE**
6 **THE COMPANY'S RESOURCE NEEDS?**

7 **A:** The Company's resource planning efforts are primarily focused on the planning objectives
8 noted above to provide reliable, resilient, and affordable power to satisfy the needs of the
9 Company's customers and preserve community quality of life over the long-term planning
10 horizon. As a Load Serving Entity ("LSE") in MISO, Cleco Power is influenced by, and
11 must comply with MISO's ever-changing resource adequacy construct requirements.
12 MISO transitioned from an annual resource adequacy construct to its current SAC
13 construct in planning year 2023-2024. MISO currently conducts seasonal Loss of Load
14 Expectation ("LOLE") assessments to measure the expected number of hours per year
15 when the system's available generation is insufficient to meet demand, based on
16 seasonalized load, generation performance, and outage rates. These assessments are
17 modeled using historical generator performance in conjunction with a wide range of
18 potential load forecasts and weather scenarios, including extreme weather scenarios. These
19 assessments are a key input to MISO's PRMR calculations, which determines the minimum
20 amount of capacity that must be available to maintain reliability.

¹⁴ Nesbitt Unit 1, a legacy natural gas steam turbine generator, and Rodemacher Unit 2, a coal generator are projected to be retired in 2035, as described in the Interim IRP and filed data assumptions for the 2027 IRP. Madison Unit 3 is projected to be deactivated in 2038 dependent on the U.S. Environmental Protection Agency's ("EPA") finalized rule under Clean Air Act ("CAA") Section 111(d), announced in April 2024 remaining in its current final form.

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1 Instead of using a generator's net capacity, which generally reflects the maximum electrical
2 output that a generating resource can produce, and is typically based on each generator's
3 verified test capacity, MISO determines and allocates SAC for each generator based on its
4 projected ability to provide capacity during a given season's periods of highest reliability
5 risk. The amount of capacity allocated can materially differ between seasons for a given
6 generator. SAC explicitly incorporates historical availability during resource adequacy
7 risk hours, seasonal forced outage rates and availability, technology specific characteristics
8 such as intermittency or limited duration, and alignment with LOLE-based modeling.
9 MISO also determines how much capacity must be located within each LRZ relative to the
10 amount of capacity that can be imported from other LRZs. In the case where an LSE's
11 resources are insufficient to meet a seasonal requirement, either in total or in each LRZ,
12 the LSE is exposed to the zonal clearing price, for the shortfall, in MISO's annual capacity
13 auction. The clearing price can approach, or exceed, the cost of new entry ("CONE") as
14 market conditions tighten.¹⁵ In MISO's PY 2026/2027 PRA, LRZ9 results show that
15 approximately 21.4 GW of ZRCs were offered in the auction or through Fixed Resource
16 Adequacy Plans, and the amount of ZRC's identified by MISO as being required in the
17 LRZ were approximately 21.2 GW, resulting in the LRZ being approximately 0.2 GW from
18 being unable to meet its load during that season resulting in an Auction Clearing Price
19 ("ACP") of \$412.10/MW-day. In contrast, the other LRZs in MISO South (LRZs 8 and
20 10) cleared at \$384.10/MW-day for the same season.¹⁶ The ACP for Fall, Winter, and

¹⁵ MISO Cost of New Entry (CONE) and Net CONE Calculation for Planning Year 2026/2027. Available at: [https://cdn.misoenergy.org/20251001%20RASC%20Item%2006%20MISO%20Cost%20of%20New%20Entry%20\(CONE\)%20Presentation720296.pdf](https://cdn.misoenergy.org/20251001%20RASC%20Item%2006%20MISO%20Cost%20of%20New%20Entry%20(CONE)%20Presentation720296.pdf).

¹⁶ MISO Planning Reserve Auction Results for Planning Year 2026/27, released April 2026. Available at: <https://cdn.misoenergy.org/2026%20PRA%20Results%20Posting%2020260428754715.pdf>.

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1 Spring cleared at \$33.92/MW-day, \$35.97/MW-day, and \$7.61/MW-day, respectively
2 consistently across all LRZs.

3 Beginning in PY 2025/2026, MISO also implemented a Reliability Based Demand Curve
4 (“RBDC”). Historically, MISO’s PRA used a vertical demand curve meaning once the
5 market had sufficient capacity to meet the PRMR, the demand price dropped quickly
6 toward ~\$0; if the market was short, price jumped sharply. This created high volatility and
7 weak value signals for surplus capacity. The RBDC replaces the vertical demand curve
8 with a downward-sloping curve that assigns positive value to incremental accredited
9 capacity above the PRMR target and gradually increases price as the system tightens,
10 which is intended to reduce volatility and improve investment/retirement signals. Because
11 the RBDC slopes, the clearing quantity can exceed the PRMR target when the market finds
12 additional capacity at prices that the curve still values (*i.e.*, the curve is still “willing to
13 pay”). That is why recent PRAs show cleared reserve margins above the PRMR target
14 with the price reflecting the reliability value of that incremental surplus. Under RBDC,
15 surplus capacity has a price because the demand curve still values reliability improvement
16 above the PRMR target so clearing prices will not collapse to ~\$0 the moment the region
17 is barely long.

18 In PY 2026/2027, MISO’s RBDC adder increased the PRMR in the Summer season from
19 a target of 7.9% to 9.7%. Fall increased from a target of 11.6% to 18.9%, Winter from a
20 target of 18.9% to 30. 7%, and Spring from a target of 23.4% to 33.2%. MISO provided a
21 system-wide RBDC prior to the auction, but final rates were not known until PRA results
22 were published in late April 2026 following completion of the PY2026/2027 PRA. The

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1 final rates were also different between MISO's North/Central subregion and the MISO
2 South subregion.

3 In parallel to participating in MISO resource adequacy activities, the Company
4 continuously evaluates future load growth with its existing native load customers and
5 prospective load growth opportunities. The estimated future PRMR values are then applied
6 to these forecasts to assess the Company's ability to continue providing reliable, affordable
7 energy to its customers. This process leads to evaluating existing generation resources,
8 existing transmission capabilities, future generation retirements, future MISO policy
9 changes, and other common factors to determine the Company's resource adequacy
10 capabilities over the next 5 to 20 years in MISO. The outcome of this sensitivity analysis
11 shapes the Company's pursuit of adequate generation resources and future transmission
12 projects to meet the requirements as an LSE in MISO under the jurisdiction of the LPSC.
13 The transition from annual (single value) to seasonal (four period values) in the PRA adds
14 additional complexity to the Company's overall assessment of future needs, resulting in
15 outcomes that may require new generation and new transmission to meet the Company's
16 future resource adequacy requirements.

17 **Q26: HOW DOES MISO IMPACT THE PROPOSED NEW CCGT GENERATOR AND**
18 **TRANSMISSION IMPROVEMENTS?**

19 **A:** MISO is the Regional Transmission Organization in which Cleco Power is a Transmission
20 Owner member. MISO performs a variety of planning functions involving the evaluation
21 of new generator interconnection requests that wish to connect to Cleco Power's system,
22 including Cleco Power's request for a new generator study and interconnection. Cleco
23 Power submitted a request for the proposed new generator to be studied by MISO in its

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1 Expedited Resource Addition Study (“ERAS”) process.¹⁷ Cleco Power also requested
2 Network Resource Interconnection Service (“NRIS”) to be studied so that the CCGT
3 generator can be deliverable to loads across the MISO footprint to be able to offer capacity
4 from the resource into the MISO PRA. Mr. Thibodeaux discusses the Company’s ERAS
5 interconnection request in his direct testimony. Due to the backlog in the MISO
6 interconnection queue, generators have taken longer than four (4) years to navigate through
7 the Definitive Planning Phase (“DPP”) phases to receive a final determination of known
8 transmission upgrades and receive a Generator Interconnection Agreement (“GIA”). As
9 an LSE, it is Cleco Power’s responsibility to reliably and safely serve its customer load.
10 With unforeseen and unprecedented load growth, an LSE typically cannot wait four plus
11 years to be able to receive a GIA necessary to meet its resource adequacy requirements.
12 With MISO’s new ERAS process, the Company expects to receive a GIA in early 2027 to
13 support the proposed new CCGT generator’s anticipated construction schedule.

14 **Q27: WHAT IS THE ERAS STUDY PROCESS AND HOW IS IT BEING**
15 **IMPLEMENTED BY MISO?**

16 **A:** MISO’s ERAS process is a separate process to facilitate the addition of generation projects
17 to address certain near-term resource adequacy and reliability needs due to unforeseen
18 circumstances of extreme load growth.¹⁸ MISO’s ERAS process represents an urgently
19 needed but temporary¹⁹ stopgap to address near-term resource adequacy and reliability

¹⁷ Cleco Power submitted the proposed 756 MW CCGT generator into MISO’s ERA process on September 19, 2025, as Project Number E0048.

¹⁸ See <https://cdn.misoenergy.org/ERAS%20Informational%20Guide707493.pdf>.

¹⁹ MISO’s ERAS process sunsets no later than August 31, 2027, and may terminate earlier upon completion of the 68-project cap. The final opportunity to submit an ERAS application occurs in advance of the last study cycle (May 2027), after which no new entries are accepted.

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1 needs until MISO's generator interconnection queue improvements are fully in effect.

2 Lastly, ERAS has extremely stringent eligibility requirements that limit the number of
3 projects that can participate in it to those with commercial viability, support from state
4 retail regulators like the LPSC, and the ability to come online in a timely manner. Mr.
5 Thibodeaux in his Direct Testimony discusses MISO's ERAS process and the evaluation
6 of the Company's proposed new CCGT generator in that process.

7 This process is separate from MISO's standard generator interconnection queue process,
8 which is referred to as the DPP process. MISO established the ERAS process to provide a
9 framework for the expedited study of interconnection requests to address urgent resource
10 adequacy and reliability needs in the near term. As I noted earlier and as discussed further
11 by Mr. Thibodeaux, Cleco Power submitted its proposed 756 MW CCGT generator to the
12 ERAS process in September 2025.

13 ERAS is a unique process which recognizes that the responsibility for providing grid
14 reliability and resource adequacy in the MISO region is shared by LSEs, the states, and
15 MISO. Proposed projects that enter the ERAS process should be granted a GIA within 90
16 days after completion of MISO's review.

17 When it established ERAS in mid-2025, MISO stated that the resource adequacy and
18 reliability challenges facing the region are being shaped by a combination of load growth,
19 including from electrification, manufacturing expansion, and large data center
20 development, together with resource transition dynamics and accelerated generator
21 retirements. MISO proposed ERAS in early 2025 as a temporary, near-term
22 interconnection pathway designed to facilitate the timely study of proposed projects
23 intended to address those identified needs where the standard queue timeline could present

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1 a barrier. FERC ultimately accepted the revised ERAS framework in July 2025, subject to
2 conditions, with an effective date of August 6, 2025.²⁰

3 **Q28: PLEASE DISCUSS CLECO POWER'S ERAS APPLICATION AND ITS TIMING.**

4 **A:** As I noted above, Cleco Power submitted an ERAS application on September 19, 2025,
5 for a proposed 756 MW CCGT generator as Project Number E0048 to support a CCGT
6 generator to meet (1) expected future retail load requirements, and (2) in a MISO market
7 with uncertain resource adequacy requirements, to address the projected loss of Nesbitt
8 Unit 1, Rodemacher Unit 2, and potentially Madison Unit 3 (*see* footnote 14). In that
9 ERAS submission, the commercial operations date ("COD") of September 19, 2028, was
10 automatically populated by MISO. At the time of submission, it was expected that the
11 CCGT generator would be studied by MISO in December 2026 resulting in a GIA with
12 known transmission network upgrade costs in early 2027. Under ERAS, Cleco Power's
13 project has a COD of December 1, 2032, based on a contractual 3-year period for all GIAs,
14 and a grace period of up to 3-years for GIAs issued using the ERAS process.²¹ If market

²⁰ See Jennifer Curran, Senior Vice President, Planning and Operations, Midcontinent Independent System Operator, Inc. ("MISO"), testimony before the U.S. House Committee on Energy and Commerce, Subcommittee on Energy, *Keeping the Lights On: Examining the State of Regional Grid Reliability* (Mar. 25, 2025) (describing reliability pressures associated with continued electrification, manufacturing growth, large data-center demand, the transition toward lower- or no-carbon resources, and accelerated generator retirements); see also Midcontinent Independent System Operator, Inc., filing in Docket No. ER25-1674-000 (filed Mar. 17, 2025) (proposing the Expedited Resource Addition Study ("ERAS") as a mechanism to accelerate interconnection review for projects intended to address urgent near-term resource adequacy and reliability needs where standard queue timelines may impede timely solutions); see further *Midcontinent Independent System Operator, Inc.*, 192 FERC ¶ 61,064 (July 21, 2025) (accepting MISO's revised ERAS tariff revisions, subject to condition, effective Aug. 6, 2025).
<https://www.congress.gov/119/meeting/house/118040/witnesses/HHRG-119-IF03-Wstate-CurranJ-20250325.pdf>, https://www.energy.gov/sites/default/files/2025-10/ExhibitsRtoZ_StatesMNandIL.pdf,
https://cdn.misoenergy.org/2025-03-17_Docket%20No.%20ER25-1674-000685943.pdf, and
<https://www.energy.gov/documents/motion-intervene-and-request-rehearing-and-stay-public-interest-organizations-202-26-16-6>.

²¹ See MISO Attachment X, § 3.3.1 (ERAS COD timing requirements), § 3.9.8 (no changes to COD or in-service date after entering ERAS), and MISO's ERAS filing explanation that ERAS projects remain eligible for the standard three-year GIA Article 2.3.1 grace period, but not the separate pre-GIA three-year extension available in the standard DPP process.

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1 conditions, such as supply-chain delays affecting long-lead equipment, do not support the
2 December 1, 2032, COD, Cleco Power would need to file an individual COD waiver
3 petition at FERC in its own docket to request an extension of the COD for the generator.
4 Although the waiver is not simply an administrative step, FERC has a precedent of granting
5 waivers based on a four-part test including: (1) the applicant acted in good faith; (2) the
6 request has a limited scope; (3) the identification of a concrete problem; and (4) that no
7 third-party harm will result from the waiver.

8 **Q29: IF THE CUSTOMER AND THE PROJECT AT ISSUE IN THIS APPLICATION**
9 **DID NOT EXIST, WOULD CLECO POWER STILL NEED ADDITIONAL LONG-**
10 **TERM GENERATING CAPACITY?**

11 **A:** Yes, regardless of whether the Application and the resources needed to serve the Project
12 are ultimately approved by the Commission, Cleco Power will still need additional long-
13 term generating capacity. Current load projections (plus a planning reserve margin) exceed
14 Cleco Power's existing capacity, which reflects the Company's need for additional long-
15 term generating capacity, as described in Cleco Power's Interim IRP submitted to the
16 Commission in September 2025. The uncertainty in MISO's evolving resource adequacy
17 construct, MISO's allocation of capacity based on a probabilistic process resulting in
18 capacity that is lower than the net capacity, and typically lower than the unforced capacity
19 ("UCAP")²² value of each generator, the projected deactivation of Cleco Power's Nesbitt
20 Unit 1 and Rodemacher Unit 2 generators by 2035, and the projected deactivation of

²² UCAP equals Net Capacity × (1 – Forced Outage Rate).

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1 Madison Unit 3 in 2038 as identified in Cleco Power's Interim IRP,²³ indicate that
2 additional long-term generating capacity will be needed even if the Customer and Project
3 at issue in this Application did not exist.

4 Exhibit RLS-3 (HSPM) reflects Cleco Power's generator resources relative to forecasted
5 load for 2027-2042 and shows Cleco Power's capacity based on current generation with
6 the black lines depicting Cleco Power's summer load requirements and the red lines
7 depicting Cleco Power's winter load requirements. Exhibit RLS-3 (HSPM) does not
8 account for or reflect the proposed CCGT generator or the Capacity Agreement described
9 in this Application for which Cleco Power is seeking certification. In terms of resource
10 availability, Exhibit RLS-3 (HSPM) reflects unit deactivation assumptions that were
11 discussed in Cleco Power's Interim IRP, and identified in Cleco Power's assumptions for
12 its 2027 IRP.²⁴

13 **Q30: WHAT ARE CLECO POWER'S CURRENT PLANS TO MEET THE LONG-**
14 **TERM CAPACITY AND LOAD SERVING CAPABILITY NEEDS OF ITS**
15 **CUSTOMERS?**

16 **A:** Cleco Power's long-term capacity and load-serving strategy is guided by the preferred
17 resource portfolio identified in the Interim IRP. That plan, while continuing to be refined
18 in Cleco Power's current IRP process, reflects Cleco Power's expectation that additional
19 firm, dispatchable generation is required in the early-2030s time frame, with a projected

²³ Filed on September 5, 2025, in LPSC Docket No. I-37725. LPSC Staff closed LPSC Docket No. I-37725 on March 25, 2026, and consolidated the two IRP dockets. All data and planning associated with LPSC Docket I-37725 is to be addressed in LPSC Docket No. I-37765, Cleco Power's current ongoing IRP.

²⁴ See Cleco Power's assumptions filing in LPSC Docket No. I-37765. Nesbitt Unit 1 and Rodemacher Unit 2 are projected to be deactivated in 2035, and will have 60 and 53 years of service respectively in 2035. Madison Unit 3 is projected to be deactivated in 2038 with 28 years of service dependent on the finalized rule under CAA 111(d) remaining unchanged in its current form.

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1 need emerging around 2033, to maintain reliable service and comply with applicable
2 resource adequacy requirements.

3 Consistent with that planning outlook, Cleco Power's approach combines a Capacity
4 Agreement to address near-term needs with the future development of new generation to
5 support long-term system reliability. This strategy will allow Cleco Power to continue
6 serving customers safely and reliably while preserving flexibility as system conditions,
7 market dynamics, and regulatory requirements continue to evolve.

8 **Q31: HOW DOES THE ADDITION OF THE CUSTOMER IMPACT THESE PLANS?**

9 **A:** The addition of the Customer does not change Cleco Power's underlying long-term
10 resource planning conclusions. However, the Customer's anticipated load accelerates
11 near-term capacity requirements as shown in Exhibit RLS-3 (HSPM), which Cleco Power
12 is addressing through a capacity purchase from Tenaska while maintaining alignment with
13 the Company's long-term planning framework. The Project also improves implementation
14 of these plans by virtue of the Customer funding 100% of the costs incurred by Cleco
15 Power under the Capacity Agreement and for the interconnection transmission facilities
16 needed for the Project and by helping to cover costs of new generation resources. As
17 further discussed by Mr. Finn, the payments that the Customer will make under the ESA
18 will reduce significantly the amount that Cleco Power's other customers would pay for the
19 proposed new CCGT generator; in other words, absent the Customer, Cleco Power's other
20 customers would bear the entirety of the cost.

21 **Q32: PLEASE DESCRIBE THE TIMING CONSTRAINTS ASSOCIATED WITH**
22 **CONSTRUCTING NEW GENERATION.**

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1 **A:** As discussed further by Mr. Breedlove and Company witness Jonathan Long, constructing
2 new generation is subject to evolving market dynamics that could limit how quickly new
3 capacity can be brought online once the need is identified. These constraints include the
4 time required for detailed engineering and design, procurement of major equipment with
5 long manufacturing lead times, construction, testing, and commissioning. Even under
6 favorable conditions, these activities require multi-year development timelines.

7 As discussed in significant detail by Mr. Long, current industry conditions further extend
8 these timelines. Global demand for new dispatchable generation has increased materially,
9 resulting in longer lead times for critical equipment such as large turbines and generators,
10 as well as constraints on the availability of specialized engineering, construction, and
11 commissioning labor. These factors reduce flexibility and make it difficult to accelerate
12 schedules once development begins.

13 As a result, utilities such as Cleco Power must initiate generation development well in
14 advance of expected need to ensure reliable service. As discussed in the Direct Testimonies
15 of Cleco Power witnesses Christopher Thibodeaux and Robert Breedlove, generation
16 planning must proceed early and in coordination with other system needs so that new
17 resources are available when required without exposing existing customers to unnecessary
18 reliability risk.

19 **Q33: HOW DOES THE RELIEF SOUGHT BY CLECO POWER IN THIS**
20 **APPLICATION SUPPORT CLECO POWER'S LONG-TERM PLANNING**
21 **OBJECTIVES?**

22 **A:** The relief sought in this Application supports Cleco Power's long-term planning objectives
23 by enabling the timely development of new generation and related transmission facilities

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1 and system upgrades needed to maintain reliable and flexible service as system conditions
2 evolve. As described by Mr. Thibodeaux and Mr. Jenkins, planned transmission
3 investments are needed to serve the Project. The transmission facilities required to
4 interconnect the Customer's load will be funded entirely by the Customer, ensuring that
5 existing customers do not bear the costs of Project-driven transmission and distribution
6 infrastructure. This approach supports affordability by aligning costs with cost causation
7 while allowing Cleco Power to make needed transmission investments to serve the Project.
8 The relief requested by the Company in this Application aligns with the Company's
9 broader resource planning framework. Through its Interim IRP, Cleco Power has
10 identified a future need for additional dispatchable generation on a system-wide basis, and
11 the relief sought here positions the system to reliably and efficiently serve the Company's
12 existing and future customers. From a sustainability perspective, replacing Rodemacher
13 Unit 2, Nesbitt Unit 1, and eventually Madison Unit 3 generation with a modern efficient
14 CCGT generator is projected to reduce the carbon intensity (tCO₂e/MWh) of the
15 Company's generation fleet.

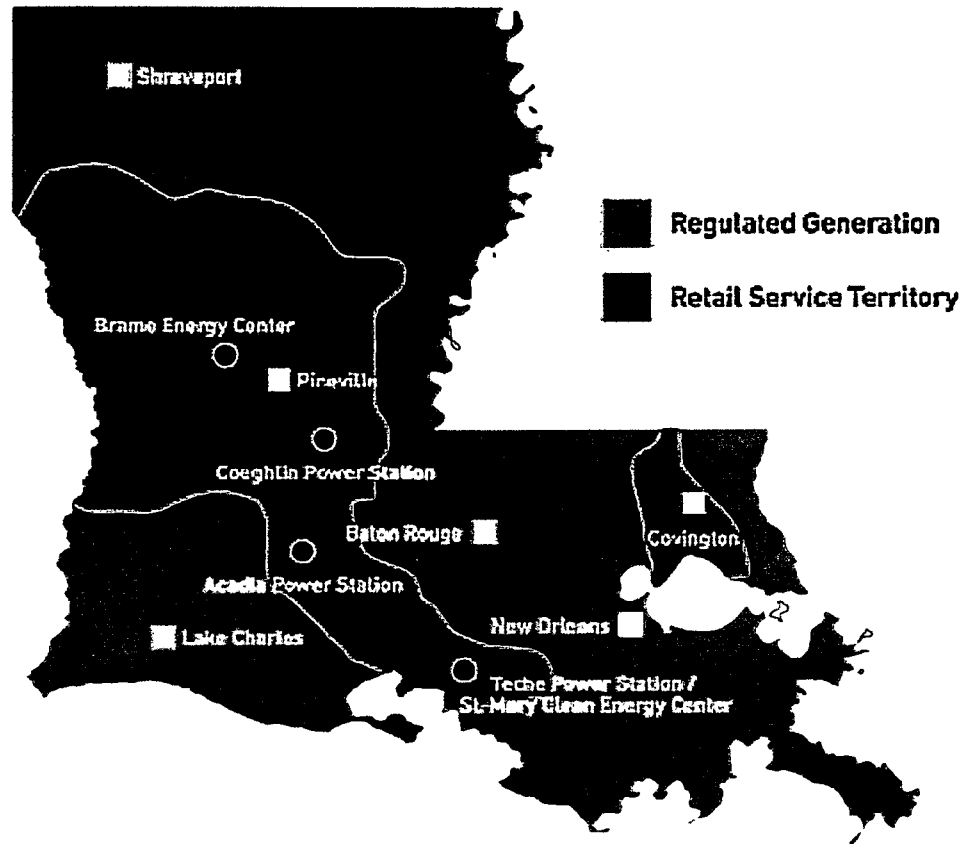
16 **IV. DISPATCHABLE GENERATION NEEDS**

17 **Q34: PLEASE DESCRIBE CLECO POWER'S SERVICE AREA.**

18 **A:** Cleco Power provides retail electric service to approximately 298,000 Louisiana customers
19 in its footprint with more than 13,000 miles of transmission and distribution infrastructure
20 and eight (8) generating units located at five (5) power plants. See
21 *Figure 2* below.

22 *Figure 2*

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1
2 As an LSE participating in MISO, which operates the regional transmission system and
3 wholesale energy and capacity markets, Cleco Power is responsible for ensuring that
4 sufficient generation, transmission, and distribution resources are planned, constructed,
5 and maintained to reliably serve its customers, while MISO is responsible for the real-time
6 and day-ahead dispatch of generating resources and operation of the bulk electric system
7 across the region. Cleco Power serves customer load using a diversified portfolio of
8 resources that includes utility-owned generation, and energy and capacity procured through
9 the MISO markets. These resources are not assigned or dedicated to specific customers;
10 rather, they are integrated into Cleco Power's overall system portfolio and dispatched by

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1 MISO on a security-constrained, least-cost basis to serve aggregate system load while
2 maintaining reliability.

3 Capacity procurement is driven by system-wide resource-adequacy requirements, not by
4 individual customer usage. Load additions increase the utility's MISO-imposed PRMR as
5 it relates to MISO, which must be met using accredited capacity resources. The addition
6 of new dispatchable generation reflects the need to maintain system reliability under
7 applicable reserve margins, particularly in MISO South.

8 Reliance solely on market purchases would expose customers to increasing capacity
9 scarcity risks, volatile PRA prices, and transmission deliverability constraints. System
10 planning principles require Cleco Power to maintain sufficient owned or firmly contracted
11 capacity to ensure reliability across a range of conditions, including stressed system events.
12 New dispatchable resources such as the Company's proposed new CCGT generator
13 mitigate these risks and reduce long-term exposure for all customers.

14 **Q35: WHERE DOES CLECO POWER PROPOSE THAT THE CCGT GENERATOR BE**
15 **LOCATED?**

16 **A:** Rapides Parish, the location of Cleco Power's Brame Energy Center, was identified as the
17 optimal location for a new CCGT generator after considering transmission deliverability,
18 system reliability, fuel access, and alignment with MISO market and reliability
19 requirements. Siting is discussed more fully by Mr. Thibodeaux as it relates to the
20 Company's transmission system and the need for resources to be located in proximity to
21 the Brame Energy Center. The site that has been identified provides the CCGT generator
22 with a suitable location providing operational flexibility as the Company is planning to

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1 deactivate Rodemacher Unit 2 by 2035, Nesbitt Unit 1 by 2035, and Madison Unit 3 by
2 2038,²⁵ all of which are located at the Brame Energy Center.

3 As discussed further by Mr. Thibodeaux, the Rodemacher Substation and Dolet Hills
4 Substation were considered as alternative locations. Cleco Power submitted a proposed
5 new generator at the Dolet Hills Substation in MISO's generation interconnection queue
6 in 2025, which was subsequently withdrawn after receiving MISO's DPP Phase 1 results
7 reporting interconnection upgrade costs that could exceed \$800 million. Cleco Power
8 separately submitted the Rapides Parish site for its new CCGT generator as part of the
9 MISO ERAS process, which Mr. Thibodeaux discusses.

10 **Q36: DID CLECO POWER CONSIDER ALTERNATIVES TO CONSTRUCTING THE**
11 **DESCRIBED CCGT GENERATOR?**

12 **A:** Yes. As I discussed above, Cleco Power considered several alternatives versus
13 constructing a new CCGT generator. In addition to the projected retirement of generators
14 at the Brame Energy Center, the Project represents a very large load addition compared to
15 Cleco Power's existing load and energy sales. The Customer is also requesting service on
16 an accelerated timeline, in addition to the Project expecting to have a very high load factor.
17 Alternatives to the CCGT generator included a simple-cycle CT, utility-scale solar PV, a
18 hybrid resource consisting of solar PV plus battery energy storage ("BESS"), standalone
19 BESS, and wind generation.

²⁵ Madison Unit 3 deactivation in 2038 is dependent on the U.S. Environmental Protection Agency's ("EPA") finalized rule under Clean Air Act ("CAA") Section 111(d), announced in April 2024 remaining in its current final form.

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**Q37: FOR EACH OF THE ALTERNATIVES CONSIDERED, PLEASE EXPLAIN WHY
CLECO POWER ULTIMATELY DECIDED THAT THE OPTION WAS EITHER
INFEASIBLE OR INFERIOR TO THE CCGT GENERATOR.**

A: A CT is not designed for continuous, around-the-clock dispatch, but rather designed to provide fast-start, peaking capacity with relatively low capital cost and shorter timelines compared to a CCGT generator; however, a CT is not an efficient solution for continuous operation. CTs operate at a lower efficiency than CCGT generators and have higher operating costs for sustained operations since they do not have a heat recovery steam generator to take advantage of the heat produced by the CT exhaust.

Renewable technologies like solar PV and wind, while important to Cleco Power's sustainability goals, are not capable of serving the Company's long-term requirements including serving the Project due to their intermittent operating profiles. Solar PV produces minimal, or no, energy during morning, evening, and overnight hours in addition to having a low-capacity accreditation in MISO South even prior to the implementation of MISO's DLOL resource adequacy construct. Solar PV would also require a substantial overbuild and complementary resources to meet the load obligation. Simply put, solar PV is not capable of providing the firm, dispatchable capacity required to reliably serve the Company's customers and the Project's requirements that reflect a continuous large load. Combining solar PV with BESS provides very limited dispatchability and peak-shifting capability. BESS by itself would support peak shaving and short-duration reliability needs with a typical duration of 4-6 hours. While solar PV combined with BESS is a complementary resource, it does not substitute for baseload-capable generation to support the Company's needs to serve its existing customers along with the Project. I would also

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1 note that the Company recently conducted an RFP for renewable energy resources in which
2 stand-alone BESS and hybrid proposals were received (please refer to LSPC Docket No.
3 X-37469). After careful review, the Company ultimately did not make any selections
4 because none of the evaluated projects provided pricing competitive enough to be added to
5 Cleco Power's resource portfolio and selected for Commission certification, which the
6 Independent Monitor agreed was appropriate.

7 Wind resources produce energy based on meteorological conditions and optimal sites are
8 located outside of Cleco Power's footprint. Wind resources can contribute to long-term
9 energy diversification, but they are not reliable substitutes for firm capacity serving high
10 load-factor demand. Further, to procure wind from other states would require transmission
11 and coordination with other wholesale markets like the Southwest Power Pool.

12 Transmission-only alternatives rely on importing energy and capacity from remote
13 generation through new or upgraded transmission facilities, combined with a greater
14 reliance on the MISO PRA and market purchases. This option theoretically leverages
15 surplus capacity in the region, but it does not create capacity and therefore does not satisfy
16 MISO or LPSC resource adequacy requirements on its own. The alternative would also
17 expose the Company's customers to capacity scarcity risk, volatile PRA prices, and
18 delivery constraints.

19 Cleco Power did contract with Tenaska to provide capacity for a 10-year term to support
20 the Project, but the Company was not able to contract energy from the unit. Although
21 energy from the generator will not transfer to Cleco Power, it does provide incremental
22 capacity into LRZ9 since the generator has since registered as a capacity resource in
23 MISO's LRZ9 and is subject to MISO rules, including offering into the MISO market daily.

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1 Section 69A of the MISO Tariff requires Planning Resources to be available and offered
2 into the market consistent with their committed capacity, with availability obligations
3 enforced through outage restrictions and capacity accreditation penalties tied to
4 performance during high-risk periods.

5 **Q38: IS CLECO POWER CONTINUING TO SEARCH FOR ADDITIONAL SOURCES**
6 **OF CAPACITY, REGARDLESS OF WHETHER THE GENERATION**
7 **RESOURCES DISCUSSED IN THE APPLICATION ARE AUTHORIZED?**

8 **A:** Yes. Cleco Power is currently collaborating with stakeholders to develop its 2027 IRP,
9 currently scheduled to be completed in May 2027. Additionally, the Company continues
10 to evaluate potential load opportunities and additional sources of capacity and energy to
11 match future load, replace aging resources, and meet sustainability goals. As discussed
12 earlier, Cleco Power's goal is to provide reliable, resilient, and affordable power to satisfy
13 the needs of the Company's customers and preserve quality of life in the communities in
14 which the Company operates.

15 **Q39: SHOULD CLECO POWER PURCHASE THE CAPACITY NECESSARY TO**
16 **SERVICE THE PROJECT THROUGH THE MISO PRA INSTEAD OF**
17 **ACQUIRING CAPACITY THROUGH THE CAPACITY AGREEMENT?**

18 **A:** No. Purchasing capacity in the MISO PRA does not provide additional capacity or local
19 area benefits since it is only a financial transaction. The Capacity Agreement will provide
20 additional capacity and energy in MISO's LRZ9. Cleco Power is also unable to ensure that
21 the MISO PRA will have sufficient capacity available to meet customer needs in the future.
22 Reliance on the MISO PRA to meet the needs of Cleco Power's service area in LRZ9
23 would expose Cleco Power's customers, as well as the local region, to the financial risk

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1 associated with tightening conditions in LRZ9. The PY 2026/2027 PRA results for LRZ9
2 show that the ZRCs offered into the PRA (including Fixed Resource Adequacy Plan or
3 “FRAP”) were 21.4 GW²⁶ versus the Local Clearing Requirement (“LCR”) of 21.2 GW, a
4 difference of only 0.2 GW. The PRA clearing price for LRZ9’s summer season for PY
5 2026/2027 is \$412.10/MW-day, which exceeds the CONE of \$339.42/MW-day.²⁷ The
6 Commission’s MCO requirements state that the purpose of the rule is for every utility to
7 prudently plan to supply 100% of its applicable planning reserve margin requirements and
8 Cleco Power must plan for and ensure that it has resources that are adequate to meet the
9 current and future needs of its customers.

10 **Q40: WHAT CAPACITY BENEFITS WOULD BE RECOGNIZED AS A RESULT OF**
11 **ADDING THE REQUESTED NEW GENERATION?**

12 **A:** The CCGT generator, if authorized, would be offered into MISO as a system resource,
13 meaning Cleco Power will make the capacity from the CCGT generator available in
14 MISO’s capacity markets. This will ensure that the energy and ancillary services supplied
15 by the CCGT generator are available to serve load across MISO and that the CCGT
16 generator is only dispatched when it is cost-effective at the time of dispatch and render
17 Cleco Power eligible to receive capacity credits for the CCGT generator, which will benefit
18 all Cleco Power customers.

²⁶ MISO’s Local Clearing Requirement is the minimum amount of accredited Capacity that must be physically located within a specific LRZ to ensure reliability. LCR = Local Reliability Requirement (“LRR”) – Zonal Import Ability – Controllable Exports. The LRR is the amount of UCAP MWs required to yield a 0.1-day-per-year Loss of Load Expectation. Results are available at <https://cdn.misoenergy.org/2026%20PRA%20Results%20Posting%2020260522%20-%20Corrections754715.pdf>.

²⁷ PY 2026/27 CONE for LRZ9 is \$123,890/MW-yr. Available at: [https://cdn.misoenergy.org/20251001%20RASC%20Item%2006%20MISO%20Cost%20of%20New%20Entry%20\(CONE\)%20Presentation720296.pdf](https://cdn.misoenergy.org/20251001%20RASC%20Item%2006%20MISO%20Cost%20of%20New%20Entry%20(CONE)%20Presentation720296.pdf).

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**Q41: PLEASE ELABORATE ON THE DIFFERENT SUPPLY ROLES FOR WHICH
CLECO POWER NEEDS CAPACITY.**

A: Long-term resource planning requires an analysis of both overall capacity needs as well as needs for capacity that serve specific supply roles, such as base load, load-following, and peaking and reserve. Having the right amount of capacity suitable for serving each supply role is crucial for Cleco Power to be able to provide efficient, affordable, and reliable service to its customers. Although there is no single correct percentage of hours that should be covered by baseload, load following, and peaking resources, industry-standard framing typically results in approximately 70-85% of hours being covered by baseload resources, typically consisting of nuclear, legacy coal, or efficient CCGT generation. Load-following resources, typically consisting of flexible CCGT generators and gas steam turbine generation, cover approximately 15-30% of hours. Peaking resources, typically consisting of CTs, generally cover the highest 1-5% of hours and reserves.

Each resource type has unique cost and performance characteristics that make it functionally and economically suited to serve a given supply role. Baseload resources typically have a higher cost to construct per kW, but they operate with a lower variable cost on a MWh basis. Load-following resources have moderate construction and variable operating costs. A peaking resource typically has a lower cost to construct per kW, but it has a higher variable cost per MWh. Therefore, it is expected to operate in a limited role or in a reserve role. Peaking resources can also be used to respond to contingency situations until the contingency is able to be resolved.

Q42: HOW DOES THE CCGT GENERATOR HELP WITH THOSE SUPPLY ROLES?

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1 **A:** The proposed new CCGT generator is intended to operate as a baseload and load-following
2 unit. The CCGT generator will also be a flexible resource capable of quickly providing
3 incremental energy with the ability to back down quickly if required. This highly flexible
4 resource will serve an important role in supporting the planned deactivation of an aging
5 baseload coal plant and legacy natural gas steam turbine plant. The proposed new CCGT
6 generator will also support the integration of Cleco Power's intermittent resources,
7 including the Dolet Solar PV project scheduled to be online by year-end 2026.

8 **Q43: WHAT ARE THE BENEFITS THAT WILL BE PROVIDED BY THE PROPOSED**
9 **NEW CCGT GENERATOR?**

10 **A:** The proposed new CCGT generator will provide benefits by adding a reliable,
11 dispatchable, best in class efficiency, and locally available source of energy within Cleco
12 Power's service area. The CCGT generator proposed in this docket is extremely efficient.
13 At the maximum output level, without duct-firing, it is projected to have a heat rate of
14 approximately ■■■ MMBtu/MWh and would be the most efficient generator in Cleco
15 Power's generator resource stack. From an operational perspective, the CCGT generator
16 will be able to operate at a high capacity factor to serve base energy requirements and
17 provide load-following capability to allow system operators to balance load in real time
18 and respond effectively to outages, contingencies, and changing demand patterns.

19 The proposed new CCGT generator will also improve system performance within the
20 MISO region, where energy shortages and constrained conditions have become more
21 common due to load growth, generator retirements, and a declining margin of dispatchable
22 resources. By increasing the amount of energy that can be reliably produced and
23 dispatched locally, the CCGT generator will reduce Cleco Power's reliance on imports

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1 from the MISO market during stressed conditions, will mitigate congestion exposure, and
2 will strengthen overall system resilience during peak and extreme-weather events.

3 In addition, modern CCGT generators operate with substantially higher thermal efficiency
4 than legacy fossil-fueled resources, allowing Cleco Power to produce more energy per unit
5 of fuel while emitting fewer pollutants. By displacing higher-cost market energy and
6 reducing exposure to volatile real-time prices, the proposed CCGT generator supports
7 affordability by providing a stable, lower-cost source of energy for customers over the long
8 term.

9 **Q44: HOW WILL THE PROPOSED NEW CCGT GENERATOR IMPACT CLECO**
10 **POWER'S IRP AND RESOURCE PLANNING NEEDS IN THE FUTURE?**

11 **A:** The proposed new CCGT generator is intended to serve as a system resource that will be
12 capable of providing reliable capacity and energy for Cleco Power and replace aging
13 generation as identified earlier. However, Cleco Power's IRPs are developed to provide a
14 snapshot of resource planning expectations while, in reality, resource planning is a dynamic
15 and evolving exercise to address the continuously changing needs of Cleco Power's
16 customers, including new customers.

17 While the proposed new CCGT generator will be a system resource, capacity is added in
18 blocks based on resources available, and not as just-in-time assets in perfect volumes. As
19 discussed further by Mr. Finn, the Customer's new load will benefit Cleco Power
20 customers by helping to cover a share of the CCGT generator's costs and, thus, reducing
21 the burden on Cleco Power's existing customers.

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**Q45: WOULD CLECO POWER CONTINUE TO NEED THE PLANNED NEW
GENERATOR IF THE CUSTOMER DOES NOT RENEW THE ESA AFTER THE
INITIAL 15-YEAR TERM ENDS?**

A: Yes. As reflected in Cleco Power's Interim IRP, the Company's need for additional dispatchable generation extends beyond the Customer and is driven by projected system-wide capacity requirements over the long term. The Interim IRP identifies future capacity shortfalls resulting from a combination of planned unit retirements, declining capacity accreditations under MISO's evolving resource adequacy framework, and increasing reliability risks associated with an aging generation fleet as discussed further by Mr. Breedlove.

Existing resources may experience reduced accredited capacity over time as they approach retirement or face heightened operational and performance risk. These trends reduce available firm capacity and increase Cleco Power's exposure to reliability shortfalls if replacement resources are not developed. As a result, the Interim IRP's preferred portfolio identified new dispatchable generation, including combined cycle units, to replace retiring generation and to maintain compliance with applicable planning reserve margin requirements.

Even if the Customer does not renew service after the initial 15-year ESA term, the proposed CCGT generator remains necessary to serve Cleco Power's broader load-serving obligations. The proposed new CCGT generator will continue to support system reliability for existing and future customers by offsetting retirements, mitigating accreditation risk, and strengthening the long-term resilience of Cleco Power's generation portfolio.

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1 In 2042, the 15th contract year for the Customer under the ESA, Cleco Power will have
2 approximately 1,280 MW of CCGT generation with 40 or more years of service and
3 projected deactivation assumption dates as early as 2044. Additionally, Madison Unit 3 is
4 projected to be deactivated in 2038 dependent on the U.S. EPA finalized rule under Section
5 111(d), announced in April 2024 remaining in its current final form.

6 **V. CONCLUSION**

7 **Q46: PLEASE SUMMARIZE YOUR TESTIMONY.**

8 **A:** The Customer's plans to construct a new hyperscale data center in Rapides Parish have the
9 potential to generate substantial economic benefits for the local area and for the State of
10 Louisiana as a whole, which Mr. Owens discusses further in his direct testimony. However,
11 the Project does not drive the Company's underlying need for new dispatchable generation.
12 Rather, the Project reinforces a need already identified through Cleco Power's resource
13 planning process and reflected in the Company's Interim IRP. Serving this significant new
14 load along with forecasted load growth requires generation and transmission facilities that
15 are carefully planned to preserve system reliability while continuing to provide safe,
16 reliable, and affordable service to Cleco Power's existing customers.

17 The proposed CCGT generator will be a system resource available to serve all Cleco
18 Power's customers. It will provide reliable, efficient, and dispatchable capacity and
19 energy; support MISO's and the LPSC's resource adequacy requirements; help replace
20 aging generation expected to retire over the planning horizon; and reduce reliance on
21 uncertain market purchases during periods of regional capacity scarcity or stressed system
22 conditions. For these reasons, constructing the proposed CCGT generator is consistent
23 with prudent utility planning, supports compliance with applicable reliability and resource

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1 adequacy obligations, and is necessary for continuing to provide safe, reliable, and
2 affordable service for Cleco Power's customers. Against this backdrop, the planned
3 dispatchable generation described in detail by Mr. Breedlove is consistent with the
4 Company's recent and on-going IRP activities and represents a prudent and necessary
5 resource addition that supports long-term reliability needs of the Company serving its
6 existing customers independent of the Customer and its significant new load.

7 **Q47: DOES THIS CONCLUDE YOUR TESTIMONY?**

8 **A:** Yes, at this time.

STATE OF LOUISIANA

PARISH OF RAPIDES

AFFIDAVIT

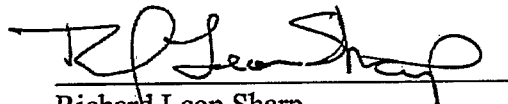
BE IT KNOWN, that before me, the undersigned Notary Public, duly commissioned and qualified for the state and parish/county aforesaid, personally came and appeared:

RICHARD LEON SHARP

("Affiant"), who after being duly sworn did depose and say:

1. Affiant has prepared Direct Testimony on behalf of Cleco Power LLC in support of the Application of Cleco Power LLC for Authorization of: (I) Site Specific Contract for Large Load Customer; (II) Bridge Capacity Contract; (III) Construction of New Transmission Interconnection; (IV) Construction of New Generation; (V) Associated Waivers; and (VI) Expedited Treatment.

2. To the best of Affiant's knowledge, information, and belief, Affiant's Direct Testimony is true, accurate, and complete in all material respects as of the date of this Affidavit.



Richard Leon Sharp
Cleco Power LLC
2030 Donahue Ferry Road
Pineville, LA 71360

SWORN TO AND SUBSCRIBED
BEFORE ME, NOTARY PUBLIC,
THIS 29th DAY OF JUNE 2026.



Catina L. Ivey
NOTARY PUBLIC

BAR ROLL/NOTARY ID NO.:

MY COMMISSION EXPIRES: 9/21/2028



EXHIBIT RLS-1

LISTING OF PREVIOUSLY FILED TESTIMONY OF RICHARD LEON SHARP

RICHARD LEON SHARP
PARTICIPATION IN REGULATORY PROCEEDINGS

1. LPSC U-33593 – In re: Application for (1) a Certificate of Public Convenience and Necessity authorizing Cleco Power LLC to construct, own, and operate a 40 megawatt generating unit at Cabot Corporation's Canal Carbon Black Plant in order to provide a source of renewable power for Cleco's customers; (ii) authorization to recover the costs associated with such 40 megawatt generating unit and related waste heat purchase and sale agreement in LPSC-jurisdictional rates; and (iii) expedited treatment.
2. LPSC U-32766 - In re: Application for Certificate of Public Convenience and Necessity to (I) Authorization to Acquire the Coughlin Power Station from Cleco Evangeline LLC; (II) Authorization to Recover in its Jurisdictional Rates the Charges that Cleco Power LLC Incurs to Acquire, Own, and Operate the Coughlin Power Station; And (III) Expedited Treatment (2013).
3. LPSC U-32507 – In re: Application of Cleco Power LLC for: (i) Authorization to Install Emissions Control Equipment at certain of its Generating Facilities in order to comply with the Federal National Emissions Standards for Hazardous Air Pollutants from Coal and Oil-Fired Electric Utility Steam Generating Units Rule; and (ii) Authorization to Recover the Costs Associated with the Emissions Control Equipment in LPSC Jurisdictional Rates (2012).
4. LPSC U-32223 - In re: Application of Cleco Power LLC for Certificate of Public Convenience and Necessity for: (i) Authorization for Cleco Power LLC to enter into a Proposed Power Purchase Agreement with Cleco Evangeline LLC (ii) Authorization

- for Cleco Power LLC to Flow-Through in its Jurisdictional Rates, the Charges that it Pays under the Power Purchase Agreement; and (iii) Expedited Treatment under the LPSC's Streamlined Procedures for Limited Term Purchase Power Agreements (2012).
5. LPSC U-32153 - In re: Application of Cleco Power LLC for: (i) Authorization to Install Emissions Control Equipment at certain of its Generating Facilities in Order to Comply with the Federal Cross-State Air Pollution Rule; (ii) Authorization to Recover the Costs Associated with the Emissions Control Equipment in LPSC-Jurisdictional Rates (2011).
 6. LPSC U-32096 - In re: Application of Cleco Power LLC for Certificate of Public Convenience and Necessity for: (i) Authorization for Cleco Power LLC to enter into Proposed Power Purchase Agreements with Cleco Evangeline LLC and NRG Power Marketing, LLC; (ii) Authorization for Cleco Power LLC to Flow-Through in its Jurisdictional Rates, the Charges that it Pays under the Power Purchase Agreements; and (iii) Expedited Treatment under the LPSC's Streamlined Procedures for Limited Term Purchase Power Agreements (2011).
 7. LPSC X-32091 - In re: Cleco Power LLC, Informational Filing, Containing Request for Proposals for Contractual Resources to Meet the Cross-State Air Pollution Rule beginning in May 2012 (2011).
 8. LPSC U-31750 - In re: Cleco Power LLC, June 30, 2010 FRP pursuant to Docket No. U-30689 (2010).
 9. LPSC U-31157 - In re: Application for Certificate of Public Convenience and Necessity for: (i) Authorization to Acquire Power Block One and an Undivided 50% Ownership Interest in the Common Facilities of the Acadia Power Station from Acadia

Power Partners LLC; (ii) Authorization to Recover in its Jurisdictional Rates the Charges that Cleco Power LLC incurs to Acquire, Own, and Operate the Acadia Facility and; and (iii) Request for Expedited Treatment (2009).

10. LPSC U-31123 - In re: Application for Certificate of Public Convenience and Necessity for: (i) Authorization to Enter into a Proposed Power Purchase Agreement between Acadia Power Partners, LLC as seller and Cleco Power LLC as Buyer; (ii) Authorization to Recover in its Jurisdictional Rates the Charges that Cleco Power LLC pays under the Power Purchase Agreement; and (iii) Request for Expedited Treatment under the LPSC's Streamlined Certification Procedures for Limited Term Power Purchase Agreements (2009).
11. LPSC U-29599 - In re: Application of Cleco Power LLC for Certificate of Public Convenience and Necessity for (i) Authorization to Enter a Proposed Power Purchase Agreements with ConocoPhillips Company and NRG Power Marketing Inc.; (ii) Authorization for Cleco Power LLC to Flow-Through, in its Jurisdictional Rates, the Charges that it Pays under the Power Purchase Agreements; and (iii) Expedited Treatment (2006).

EXHIBIT RLS-2

CAPACITY AGREEMENT

REDACTED TO OMIT CONFIDENTIAL,
COMPETITIVELY SENSITIVE, TRADE SECRET,
AND PROPRIETARY INFORMATION PURSUANT
TO RULE 12.1 OF THE COMMISSION'S
RULES OF PRACTICE AND PROCEDURE

EXHIBIT RLS-3

FORECASTED CAPACITY AND LOAD

REDACTED TO OMIT CONFIDENTIAL,
COMPETITIVELY SENSITIVE, TRADE SECRET,
AND PROPRIETARY INFORMATION PURSUANT
TO RULE 12.1 OF THE COMMISSION'S
RULES OF PRACTICE AND PROCEDURE