

# LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NUMBER U-36190-B

ENTERGY LOUISIANA, LLC, EX PARTE.

---

*Docket No. U-36190, In re: Application for Certification and Approval of the 2021 Solar Portfolio, Rider Geaux Green Option, Cost Recovery and Related Relief.*

---

(Decided at the September 17, 2024 Business and Executive Session.)

## ORDER

### **I. BACKGROUND AND PROCEDURAL HISTORY**

This Order addresses the July 1, 2024 request of Entergy Louisiana, LLC's ("ELL," "Entergy" or the "Company") for Commission approval of updated pricing for the Geaux Green Option ("GGO") Tariff to include the cost of an additional resource, the Sterlington Facility, a 49-mW solar resource that was approved by the Commission on February 23, 2024 in Order No. U-36685. The GGO Tariff was approved in this docket in Order No. U-36190 dated October 14, 2022. In that Order, the Commission approved a portfolio of four solar resources and approved the establishment of the GGO Tariff to allow customers to participate in the Tariff to satisfy sustainable energy demands.

The pricing of the GGO Tariff was first updated at Entergy's request on February 16, 2024, in Order No. U-36190-A. In that Order, the Commission approved the initial GGO tariff pricing in the form of subscription fees charged to subscribers/participants based on the first two of the four resources approved by the Commission for inclusion in the GGO portfolio in Order No. U-36190. The two resources currently included in the GGO tariff pricing are the Elizabeth Facility Purchase Power Agreement ("PPA"), a 125 MW solar resource located in the village of Elizabeth in Allen Parish, and the Sunlight Road Facility PPA, a 50 MW solar resource located in Washington Parish.<sup>1</sup>

The Sterlington Facility is a 49 mW solar resource that is under construction and will be owned by ELL upon completion. The addition of the Sterlington Facility will expand the capacity available for subscriptions pursuant to the GGO Tariff from 175 mW to 224 mW when it is placed in commercial operation in January 2026.

---

<sup>1</sup> The development of the other two resources that were included in the original GGO portfolio — the St. Jacques and Vacherie resources — has been delayed; thus, those two resources are not included in the GGO Tariff pricing calculation at this time. The St. James Parish Council voted on June 18, 2024 to deny land use permits for the projects. Further proceedings between the developer and the Parish Council are ongoing regarding this decision.

ELL filed a Rider GGO Subscription Fee Update Report ("Report") on July 1, 2024, in which it sought approval to update the Rider GGO subscription fees to include the cost of the Sterlington Facility pursuant to the process set forth in clauses 18 and 19 of Order No. U-36190. As stated in the Report, "clause 18 provides that if '[t]he Commission approves the addition of new resources that are eligible to participate in Rider GGO,' the Company 'will provide notice to the Commission and the Parties to [Docket] U-36190 to allow the Commission to consider whether subscription fees for Rider GGO should be recalculated.' Clause 19 provides that, if the Commission determines that fees should be updated, it 'shall issue a final determination approving fees no later than six (6) months prior to the date on which participating customers are required to determine whether to renew their participation in Rider GGO.'" [Report at 1].

Entergy requested approval of the updated GGO subscription fees sufficiently in advance of the effective date of the requested pricing change to allow customers to decide whether to renew existing subscriptions and whether to seek additional and new subscriptions. The Company stated that Commission action was needed by October 1, 2024 to accommodate a June 1, 2025 effective date for the updated pricing, and thus requested a Commission decision at the September 11, 2024 Business and Executive Session.

Based on its review as described below, Staff recommended that the Commission approve the pricing update requested in ELL's July 1, 2024 Report at the September 11, 2024 Business and Executive Session to allow for a June 1, 2025 effective date for the GGO Tariff pricing change in compliance with Order No. U-36190. Staff explained that this action would fairly reflect the incorporation of the Sterlington cost into the GGO Tariff subscription fee pricing and would help meet the demand of ELL's customers for renewable resources.

## **II. COMMISSION JURISDICTION**

The Commission exercises jurisdiction over public utilities and common carriers in Louisiana pursuant Article IV, Section 21 (B) of the Louisiana Constitution, which states:

"The commission shall regulate all common carriers and public utilities and have such other regulatory authority as provided by law. It shall adopt and enforce reasonable rules, regulations and procedures necessary for the discharge of its duties, and shall have other powers and perform other duties as provided by law."

## **III. STAFF REPORT AND RECOMMENDATION**

Staff, assisted by consulting firm J. Kennedy and Associates, and outside counsel Stone Pigman LLC., reviewed the Company's updated GGO tariff pricing to reflect the addition of the Sterlington Facility to the GGO portfolio and the supporting workpapers. Staff also reviewed



the changes in assumptions and forecast costs for the Elizabeth Facility and Sunlight Road Facility PPAs included in the GGO portfolio and the GGO Tariff subscription fee pricing.

The Company calculated the requested updated GGO Tariff subscription fee pricing using an Excel workbook model that it developed and initially filed in Docket No. U-36190 for the four solar resources approved in that docket. The Company subsequently updated the model and the resulting GGO subscription fees to reflect only the Elizabeth Facility and Sunlight Road Facility PPAs, and updated contract prices and in-service dates for those resources. The Commission approved these updates and the initial GGO tariff pricing in Order No. U-36190-A. The Company again updated the model and the resulting GGO subscription fees to reflect the addition of the Sterlington Facility to the GGO portfolio, to reflect updated MISO capacity values based on seasonal variations, to reflect the most recent authorized cost of capital, and to reflect other updated assumptions and forecast costs.

Staff reviewed the updated Excel workbook model and the resulting GGO tariff rates for the volumetric option rate per kWh, the fixed price option rate per kW-month, the low income option rate per kW-month, and the updated assumptions used in the forecast costs to calculate these three rates.<sup>2</sup> In its review, Staff identified certain potential concerns, which it communicated to and discussed with ELL. Those concerns addressed how to coordinate the commercial start date of the new GGO resource with the timing of the resource's inclusion in the GGO subscriptions and in the calculations of the updated GGO Tariff subscription fee prices. Staff also raised several questions regarding property tax, income tax and production tax credits.

ELL satisfactorily addressed Staff's concerns and corrected the Excel workbook model with respect to certain inputs to the subscription fee calculation regarding production tax credits and property taxes. Those corrections reduced the proposed GGO subscription fees. Staff reported that ELL's modifications to the Excel workbook model and the revised GGO subscription fees fully address its concerns and that the Company's request, as modified, maintains the structural allocation of risks, costs, and benefits between the GGO subscriber/participants and non-subscriber/non-participants through the ratemaking process previously approved by the Commission in Order No. U-36190.

---

<sup>2</sup> ELL also relied on an additional Excel workbook model to calculate the Sterlington revenue requirement. The output of the Sterlington model was used by the Excel workbook model in the calculation of the forecast GGO portfolio revenue requirements and in the calculations of the GGO subscription fees.

Staff filed its Report and Recommendation into the docket on August 30, 2024. Based on its review of the proposed update to the GGO pricing calculation, Staff recommended the following:

1. The Commission approve the updated pricing of the GGO Tariff rates to reflect the addition of the Sterlington Facility in the GGO portfolio as follows: \$8.24/kW-month for the fixed price option (also referenced as "Option A" in Rider GGO), \$0.04250 per kWh for the volumetric option (also referenced as "Option B" in Rider GGO), and \$6.15 per kW-month for the low income option (also referenced as "Option C" in Rider GGO).
2. ELL shall make a GGO Tariff compliance filing in accordance with the Tariffs General Order.
3. These revised GGO Tariff rates are effective June 1, 2025 and are subject to future changes pursuant to the terms of Commission Order No. U-36190.
4. Staff did not perform a prudence review of ELL's management of the Sterlington contract or the reasonableness of the costs and in the in-service dates and the effects on customers, including the effects on the GGO revised Tariff rate, or any other impacted rates. The Commission retains the right to conduct such a prudence review and to make changes to the GGO Tariff rates and other rates based on that review.
5. The Commission address the prudence of ELL's management of the Sterlington contract when it addresses the prudence and economics of the Sunlight Road and Elizabeth Facilities PPAs.

No party expressed any objection to Staff's Report and Recommendation.

#### **IV. COMMISSION CONSIDERATION**

Staff's Report and Recommendation was considered at the September 17, 2024 Business and Executive Session. On motion of Commissioner Skrmetta, seconded by Vice Chairman Lewis, with Chairman Francis concurring, and Commissioner Campbell and Commissioner Greene temporarily absent, the Commission voted to accept Staff's Report and Recommendation filed into the record on August 30, 2024.

**IT IS, THEREFORE, ORDERED THAT:**

- 1) Staff's Report and Recommendation filed into the record on August 30, 2024 is accepted.
- 2) This Order is effective immediately.

**BY ORDER OF THE COMMISSION**  
**BATON ROUGE, LOUISIANA**  
October 14, 2024



A handwritten signature in blue ink, appearing to read "Brandon M. Frey".

**BRANDON M. FREY**  
**SECRETARY**

A handwritten signature in blue ink, appearing to read "Mike Francis".  
\_\_\_\_\_  
**DISTRICT IV**  
**CHAIRMAN MIKE FRANCIS**

A handwritten signature in blue ink, appearing to read "Davante Lewis".  
\_\_\_\_\_  
**DISTRICT III**  
**VICE CHAIRMAN DAVANTE LEWIS**

*ABSENT*  
\_\_\_\_\_  
**DISTRICT V**  
**COMMISSIONER FOSTER L. CAMPBELL**

A handwritten signature in blue ink, appearing to read "Eric F. Skrmetta".  
\_\_\_\_\_  
**DISTRICT I**  
**COMMISSIONER ERIC F. SKRMETTA**

*ABSENT*  
\_\_\_\_\_  
**DISTRICT II**  
**COMMISSIONER CRAIG GREENE**