

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

***IN RE:* APPLICATION OF ENTERGY)**
LOUISIANA, LLC FOR APPROVAL TO)
CONSTRUCT WATERFORD 6 POWER)
STATION AND WESTLAKE POWER)
STATION, AND FOR COST RECOVERY)

DOCKET NO. U-_____

DIRECT TESTIMONY
OF
NICHOLAS D. PRESSLER

ON BEHALF OF
ENTERGY LOUISIANA, LLC

PUBLIC REDACTED VERSION

FEBRUARY 2026

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A. My name is Nicholas D. Pressler. My business address is 639 Loyola Avenue, New Orleans, Louisiana 70113.

A. I am testifying before the Louisiana Public Service Commission (“Commission”) on behalf of Entergy Louisiana, LLC (“ELL” or the “Company”) in support of its application seeking approval to construct and operate the Waterford 6 Power Station (“WF6”), a proposed new combined-cycle combustion turbine (“CCCT”) generator near Killona, Louisiana, and the Westlake Power Station (“Westlake”), a proposed new CCCT generator in Westlake, Louisiana. For convenience, I refer to the WF6 and Westlake in my testimony collectively when appropriate as the “Proposed Generators.”

A. I am employed by Entergy Services, LLC (“ESL”)¹ as Director, Power Development.

¹ ESL is an affiliated service company that provides engineering, planning, accounting, legal, technical, regulatory, and other administrative support services to each of the Entergy Operating Companies (“EOCs”). The EOCs are ELL, Entergy Arkansas, LLC, Entergy Mississippi, LLC, Entergy New Orleans, LLC, and Entergy Texas, Inc.

1 Q4. WHAT WAS YOUR INVOLVEMENT IN PREPARING AND SUBMITTING THE
2 PROPOSALS FOR THE PROPOSED GENERATORS TO ELL FOR
3 CONSIDERATION?

4 A. I was part of the Self-Build Commercial Team responsible for preparing the WF6 and
5 Westlake Self-Build Commercial Option Proposals that were market-tested as part of
6 ELL's 2024 Request for Proposals ("RFP") seeking up to 2,000 megawatts ("MW") of
7 certain resource types for the region referenced by the Midcontinent Independent
8 System Operator, Inc. ("MISO") as Local Resource Zone 9 ("LRZ 9") (the "2024
9 CCCT RFP"). In my role, I was (and continue to be) involved in the coordination of
10 the activities of the project team, coordination of internal approvals before and after the
11 2024 CCCT RFP, and procurement of all permits and contracts necessary to transition
12 to the implementation phase of the projects. I have also been involved in negotiating
13 the Engineering, Procurement, and Construction ("EPC") contracts pursuant to which
14 the Proposed Generators will be built.

15

16 Q5. PLEASE DESCRIBE YOUR EDUCATION AND BUSINESS EXPERIENCE.

17 A. I earned a Bachelor of Science degree in Civil Engineering from Purdue University in
18 2005.

19 I have worked in the energy industry since 2005. All twenty years of my career
20 have been spent, in one role or another, on large capital projects within the power
21 generation space. I spent the first ten years of my professional career with Worley
22 Parsons (a major player in the power construction industry that is now known as
23 Worley) as a professional engineer, project engineer, and engineering manager. In that

1 role, I worked on several air quality control projects for coal plants, nuclear
2 recertification projects, and structural integrity inspections. I finished my time with
3 Worley serving as an owner's engineer for Entergy from 2012 to 2016, where I worked
4 with the Entergy Capital Projects team on the Ninemile 6 ("NM6") CCCT project in
5 Louisiana and as the Field Project Manager for the Ritchie Demolition project in
6 Arkansas. In 2016, I officially joined ESL as a Project Engineer for the J. Wayne
7 Leonard Power Station CCCT ("JWLPS") project. In April of 2019, after completion
8 of the JWLPS project, I took on the role of Manager of Project Engineering to lead the
9 Project Engineering team as the Lake Charles Power Station ("LCPS") and
10 Montgomery County Power Station ("MCPS") projects were completed. During this
11 period, I also served as the technical lead on the development of the Orange County
12 Advanced Power Station Project ("OCAPS"), which is scheduled to come online in
13 2026. In August of 2023, I took a role as Senior Manager in the Power Development
14 organization and led the development of several combined cycle projects, including
15 Franklin Farms Units 1&2 in north Louisiana, the Legend project in Texas, and the
16 Delta Blues and Vicksburg projects in Mississippi. In May of 2025, I accepted my
17 current role as Director of Power Development and took on additional responsibilities
18 such as commercial negotiations while serving in a leadership role on the teams
19 developing new projects, such as the Proposed Generators.

20 My prior work in developing and constructing fossil generation provides me
21 with significant experience in the development of cost estimates for power plant
22 projects, the negotiation and administration of large contracts for the construction of
23 these projects, and the procurement of services of major equipment vendors.

1 Q6. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

2 A. My testimony supports the Company's Application in this proceeding, which seeks,
3 among other things, approval to construct and operate the Proposed Generators. In my
4 testimony, I first provide an overview of the Proposed Generators, including the Self-
5 Build Commercial Team's development of the Self Build Option Proposals submitted
6 in response to the 2024 CCCT RFP. I also describe the process used to select the
7 providers of EPC services for the Proposed Generators and the management approach
8 that the Company intends to employ through completion of the projects. I then describe
9 each of the Proposed Generators in greater detail, including the current total cost
10 estimates and schedules associated with each of the plants. I also discuss risk
11 mitigation measures put in place to control project risk.

12

13 Q7. HAVE YOU PREVIOUSLY TESTIFIED BEFORE A REGULATORY
14 COMMISSION?

15 A. No.

16

17 **II. PROJECT OVERVIEW**

18 Q8. PLEASE PROVIDE A GENERAL DESCRIPTION OF THE PROPOSED
19 GENERATORS.

20 A. For each of the Proposed Generators, a 1x1 CCCT generator will be constructed to
21 meet a portion of the Company's forecasted capacity and energy needs, as discussed in
22 the Direct Testimony of Company witness Michael J. Plaisance. Each CCCT unit is

1 expected to provide approximately 754 MW (ISO)² of CCCT generating capacity and
2 will consist of one Mitsubishi Power Americas (“MPA”) 501 JAC combustion turbine
3 (“CT”), one Nooter Eriksen Heat Recovery Steam Generator (“HRSG”) with duct
4 firing and selective catalytic reduction (“SCR”), and one MPA steam turbine generator
5 (“STG”) in a 1x1 combined-cycle configuration, together with other balance of plant
6 equipment, including the use of an air-cooled condenser (“ACC”) for closed-cycle
7 cooling operations. By design, the MPA 501 JAC CT is capable of approximately 30%
8 hydrogen co-firing, with the capability of supporting 100% hydrogen firing in the
9 future with upgrades. In addition, the layouts of the sites for the Proposed Generators
10 can accommodate carbon capture and storage (“CCS”) infrastructure and operations in
11 proximity to the site. These two design capabilities—for hydrogen co-firing and
12 CCS—provide important optionality and help ensure that the CCCT units will be able
13 to provide sustained value for ELL customers for decades to come.

14

15 Q9. DOES ELL HAVE EXPERIENCE CONSTRUCTING CCCTS?

16 A. Yes, ELL has extensive experience with constructing CCCTs. ELL constructed and
17 placed in service JWLPS in 2019 and LCPS in 2020, two CCCTs that, although larger
18 in scale, are substantially similar in design to the Proposed Generators. In addition,
19 ELL completed NM6, another self-build combined-cycle facility, in 2015, roughly
20 10% under budget and months ahead of its projected in-service date.

² ISO refers to the applicable standard set by the International Organization for Standardization.

ELL also benefits from the additional, substantial experience of the other EOCs in constructing CCCTs. For example, Entergy Texas, Inc. (“ETI”) completed construction of MCPS in late 2020, and, after testing, placed that facility in service on January 1, 2021, approximately six months ahead of schedule and below budget. ELL also will benefit from experience gained in current and planned CCCT construction projects, including ETI’s OCAPS CCCT in Bridge City, Texas, which is expected to enter commercial service later this year, and ELL’s planned CCCT projects for Franklin Farms Units 1&2 and Waterford 5, the CCCT projects reviewed by the LPSC in Docket No. U-37425 that are expected to enter commercial service in 2028 and 2029.

Q10. WHY DID THE COMMERCIAL SELF-BUILD TEAM SELECT CCCT TECHNOLOGY FOR ITS PROPOSALS IN RESPONSE TO THE 2024 CCCT RFP?

A. Company witness Michael J. Plaisance discusses in his Direct Testimony that ELL identified a need in its most recent final Integrated Resource Plan (“IRP”) to replace certain aging units with new gas-fired generation to support its then-existing load forecast. Mr. Plaisance also discusses that the need for new capacity has only grown since that IRP was submitted. CCCT technology provides efficient, around the clock, reliable generating capability that satisfies, in part, the supply needs identified in the Company’s most recent final IRP and is considered throughout the industry to be the best available technology for limiting greenhouse gas emissions when combusting fossil fuels for electrical generation.

1 Q11. WHAT ARE THE MAJOR COMPONENTS OF A CCCT GENERATOR?

2 A. A combined cycle combustion turbine generator plant consists of several major
3 components:

- 4 • **CT:** This is the primary component that burns fuel to generate hot gases. It
5 consists of a compressor, combustion chamber, and turbine. The compressor
6 draws in air, compresses it, and then sends it to the combustion chamber where
7 fuel is added and ignited. The resulting high-temperature gases expand through
8 the turbine, generating mechanical power. This mechanical power is sent to an
9 electrical generator, as discussed further below.
- 10 • **HRSG:** After passing through the gas turbine, the exhaust gases are directed to
11 the HRSG. This component captures waste heat from the exhaust to produce
12 steam.
- 13 • **Steam Turbine:** The steam produced by the HRSG is used to drive a steam
14 turbine. As the steam expands through the turbine, it generates additional
15 mechanical power, which is also sent to an electrical generator, enhancing the
16 overall efficiency of the system.
- 17 • **Generator:** Both the gas and steam turbines are connected to generators. The
18 mechanical power from the gas and steam turbines is converted into electrical
19 power in these generators. There is one generator for the gas turbine, and one
20 for the steam turbine. Each generator has an electrical connection to the
21 transmission grid.

- 1 • **ACC:** This component condenses the steam back into water after it has passed
2 through the steam turbine to do work to make electricity. ACCs use ambient
3 air to cool and condense the steam.
- 4 • **Auxiliary Systems:** These include fuel supply systems, water treatment
5 systems for steam generation, and emissions control systems to meet
6 environmental regulations.

7

8 Q12. PLEASE EXPLAIN HOW A CCCT GENERATOR WORKS.

9 A. CCCTs are highly efficient sources of power generation in part because they include
10 use of an HRSG system that captures the exhaust heat from the gas turbine and uses it
11 to produce steam, which generates additional electricity. Operating CT generators in a
12 combined-cycle configuration for power generation is a proven process that offers high
13 efficiency in converting fuel to electrical power, provides flexible load-following
14 automatic generation control capability, and has the capability to cycle off-line and
15 provide relatively short restart optionality.

16

17 Q13. HOW DOES CCCT TECHNOLOGY DIFFER FROM OTHER GAS-FUELED
18 GENERATORS?

19 A. As I mentioned earlier, CCCT generators are highly efficient and considered to be the
20 best available technology for limiting greenhouse gas emissions when combusting
21 fossil fuels for electrical generation and seeking a large MW output. This is due, at
22 least in part, to the operation of the ST, which captures waste heat from the CT (through
23 the HRSG) and converts it into additional electricity. Additionally, as Company

1 witness Jeremy Halland explains, the Proposed Generators will apply Best Available
2 Control Technology to the units' emissions, and each of the generators will have the
3 ability to co-fire hydrogen, which emits no carbon dioxide. Due to these key
4 efficiencies, CCCT technology provides dispatchable, economic energy, whereas many
5 simple cycle gas units' emissions profile and efficiency only allow them to offer
6 peaking capacity that cannot operate continuously and remain in emissions compliance.
7 Simply put, CCCT technology provides baseload generation that can be dispatched
8 relatively quickly, thus providing critical flexibility alongside significant fuel-
9 efficiency and other environmentally conscious attributes—attributes that, when
10 combined, distinguish CCCT technology when compared to other gas-fired generation
11 options.

12

13 Q14. WHAT ARE ELL'S PLANS TO SECURE NATURAL GAS FOR THE PLANNED
14 GENERATORS?

15 A. ELL has an ample supply of natural gas and a diverse group of potential suppliers. ELL
16 has not negotiated specific contracts to supply or transport the gas needed for the
17 Proposed Generators, but ELL has a market from which it can readily obtain those
18 services. My understanding is that the agreements to secure reliable supply and
19 transportation of natural gas to the Proposed Generators will be completed later this
20 year.

21

1 Q15. EXPLAIN HOW THE ENVIRONMENT AND OTHER CONDITIONS AFFECT
2 THE CAPACITY OF A CCCT?

3 A. The actual maximum output of the units will vary depending on several factors,
4 including: atmospheric pressure, ambient temperature, relative humidity, Btu content
5 of fuel delivered at the unit, and number of operating hours since the last maintenance
6 interval. By way of illustration, in a new and clean condition, the Proposed Generators
7 would be expected to generate approximately 754 MW, based on ISO ambient
8 conditions of 59 degrees Fahrenheit and 60% relative humidity. Under summer
9 conditions of 97 degrees Fahrenheit and 56% relative humidity, the CCCTs would be
10 expected to generate approximately 723 MW.

11 In addition, the units' nominal heat rate is [REDACTED] which is also impacted by
12 changes in ambient weather conditions (although not as materially as the output
13 capacity).

14
15 **III. DEVELOPMENT OF THE PROPOSALS FOR THE**
16 **PROPOSED GENERATORS**

17 Q16. WHAT ROLE DID POWER DEVELOPMENT HAVE IN THE DEVELOPMENT OF
18 THE WF6 AND WESTLAKE PROJECTS?

19 A. Power Development worked with various major equipment suppliers and contractors
20 selected for the respective self-build projects first to develop the Self-Build Option
21 Proposals that were submitted into the 2024 CCCT RFP and then to prepare the updated
22 cost estimates for each of the Proposed Generators that I present later in my testimony.
23

1 Q17. WHAT ROLE DID YOU PLAY IN THE DEVELOPMENT OF THE WF6 AND
2 WESTLAKE PROJECTS?

3 A. As I noted earlier, I was part of the Self-Build Commercial Team that developed the
4 Self-Build Option Proposals that were market tested in the 2024 CCCT RFP process,
5 including the cost estimates included in those proposals. I have remained involved
6 with the continued development of the projects, including negotiating the terms of the
7 EPC contracts pursuant to which the Proposed Generators ultimately will be
8 constructed.

9

10 Q18. HOW DOES ESL EFFECTIVELY SCOPE AND BUDGET FOR A CCCT BUILD?

11 A. Our standard process for scoping and budgeting for a CCCT build includes the steps
12 below. It bears noting, however, that the proposals for the Proposed Generators were
13 submitted in response to the 2024 CCCT RFP, which specified that Self-Build Option
14 Proposals would be submitted for self-build resources at or near the site of the Little
15 Gypsy generation facilities (in the Company's Amite South Planning Area) and at or
16 near the Roy S. Nelson generation facilities (in the Company's West of the Atchafalaya
17 Basin ("WOTAB") Planning Area).

18 **1. Project Definition**

- 19 • **Capacity Requirements:** The EOC pursuing the CCCT project and its resource
20 planning team determine the desired output capacity additions and generation
21 technology based on demand forecasts.
- 22 • **Location Assessment:** Evaluate potential sites for accessibility to fuel supply,
23 water sources, and grid connectivity.

1 **2. Scope Development**

- 2 • **Design:** ESL has a standard design for its 1x1 CCCTs, which reduces risk and
- 3 improves development timelines. This standard design and the associated
- 4 specifications and standards that ESL has developed, while mostly applicable
- 5 to all locations, have some requirements that entail detailed engineering to
- 6 ensure they are properly applied to account for site specific constraints, such as
- 7 proximity to access roads, foundation design differences due to different soil
- 8 conditions, location/proximity to gas supply, and transmission interconnection
- 9 location.
- 10 • **Regulatory Compliance:** Identify local, state, and federal regulations,
- 11 including environmental assessments.
- 12 • **Project Phases:** The project team will break down the project into phases
- 13 (design, construction, commissioning, operation) based on the specific project
- 14 and customer needs.

15 **3. Cost Estimation**

- 16 • **Capital Expenditure (“CAPEX”):** Estimate costs for equipment,
- 17 construction, site preparation, and commissioning. This category of costs
- 18 includes costs for:
- 19 ○ Gas turbines and HRSG;
- 20 ○ Steam turbine and generator;
- 21 ○ Balance of plant (*e.g.*, electrical systems and cooling); and
- 22 ○ Infrastructure (roads, buildings).

- **Operational Expenditure (“OPEX”)**: Estimate ongoing costs such as fuel, maintenance, labor, and utilities.

- **Contingency Planning**: Develop a risk register and estimated contingency for project unknowns. The contingency estimate is included in the overall project estimate.

4. Project Timeline

- **Schedule Development**: Create a detailed timeline for each project phase, including design, procurement, construction, and commissioning.
- **Milestones**: Identify key milestones for tracking progress and ensuring timely delivery.

5. Risk Management

- **Risk Assessment**: Identify potential risks (*e.g.*, technical, financial, or regulatory) and develop mitigation strategies. These risks are also considered in developing the estimate, as noted above.
- **Monitoring Plans**: Establish processes for ongoing monitoring and adjustment as the project progresses.

6. Stakeholder Engagement

- **Communication**: Develop a plan for communicating with stakeholders, including local communities, regulators, and investors.

ELL’s project management approach will follow Entergy’s Project Delivery System (“PDS”) Policy, Standards and Guidelines in support of driving consistency and certainty in project delivery outcomes. The PDS provides a framework to ensure

1 Entergy's business units consistently and effectively develop and implement capital
2 projects. The PDS establishes a Stage Gate Process ("SGP") approach as a single and
3 comprehensive framework for project development, planning, and execution. The SGP
4 provides a roadmap of key deliverables and decisions that need to be sequentially
5 completed to promote consistent, reliable, and high-quality project outcomes.
6 Additionally, the SGP also prescribes a continuous systematic evaluation of the project
7 organization, scope, and maturity of project management deliverables that helps ensure
8 projects are successfully executed. This occurs through a series of independent Gate
9 Reviews/Assessment and Approvals.

10

11 Q19. DID THE SELF-BUILD COMMERCIAL TEAM ABIDE BY SAFEGUARDS
12 INTENDED TO ENSURE THAT THE 2024 CCCT RFP WAS CONDUCTED IN A
13 FAIR AND IMPARTIAL MANNER?

14 A. Yes. Specific safeguards were designed and put in place to ensure the 2024 CCCT
15 RFP was conducted in a fair and impartial manner. Certain of these safeguards are also
16 described by Company witness Phong Nguyen. Members of the Self-Build
17 Commercial Team executed and abided by the Self-Build Commercial Team
18 Guidelines and Acknowledgment, a blank version of which is attached hereto as
19 Exhibit NDP-1. During the development of the Self-Build Option Proposals and cost
20 estimates, and during the pendency of the evaluation process, the members of the Self-
21 Build Commercial Team did not engage in any professional contact with any members
22 of the teams that were developing the 2024 CCCT RFP or the evaluation protocols or
23 processes, with the exception of limited communication options that were available to

1 all potential bidders in the 2024 CCCT RFP. I, along with the members of the Self-
2 Build Commercial Team, did participate in discussions regarding the proposals with
3 Merrimack Energy Group, Inc. (the Independent Monitor (“IM”) for the 2024 CCCT
4 RFP) and Worley (the Independent Engineer (“IE”) retained to assist the IM in
5 evaluating the reasonableness of the self-build cost estimate), at their request.
6 Otherwise, the Self-Build Commercial Team’s contact with the RFP team was limited
7 to responding to questions about the proposal through the Power Advocate platform
8 that the RFP team uses in its RFP processes.

9
10 Q20. HOW WAS A VENDOR SELECTED FOR THE MAJOR COMPONENTS (*E.G.*,
11 THE TURBINES) FOR THE PROJECTS?

12 A. ESL leveraged ETI’s competitive solicitation for Power Island Equipment (“PIE”) for
13 a CCCT that was performed in 2023. The solicitation for the PIE encompassed the
14 major components (*i.e.*, the CTs, HRSG, and STG) comprising a significant portion of
15 the cost of a CCCT, including the Proposed Generators. There were three bids received
16 by the September 2023 deadline: one from General Electric (“GE”), one from MPA,
17 and one from Siemens Energy. Each of the three bids included proposals to provide
18 the base PIE items that were requested in the RFP. Sargent & Lundy (“S&L”) provided
19 a thorough and detailed description of the proposals received from GE, MPA, and
20 Siemens Energy, its analysis and evaluation of those bids, and an ultimate
21 recommendation regarding which bid to accept in a Letter of Recommendation
22 (“LOR”) to ESL in November 2023. That LOR recommended ESL, on behalf of ETI,
23 award the supply of the PIE to MPA.

1

2 Q21. HOW WERE THE ETI RFP RESULTS LEVERAGED FOR THE BENEFIT OF ELL?

3 A. The thorough analysis of the ETI RFP results determined that the proposal from MPA
4 was more favorable than those from the other bidders. In addition, discussions with
5 the other bidders and general market indications reflected that the demand for PIE
6 would increase over the next several years, with demand likely exceeding the global
7 production capacity of the three major suppliers for that equipment. Consequently,
8 following the ETI RFP results, and recognizing a number of the EOCs had a forecasted
9 planning need for CCCT or CT generation, Entergy opened discussions with MPA
10 exploring the potential to secure additional spots in MPA's major equipment
11 production queue. Those discussions ultimately led to securing additional spots in
12 MPA's production queue through an Exclusivity Agreement executed with that vendor.

13 The timing of executing that Exclusivity Agreement was crucial: while the
14 electric industry currently is challenged by significant demand for additional natural
15 gas generation across the country coupled with limited production capacity from
16 equipment manufacturers, the EOCs have already secured production queue spots with
17 their selected provider. Ultimately, the ability to leverage the previous market inquiry
18 performed through the ETI RFP enabled ESL to provide effective resource options in
19 response to the 2024 CCCT RFP—and, in turn, is facilitating ELL's efforts to meet the
20 increased capacity and energy needs brought on by a growing number of economic
21 development projects in Louisiana, including the projects discussed by Company
22 witness Michael J. Plaisance in his Direct Testimony.

23

1 Q22. HOW DOES ELL PROPOSE TO MANAGE CONSTRUCTION OF THE
2 PROPOSED GENERATORS?

3 A Given the magnitude of the project and the Company's existing infrastructure for
4 construction and project management, ELL determined that it would be appropriate to
5 use EPC contractors in conjunction with the Company's management team.
6

7 Q23. WHAT WILL BE THE PROJECT MANAGEMENT APPROACH TO THE
8 PROPOSED GENERATORS?

9 A. Entergy's PDS Policy will be used for these projects, which I explained above. This
10 process has been consistently used in the successful construction of new CCCT power
11 plants such as MCPS, LCPS, JWLPS, and NM6, all of which came in early and under
12 budget, and it is currently being implemented for the multiple CCCT projects currently
13 being pursued by ELL and other EOCs, which I discussed earlier in my testimony.
14

15 Q24. WHY DOES ELL PROPOSE TO USE AN EPC CONTRACTOR IN THE FIRST
16 INSTANCE?

17 A. Engaging an EPC contractor that performs these functions under a single contract for
18 each project is cost-effective and common within the power generation industry for
19 such projects and provides a beneficial risk profile for ELL and its customers. Large
20 construction projects such as these CCCTs are substantial undertakings, and the
21 Company does not have the in-house capability necessary to execute the scope of the
22 EPC for such a project given the market conditions that we see today.
23

1 Q25. IS THERE A SINGLE COMMON FORM OF EPC CONTRACT?

2 A. No. There are several types of EPC contracting approaches, and the suitability or
3 desirability of each depends largely on the type of project. From an owner's
4 perspective, fixed-price contracts are preferred because of the certainty they provide
5 regarding a project's overall cost. When a project's scope of work is uncertain and
6 likely to vary, however, EPC providers will either refuse to contract on a fixed-price
7 basis or perhaps agree to do so in exchange for a significant risk premium added to the
8 fixed price. In contrast, when a project entails a well-defined scope of work and
9 presents an acceptable risk of material changes in scope, EPC providers are more
10 willing to contract on a fixed-price basis without charging a significant risk premium.

11

12 Q26. WHAT EPC CONTRACTING STRATEGY WILL BE USED FOR THE NEW
13 CCCTS?

14 A. ELL intends to negotiate a fixed-price (with certain exceptions), fixed-schedule form
15 of EPC contract that reflects a detailed scope of work. ELL chose this approach
16 because it provides predictability, reduced financial risk, and cost and schedule
17 transparency. The contracts establish a key set of schedule milestones, such as Limited
18 Notice to Proceed ("LNTP") and Final Notice to Proceed ("FNTP"), among others, all
19 of which establish a timeline for certainty between ELL and the EPC Consortiums.³

20 The Owner must issue these notices or else provide the contractor relief, and, likewise,

³ The EPC Consortium is the group of companies that will perform engineering, procurement, and construction services on each of the projects. The EPC Consortium for WF6 consists of MPA and TSL Power Partners ("TSL"), a joint venture between S&L and The Industrial Company. The EPC Consortium for Westlake is comprised of MPA and Zachry Industrial, Inc.

1 the contractor must complete construction within a scheduled period of time (aligned
2 with the planned in-service date) of receiving LNTP or else pay daily liquidated
3 damages as defined in the agreement. The contractor also has the opportunity to earn
4 incentives if the project is completed before the required date as defined in the
5 agreement.

6
7 Q27. WHY DID ELL ELECT TO USE THIS FORM OF EPC CONTRACT?

8 A. Similar to the reasons discussed in LPSC Docket No. U-37425 regarding the units
9 certified in that matter to be built in Richland Parish, Louisiana, this EPC strategy is
10 expected to yield the lowest reasonable cost with an adequate level of risk mitigation.
11 ELL, working with the EPC Consortium for each project, was able to develop site plans
12 that would accommodate a standard combined-cycle design and develop project
13 schedules that meet the EOC needs and that the EPC has confidence in delivering.
14 These projects readily lend themselves to the EPC agreement structure selected by the
15 parties.

16
17 Q28. WAS THE EPC CONTRACTOR SELECTED THROUGH THE SAME PROCESS
18 FOR BOTH PROJECTS?

19 A. Generally, yes, but some of the differences between the projects—including, most
20 notably, the fact that WF6 is proposed to be located at the site where another CCCT
21 (Waterford 5, which was certified in LPSC Docket No. U-37425) will be built—
22 influenced EPC contractor selection. I provide a more detailed discussion of the
23 selections later in my testimony in the project-specific discussions.

1

2 Q29. HOW WERE EPC CONTRACTORS SELECTED FOR THE PROPOSED
3 GENERATORS?

4 A. In August 2024, ESL, on behalf of ELL, issued a Request for Proposals to four of the
5 prime EPC contractors in the combined cycle construction market (the “EPC RFP”).
6 The EPC RFP was managed by ESL’s Supply Chain organization via Power Advocate,
7 and with the support of a contracted Owner’s Engineer to aid in technical evaluation.
8 This RFP was issued to drive competition in EPCs and ensure ELL is delivering cost
9 competitive projects, as well as to build depth in contractors helping ELL respond to
10 tremendous growth. The EPC contractor for the Waterford 5 project, the third
11 generator filed for certification in LPSC Docket No. U-37425, was selected through
12 this RFP; given that WF6 is to be constructed directly adjacent to Waterford 5, the same
13 EPC (The Industrial Company (“TIC”)) was selected for WF6. For Westlake, the
14 selected EPC contractor (Zachry Industrial, Inc. (“ZII”)) provided a bid after the RFP
15 had closed; its proposal was competitive, and it was selected for the Westlake project
16 due to its competitive proposal, location and timing of the project, and strategically to
17 meet the intent of the EPC RFP and build depth in contract partners. I will discuss the
18 selection process in more detail in the project-specific discussions below.

19

20 Q30. WHAT ACTIVITIES WILL THE SELECTED EPC CONTRACTORS PERFORM?

21 A. For each project, and under the EPC contract structure, the EPC Consortium will act as
22 an independent contractor with respect to the EPC services defined in the scope of
23 work. MPA’s participation as a member of the EPC Consortium will allow for full

1 coordination and scheduling for delivery of the PIE to meet the fixed schedule provided
2 in the EPC agreement. The EPC Consortium will also provide a “wrap” (*i.e.*,
3 guarantee) of the schedule and performance commitments for the entirety of each
4 project, providing for risk mitigation if there are delays or performance shortfalls.
5

6 Q31. FOR ANY OF THE PROPOSED GENERATORS, HAVE ELL AND THE EPC
7 CONTRACTORS AGREED ON THE TERMS OF THE EPC AGREEMENT?

8 A. Yes. The Company has executed the EPC Agreement for WF6, and a copy of that
9 agreement is attached to my testimony as Highly Sensitive Protected Materials
10 (“HSPM”) Exhibit NDP-2. The EPC Agreement for Westlake is anticipated to be
11 executed within the first quarter of 2026. As to the terms applicable to Westlake
12 discussed later in my testimony, those terms are expected to be substantially similar to
13 the terms of the executed EPC Agreement for WF6. If any of the material terms for
14 the Westlake EPC Agreement are expected to be different from those discussed with
15 respect to the WF6 EPC Agreement, I make specific reference to those terms.
16

17 Q32. FROM A PROJECT MANAGEMENT PERSPECTIVE, HOW IS ELL MANAGING
18 SITE CONDITIONS FOR THE PROPOSED GENERATORS?

19 A. We based the current design and estimates on available soil borings from each area and
20 included some contingency for reasonably expected differences in final site conditions.
21 WF6 has completed its assessments with no material issues affecting the construction
22 project having been identified. Results for comparable soil studies at Westlake are
23 pending.

1 **IV. DEVELOPMENT OF COST ESTIMATES IN APPLICATION**

2 Q33. HOW WERE THE COST ESTIMATES IN THIS APPLICATION DEVELOPED?

3 A. The following resources were used to develop the two major cost components for this
4 project:

5 **1. EPC agreement costs (“EPC Costs”):** The EPC Consortiums, at the request
6 of ESL, provided cost estimates for each project based on preliminary
7 engineering developed with the site-specific information gathered by the
8 relevant project team. ESL’s best practices were applied to the design basis.
9 The EPC Consortiums’ EPC estimates formed the basis of the EPC Costs
10 contained in the proposals approved by ELL management.

11 **2. Costs outside of the EPC agreement (“Non-EPC Costs”):** The project team
12 developed these costs using internal subject matter experts. I will expand upon
13 the components of the Non-EPC Costs later in this testimony.

14
15 Q34. DID THE SELF-BUILD COMMERCIAL TEAM HAVE SUFFICIENT DESIGN
16 INFORMATION TO REACH REASONABLE COST ESTIMATES FOR EACH OF
17 THE PROPOSED GENERATORS FROM A PROJECT MANAGEMENT
18 PERSPECTIVE?

19 A. Yes. The Self-Build Commercial Team, working with the EPC Consortium for each
20 project, developed site-specific preliminary designs and cost estimates for generation
21 projects that could interconnect at each of the locations identified by ELL (*i.e.*, the
22 existing Little Gypsy and Nelson sites). The largest single component of the total
23 project cost estimates is the EPC Costs. The EPC Consortiums developed preliminary

1 engineering using site-specific detail for the design basis, incorporating the MPA 501
2 JAC-series CT. The EPC Consortiums utilized job-specific general arrangement
3 drawings, piping and instrument diagrams, computer models, arrangements sketches,
4 and electrical one-line diagrams. As mentioned, the design approach is based on a set
5 of technical specifications that has been developed through the course of executing
6 previous Mitsubishi-based combined-cycle facilities, as well as ongoing current
7 projects for CCCTs being pursued. For each of the projects, quantities were developed
8 to reflect needs at each project site utilizing input from the applicable EPC
9 Consortium's current in-house estimates for similar CCCT projects. The design was
10 reviewed by the project team and was found to be reasonable.

11

12 Q35. IS THE CONSTRUCTION PRICING FOR THE TWO NEW CCCTS FIXED?

13 A. Mostly, but not completely. The Non-EPC Costs are not fixed. Moreover, while the
14 EPC contract price is fixed (assuming the defined scope of work and a timely LNTP),
15 other factors such as changes in scope, *force majeure* events, delay in notice to proceed,
16 or changes in law could affect EPC Costs. In addition [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED] This process is designed
20 to benefit ELL customers. [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

1

2

3

4 Q36. WHAT KINDS OF COSTS ARE INCLUDED IN THE EPC COST ESTIMATE?

5 A. EPC Costs are expected to include the following:

6 1. Engineered equipment, including but not limited to, the CTs, STG, HRSG,
7 ACC, generator step-up transformers, boiler feed pumps, and auxiliary
8 transformers. [REDACTED]

9 [REDACTED].

10 2. Home office engineering and construction management services, including
11 procurement, project controls, scheduling, and progress tracking.

12 3. Supervisory and administrative staff at the construction site.

13 4. Craft laborers and equipment (such as welders, electricians, pipefitters, and
14 cranes).

15 5. Construction materials (*e.g.*, copper, steel, concrete) used by both the EPC
16 contractor and subcontractors.

17 6. Subcontractors for specialist scope (such as insulation, paint, pre-engineered
18 buildings, deep foundations, and others).

19 7. The indirect construction costs that support the construction project (such as
20 scaffolding, administrative offices, or safety equipment).

21 8. Sales taxes on consumables.

22 9. Labor and materials associated with the dedicated start-up and commissioning
23 teams.

1

2 Q37. WHAT COSTS ARE INCLUDED IN THE NON-EPC COST ESTIMATE?

3 A. Costs included in the Non-EPC Cost estimate will be incurred by the Company directly
4 for each project and include:

5 1. Other Vendors and Expenses: There is a wide range of services captured in the
6 Other Vendors and Expenses category, including contract personnel on the
7 project management team, the rental of temporary office trailers, construction
8 power, environmental permitting services, the cost of permit applications, site
9 inspections and surveys, transmission studies, gas pipeline charges during the
10 construction period, gas used during commissioning, miscellaneous
11 consumables related to safety and office supplies used during project execution,
12 consultant fees, and other non-EPC costs. The estimate for this line item was
13 informed by the actual costs of past and current CCCT projects.

14 2. Entergy Project and Construction Management: Project management costs
15 include internal labor and third-party costs for activities associated with project
16 oversight. Construction management includes internal and third-party
17 personnel to manage any agreements to engineer, procure, and construct the
18 project.

19 3. Indirect Loaders: This category includes capital suspense estimated at
20 approximately 1% of all capital costs and a variable benefits loader. All other
21 payroll loaders are included in the direct costs of the other categories.

22 4. Regulatory: This category includes an estimate of the internal and external costs
23 associated with obtaining Commission certification.

1 5. Transmission Interconnection: For each of the projects, estimates of
2 interconnection costs were developed and submitted with the Self-Build
3 Proposal Option. Company witness Chad Ladner also discusses transmission
4 interconnection costs (referred to as “Generator Tie-Ins”) in his Direct
5 Testimony.

6 6. Transmission System Upgrades: Company witness Chad Ladner addresses
7 anticipated transmission system upgrades (referred to as “Interconnection
8 Upgrades”) in his Direct Testimony.

9 7. Project Contingency: This is a general contingency that addresses the fact that
10 construction projects of the cost, magnitude, and time duration of these projects
11 have cost elements that are subject to some level of uncertainty and beyond the
12 reasonable control of the Company and its management. Even in cases with a
13 fixed-price EPC agreement and a well-defined scope of work, experience
14 demonstrates that unpredictable events, such as, for example, discovery of
15 unknown site conditions or changes in laws or regulations can require change
16 orders that affect project costs. Thus, a contingency must be included to provide
17 a reasonable estimate of the ultimate cost to complete a particular project. The
18 current project cost estimates contain a contingency line item, which is
19 reasonable for projects of this nature.

20 8. Allowance for Funds Used During Construction (“AFUDC”): This represents
21 the Company’s financing costs for development and construction of the project.
22

1 Q38. PLEASE EXPLAIN FURTHER THE DEVELOPMENT OF THE ESTIMATES FOR
2 CONTINGENCIES AND COST ESCALATION ADJUSTMENTS.

3 A. The cost estimate component for Project Contingency is used to reasonably mitigate
4 unplanned increases in project cost, whether caused by known risks or unforeseen
5 risks. It recognizes that large construction projects that span several years can be
6 adversely affected by events that cannot reasonably be predicted or estimated and that
7 are beyond the utility's control. To develop estimates of these costs for each of the
8 Proposed Generators, ESL used a Monte Carlo simulation to determine the level of
9 contingency that would provide a reasonable level of mitigation of known and
10 unknown risks on each project, but it is possible that some of these risks, if realized,
11 could cause cost increases beyond the contingencies included in the cost estimates. The
12 Company does not seek to recover any unused project contingency. To avoid paying a
13 substantial premium, the EPC contracts include (or will include) a true-up mechanism
14 for specific categories of costs [REDACTED]

15 [REDACTED]
16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED]
23 [REDACTED]

1 [REDACTED] An estimate
2 for the potential increase in these escalation factors has been included in the
3 contingency estimate for the Proposed Generators. Again, ELL customers benefit from
4 these true-up mechanisms because they allow ELL to avoid substantial risk premiums
5 that would be required by the EPC Consortium without them.
6

7 Q39. TURNING TO OPEX, HAVE ESTIMATES OF OPERATIONS & MAINTENANCE
8 (O&M") COSTS THAT WILL BE INCURRED IN OPERATING THE PROPOSED
9 GENERATORS BEEN PREPARED?

10 A. Yes. The project team has prepared O&M cost estimates for both units, with those
11 estimates included within each of the Self-Build proposals submitted in the 2024 CCCT
12 RFP. Those estimates also were provided to Company witness Patrick A. Sullivan for
13 use in estimating the first-year revenue requirement associated with the CCCTs. The
14 estimates are based on the current best understanding of what equipment will be
15 installed at each project site and on several other assumptions related to operating
16 systems and conditions for the respective units beginning in 2030. The estimates also
17 include assumptions regarding a general inflation rate, a payroll escalation rate, and a
18 material and supplies escalation rate across the estimate timeframe for the purposes of
19 presenting the estimate in 2030 dollars through the expected operational life of the
20 units. In estimating the O&M expenses, the average general inflation rate is assumed
21 to be 2.35% per year, with payroll increasing by 2.5% per year. All cost estimates are
22 based on 2024 dollars, escalated to 2030 and each year thereafter by the appropriate
23 escalation rate.

1

2 Q40. HOW WERE THE ESTIMATES OF O&M COSTS DEVELOPED?

3 A. The estimates were developed using a process that was created based on experience
4 gained in the operation of other combined-cycle facilities and information gleaned from
5 general industry sources. This estimation process compiles O&M performance and
6 cost into a spreadsheet model for the processes, systems, and components that will be
7 employed within a plant, and uses that data to estimate routine annual and major
8 periodic inspection O&M expenses.

9

10 Q41. HOW WERE PAYROLL COST ESTIMATES PREPARED?

11 A. A preliminary incremental plant staffing organizational chart was developed for each
12 project, based on experience with combined-cycle plant operations in general, that
13 takes into account the expected staffing at the time each project reaches commercial
14 operation. Labor rates were then applied to the different job families and incremental
15 headcount included in the organizational charts. Those costs were then totaled to arrive
16 at the annual plant staff labor figures shown in Tables 1 and 3 below. This reflects the
17 payrolls associated with incremental headcounts required to operate each of the
18 Proposed Generators.

19

20 Q42. WHAT O&M OUTAGE EXPENSES WERE INCLUDED?

21 A. The O&M outage expenses include routine annual maintenance expenses incurred as
22 part of annual planned maintenance outages. These costs do not include periodic major
23 maintenance on the combustion turbines and associated generators, which will be

1 covered under the Long Term Service Agreement (“LTSA”) contemplated for each of
2 the Proposed Generators.

3
4 Q43. WHAT TYPES OF COSTS ARE INCLUDED IN THE O&M BASELINE EXPENSE?

5 A. The Proposed Generators will be comprised of large, complex mechanical systems that
6 will require annual maintenance to ensure continued reliable, safe, and economic
7 operations. This maintenance will require materials, chemicals, labor, and rental
8 equipment, and will address the O&M costs for activities not covered by the LTSA for
9 the following equipment and systems: combustion turbines and generators, steam
10 turbine and generator, the HRSG, electrical instruments and controls, cooling water and
11 water production systems, environmental systems, and substation and transmission
12 facilities. Detailed estimates of these costs, which include both fixed and variable
13 components, are shown in the workpapers supporting HSPM Exhibit NDP-3.

14
15 Q44. HOW DOES ELL INTEND TO MANAGE LONG-TERM MAJOR MAINTENANCE
16 ASSOCIATED WITH THE NEW CCCTS?

17 A. Consistent with its practice for its other generators, ESL plans to enter into an LTSA
18 on behalf of ELL for maintenance of the Proposed Generators with MPA, the original
19 equipment manufacturer (“OEM”). The LTSA is expected to have a structure and
20 scope similar to other LTSAs recently entered into by ELL and its affiliated EOCs,
21 providing for a defined scope of major maintenance activities and a variable fee
22 mechanism based on the number of starts and accumulated operational hours. Outside

1 of the LTSA, the Company will manage major maintenance of the HRSG and other
2 balance of plant items as part of the O&M program described above.
3

4 Q45. WHAT IS THE ESTIMATED COST OF THE LTSA?

5 A. The LTSA and the pricing terms are not fully known, and ESL intends to complete
6 negotiations over the LTSA for each project by the end of Q1 in 2027. However, for
7 planning purposes only, and based on other LTSAs that ESL has recently negotiated,
8 ESL estimates that LTSA costs for major maintenance work scope will average [REDACTED]
9 [REDACTED] for each of the Proposed Generators at commercial operation [REDACTED]
10 [REDACTED], which is reflected in our estimates of these costs over the life of the
11 units.
12

13 Q46. ARE THE ESTIMATED VARIABLE LTSA COSTS INCLUDED IN THE O&M
14 COST ESTIMATE?

15 A. No. While the expected costs for major maintenance under the LTSA (*i.e.*, fees that
16 will vary depending on production from the unit) are provided in HSPM Exhibit NDP-
17 3, those amounts are not included in the fixed O&M cost estimate. But it is possible
18 the executed LTSA could have a small fixed-cost component for the major maintenance
19 work scope.
20

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1 Q49. HOW DID ELL DETERMINE THAT IT WAS REASONABLE TO SITE THE NEW
2 GENERATOR SUCH THAT IT COULD USE THE EXISTING
3 INTERCONNECTION RIGHT AT THE LITTLE GYPSY SUBSTATION?

4 A. ELL determined that customers would benefit from using MISO's replacement
5 generator process to get transmission service where it was available. MISO—the
6 Regional Transmission Organization ("RTO") that manages the transmission system
7 in, among other areas, ELL's service area—has established a process pursuant to which
8 load serving entities (like ELL) can use existing interconnection service rights from
9 retiring generation for new, replacement generators, provided (generally) that the new,
10 replacement generator interconnects at the same point of interconnection as the former,
11 retiring unit. If a unit is unable to use the replacement generator process allowed by
12 MISO, it must otherwise act to secure such rights—including, for example,
13 constructing certain, potentially costly network upgrades identified by MISO that
14 might be required to obtain Network Resource Interconnection Service ("NRIS")
15 rights.

16 Obtaining transmission service through the replacement generator
17 process avoids the schedule issues associated with MISO's interconnection processes
18 and the potential for ELL and its customers to be responsible to
19 fund additional upgrades to obtain transmission service for a new generating resource.

20 Here, Little Gypsy Units 2 and 3 each have a certain amount of NRIS rights;
21 with the planned retirement of those units, ELL has the opportunity to utilize MISO's
22 replacement generator process to secure NRIS rights without the need for additional
23 upgrades. If successful, ELL be able to take advantage of both the timing and cost-

1 related benefits from the replacement generator process I discussed above. Company
2 witness Chad J. Ladner also discusses this issue in his Direct Testimony.
3

4 Q50. IF ELL SET OUT TO USE THE LITTLE GYPSY SITE TO LEVERAGE EXISTING
5 INTERCONNECTION RIGHTS, HOW DID IT ARRIVE AT WATERFORD AS
6 THE SITE FOR WF6?

7 A. Recognizing that a replacement generator generally must use the same point of
8 interconnection in order to utilize existing interconnection rights, ESL looked for site
9 options in and around the Little Gypsy site. Adequate land is not available at the Little
10 Gypsy site itself, however: the area surrounding the Little Gypsy site is heavily
11 developed, and no suitable site for this project could be identified. ESL then evaluated,
12 and determined adequate land was available at, the Waterford site directly across the
13 Mississippi River from the Little Gypsy site. Although constructing the new unit at
14 Waterford entailed building generator tie-ins across the Mississippi River to
15 interconnect with the bulk electric system at the Little Gypsy substation, ESL
16 concluded that option was desirable, both because of the lack of adequate land (or a
17 feasible path to obtaining adequate land) on the same side of the river as Little Gypsy
18 and because of the cost-effectiveness of using replacement NRIS rights from Little
19 Gypsy Units 2 and 3.
20

1 Q51. WHY NOT INTERCONNECT WF6 AT THE EXISTING WATERFORD
2 SUBSTATION?

3 A. There are a few reasons. First, interconnecting at the existing Waterford site would
4 forego the replacement generator rights at the Little Gypsy substation that are available
5 through MISO. ELL customers, through their rates, have funded the transmission
6 investment needed to secure and maintain those interconnection rights. And as I
7 discussed above, those rights are valuable due to both the schedule-related advantages
8 they provide as well as the fact that they eliminate the need to incur potential costs for
9 MISO-mandated system upgrades.

10 On that point, if ELL were to site the generator planned for WF6 at another site
11 in Amite South—without using the replacement generator rights at Little Gypsy—ELL
12 would anticipate that MISO would require certain system upgrades to secure NRIS.
13 The same consideration applies to interconnection at Waterford: because such an
14 interconnection would not be using replacement generator rights, ELL would anticipate
15 needing to incur costs for system upgrades to interconnect at the Waterford substation.
16 Not using replacement generator rights and instead pursuing NRIS at a site besides
17 Little Gypsy would also entail the delays associated with the MISO interconnection
18 queue, which have been significant.

19 In addition, any interconnection at the Waterford substation presents an
20 additional layer of complexity, due to known constraints at the substation and the
21 existing interconnection of the nuclear Waterford 3 Steam Electric Station (“WF3”).
22 Those anticipated substation-related costs, combined with the expectation that MISO

1 would require system upgrades, and the delays associated with the MISO
2 interconnection queue, support a decision to interconnect at the Little Gypsy substation.

3 In sum, given the availability of replacement generator rights at Little Gypsy
4 and the availability of land at the Waterford site, ELL determined that its current
5 interconnection solution is the most reasonable manner of adding needed capacity in
6 Amite South and interconnecting at the lowest reasonable cost.

7

8 Q52. YOU MENTIONED ABOVE THAT SELECTION OF THE EPC CONTRACTOR
9 FOR WF6 TOOK INTO ACCOUNT SITE-SPECIFIC ADVANTAGES. HOW WAS
10 THE EPC CONTRACTOR FOR WF6 SELECTED?

11 A. As noted above, TSL will be the EPC contractor for WF6 (and, along with MPA,
12 comprises the EPC Consortium for that project). This selection was driven, in part, by
13 TSL's selection as the EPC contractor for ELL's Waterford 5 project. Given the shared
14 location of Waterford 5 with WF6, selecting the same EPC contractor was appropriate,
15 enabling the capture of potential economies of scale and other efficiencies and to avoid
16 issues and risks and resulting costs that might arise from having two separate EPC
17 contractors working on separate units at the same site.

18

19 Q53. WHAT IS THE CURRENT ESTIMATE OF THE COST TO COMPLETE WF6?

20 A. The current estimate is reflected in Table 1 (which contains HSPM) below. This
21 estimate was developed through the approach I discussed earlier. The project cost
22 estimate includes the EPC contract, all major equipment, costs for interconnection, and
23 other internal project management costs including internal labor and third-party costs

for activities such as project oversight, environmental permitting, and pursuing regulatory approvals. Applicable loaders are also included.

Table 1 (Contains HSPM)

Capital Cost Estimate (Millions) for Waterford 6

	Total
EPC Contract	
Other Vendors	
Entergy Labor	
Other Expenses	
Total Direct Cost	
AFUDC / Financing Costs	
Other Indirect Costs	
Total Indirect Cost	
Contingency	
Generation Project Cost	
Transmission Interconnection Project Cost	
Transmission Upgrades Project Cost	\$
Total Project Cost	\$ 2,027.2

Q54. PLEASE EXPLAIN WHY THE CURRENT ESTIMATE IS HIGHER THAN THE ESTIMATE INCLUDED WITH THE SELF-BUILD PROPOSAL THAT WAS BID INTO THE 2024 CCCT RFP?

A. The current estimate increased from the RFP bid submission in three cost categories, EPC, AFUDC/Financing, and Transmission Interconnection, while it decreased in Contingency category. The RFP bid was based on bid information from the 2024 EPC RFP and early estimates from the Transmission Power Delivery group for the interconnection, with allowances made to account for escalation and uncertainty. The increases in EPC and Transmission Interconnection were due to the EPC contractor completing its open book estimate development and the completion of a facility study

by the Transmission Power Delivery group, both of which advanced the certainty of the estimates.

Q55. DO YOU BELIEVE THAT THE CURRENT PROJECT COST ESTIMATE IS A REASONABLE ESTIMATE OF THE COSTS OF WF6?

A. Yes. The structure of the WF6 EPC Agreement provides a significant level of certainty in the cost estimate. The Self-Build Commercial Team and the EPC Consortium spent considerable time developing a detailed scope of work in an effort to reduce the likelihood of change orders that may result in material cost increases.

Q56. WHAT ARE SOME OF THE KEY MILESTONES IN THE ESTIMATED PROJECT SCHEDULE?

A. Substantial completion is expected by June 30, 2030. TSL would receive incentives for early completion or be required to pay liquidated damages for delayed completion. Some of the key milestones in the schedule (assuming Commission certification by the end of calendar year 2026) are:

Table 2: Key Milestones for Waterford 6 Assuming December 2026 Certification
HIGHLY SENSITIVE PROTECTED MATERIAL

Milestone	Date
Reserve Major Equipment	
Expected LNTP	
FNTP	June 1, 2027
Back Feed	
Guaranteed Substantial Completion	
ISD/COD	July 31, 2030
Estimated Closeout Date	

B. WESTLAKE

Q57. PLEASE PROVIDE ADDITIONAL DETAIL CONCERNING WESTLAKE.

A. Westlake is a 754 MW (ISO) 1x1 CCCT self-build proposal to be located at ELL's Nelson site in Westlake, Louisiana, that would interconnect at the Nelson Substation.

Q58. HOW WAS THE NELSON SITE LOCATION SELECTED?

A. As was the case with WF6, the Nelson site was identified in the 2024 CCCT RFP as one of the locations for which the Company would be market-testing a self-build proposal. As Company witness Michael J. Plaisance discusses in greater detail in his testimony, the Company identified a need in connection with its most recent final IRP, submitted in 2023, to construct new generators that would replace aging, legacy generation. One such aging, legacy generator is Nelson Station, Unit 6 ("N6"), which is located at the Nelson site and which is the subject of continuing evaluation with respect to future operations. Moreover, as Mr. Plaisance explains, Westlake is proposed to be sited in WOTAB, which is a load pocket that is experiencing significant load growth, thus further supporting a need for new generation proximate to this load growth.

Q59. HOW WAS ZII SELECTED AS THE EPC CONTRACTOR?

A. As I mentioned earlier, ESL conducted its 2024 EPC RFP in Q3 and Q4 of 2024. During the course of that RFP, ESL paused consideration of ZII's proposal because of insolvency proceedings in which ZII was involved. After submissions were made in response to the 2024 EPC RFP, ZII's insolvency proceedings were resolved, and ELL

provided ZII an opportunity to submit a proposal as part of an effort to diversify the Company's portfolio of potential EPC contractors. ZII submitted a proposal with favorable pricing, which led to further negotiations and, ultimately, the creation of the EPC Consortium between ZII and MPA for construction of Westlake.

Q60. PLEASE PROVIDE ADDITIONAL BACKGROUND INFORMATION ON ZII.

A. ZII is a family-owned EPC contractor based in Texas that has been in business for more than one hundred years. Recently, ZII has been selected to act as the EPC contractor for a number of combined-cycle projects, including specifically a new 1,360 MW combined cycle plant to be owned by Duke Energy in Person County, North Carolina⁴ and two nominal 1,300 MW combined cycle units that will be owned by NiSource Inc. near Wheatfield, Indiana.⁵

Q61. ARE THERE SIGNIFICANT CHANGES TO THE WESTLAKE EPC AGREEMENT DUE TO THE SELECTION OF ZII AS EPC CONTRACTOR?

A. Generally, the EPC Consortium structure and the majority of contractual provisions have remained in place for both of the Proposed Generators, but some differences are anticipated with the EPC Agreement that is currently being negotiated with ZII.

⁴ See Aug. 7, 2025, "Duke Energy Awards EPC Contract for the First Person County Combined Cycle Project to Zachry Group", *available at* https://finance.yahoo.com/news/duke-energy-awards-epc-contract-110000772.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xLmNvbS8&guce_referrer_sig=AQAAAGR9KPD_49jV-zs0CLCVqrYiNjjeFssAicunxtn-y61nvg3PRIEKop493YxLHo_BLodou9kTNlbRTgn7XAxQQLD_ayv4Wn9-VeonjbSIYFwDoya8XaXzwhOAY9ht-J-3_kYbIW2Hyk9YLjzb-TeOW5Fox6Tq6ZrLRRKU1LQebRq.

⁵ See Oct. 30, 2025, "Zachry Group Awarded Engineering, Procurement, and Construction (EPC) Contract for NiSource's Combined Cycle Generation Project", *available at* <https://finance.yahoo.com/news/zachry-group-awarded-engineering-procurement-110000992.html>.

1 Whereas TSL has negotiated several EPC contracts with EOCs, Westlake is the first
2 project with which any EOC has contracted (or has planned to contract) with ZII as the
3 EPC contractor. Negotiations of the EPC Agreement for Westlake understandably
4 have taken more time to complete.

5 [REDACTED]
6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED].

13
14 Q62. HOW WAS THE WESTLAKE SELF-BUILD PROPOSAL DEVELOPED?

15 A. As noted above, the Westlake Self-Build Option Proposal was developed based upon
16 ZII's EPC proposal and with data provided by MPA. A Class 3 estimate of the EPC
17 costs, a preliminary design for the project, and a Level 3 project schedule were
18 developed for the project. The estimated EPC cost was added to an estimate of Owner's
19 costs to produce a Class 3 estimate of total installed cost. The project cost estimate
20 also included all major equipment, delivery of project equipment including heavy haul,
21 construction power costs, costs for interconnection and transmission deliverability,
22 costs for connection with local water and sewer facilities, and other internal project
23 management costs including internal labor and third-party costs for activities such as

1 project oversight, environmental permitting, and pursuing regulatory approvals.

2 Anticipated financing costs and applicable loaders also were included.

3 Importantly, as I referenced above, the Nelson site in Westlake is home to N6,
4 an aging, legacy generator that has exceeded its usable life. ELL is continuing to
5 evaluate options with respect to operations at that plant. At the time the proposal for
6 Westlake was submitted, however, the proposal assumed that Westlake would be able
7 to use the MISO replacement generator process—the same process described above
8 with respect to WF6—to acquire existing NRIS rights from N6 for Westlake. The
9 Company is no longer assuming it will use the rights from N6 for Westlake, and the
10 cost estimate for Westlake accordingly now assumes ELL will seek to secure new NRIS
11 rights for the plant.

12 Negotiations with the EPC contractor and these other developments have been
13 considered in developing the current project cost estimate, which is provided in Table
14 3 below.

1

Table 3 (Contains HSPM)

Capital Cost Estimate (Millions) for Westlake

	Total
EPC Contract	
Other Vendors	
Entergy Labor	
Other Expenses	
Total Direct Cost	
AFUDC	
Other Indirect Costs	
Total Indirect Cost	
Contingency	
Generation Project Cost	
Transmission Interconnection Project Cost	
Transmission Upgrades Project Cost	
Total Project Cost	\$ 2,091.0

2

3 Q63. PLEASE EXPLAIN WHY THE CURRENT ESTIMATE IS HIGHER THAN THE
4 SELF-BUILD PROPOSAL THAT WAS BID INTO THE 2024 ELL CCCT RFP.

5 A. There are two main reasons. First, as I mentioned earlier, ZII submitted its proposal
6 after submissions had been received in response to the EPC RFP. ESL initially
7 developed its cost estimate in the original proposal based on historic TSL estimates,
8 and that cost estimate was updated based on information received from ZII. In addition,
9 the original proposal included [REDACTED]
10 [REDACTED], both of which have increased the estimated
11 financing costs for Westlake.

12 Second, as referenced above, the project cost estimate now includes an
13 estimated cost of transmission upgrades to obtain NRIS for Westlake. In the Self Build
14 Option Proposal for Westlake (as well as for WF6), no estimate for transmission

1 upgrades for NRIS was included, as both projects were expected to utilize MISO's
2 replacement generator process to obtain NRIS. Because there are outstanding
3 questions regarding continued operations for N6, particularly considering (among other
4 factors) the significant load growth that ELL is expecting in the near term, the project
5 cost estimate now includes an estimate of transmission upgrade costs needed to secure
6 NRIS for Westlake. That estimate, as well as the anticipated upgrades, are discussed
7 by ELL witness Chad Ladner in his Direct Testimony.

8

9 Q64. IF ELL IS CONSIDERING CONTINUED OPERATIONS FOR N6, DOES ELL
10 STILL CONSIDER THE NELSON SITE TO BE THE MOST REASONABLE
11 OPTION FOR SITING WESTLAKE?

12 A. Yes. Preliminarily, it bears emphasizing that the Company is only evaluating continued
13 operations at Nelson Station, Unit 6, and there has not been a definitive decision made
14 as to whether operations of that unit will continue or in what form. In any event, even
15 if the Company is unable to utilize replacement generator rights for Westlake because
16 of continued operation of Nelson Station, Unit 6, the Nelson site remains the most
17 reasonable option available for the location of the CCCT planned for Westlake. As
18 explained further by Company witnesses Michael J. Plaisance and Chad J. Ladner,
19 there are benefits from adding generation in load pockets like Amite South and
20 WOTAB, especially in light of the fact that those load pockets are currently served by
21 legacy generators that have surpassed their useful lives. The Company does not own
22 (or have a clear path to acquiring) land at another site that would effectively serve the
23 WOTAB load pocket. In addition, there is a strong potential that, even if the Company

1 were able to find suitable land for this project, MISO would require system upgrades
2 to obtain NRIS at that site. Thus, the Company believes the Nelson site remains the
3 most reasonable site for this proposed CCCT, even if the Company does not ultimately
4 use the replacement generator process for interconnecting Westlake.

5
6 Q65. HOW WAS THE CONTINGENCY AMOUNT FOR THE PROJECT DEVELOPED?

7 A. Similar to the process I described above, a probability analysis was conducted of
8 identified risks for Westlake that took into account comparable risk areas and
9 probabilities for the project. The analysis also took into account specific circumstances
10 associated with this project. The project team used this quantitative risk assessment to
11 estimate the identified and unknown risks to make up to the total contingency dollar
12 amount.

13
14 Q66. WHAT ARE SOME OF THE KEY MILESTONES IN THE ESTIMATED PROJECT
15 SCHEDULE?

16 A. Substantial completion is expected by September, 2030. Like TSL, ZII would receive
17 incentives for early completion or be required to pay liquidated damages for delayed
18 completion. Some of the key milestones in the schedule (assuming Commission
19 certification by the end of calendar year 2026) are:

Table 4: Key Milestones for Westlake Assuming December 2026 Certification

HIGHLY SENSITIVE PROTECTED MATERIAL

Milestone	Date
Reserve Major Equipment Orders	
Expected LNTP	
FNTP	February 2027
Back Feed	
Guaranteed Substantial Completion	
ISD/COD	October 31, 2030
Estimated Closeout Date	

VI. CONSTRUCTION RISK MANAGEMENT

Q67. YOU DISCUSSED RISK MITIGATION EARLIER. WHY IS IT IMPORTANT TO HAVE PLANS IN PLACE TO MANAGE AND MITIGATE THE POTENTIAL RISKS ASSOCIATED WITH DEVELOPING THE NEW CCCTS?

A. This project represents a substantial capital investment and must be well-managed. Good management includes proper consideration of the risks that reasonably can be foreseen and the development of a plan to manage and mitigate those risks. Good project management does not seek to eliminate all potential risks irrespective of costs to do so. Instead, good project management should reasonably manage those risks considering the probability of occurrence, potential magnitude of impact, and cost to mitigate.

Q68. HOW HAS ELL MITIGATED THE RISKS AFFECTING THE NEW PROJECT SCHEDULES AND PROJECTED COSTS?

A. The fixed-price structure and well-defined scope of work that will be part of the EPC Agreements are the principal mitigation tools to minimize the effect that risks may have

1 on project costs. The Company developed mitigation plans and included contingencies
2 in the project cost estimates that are sufficient to reasonably mitigate those risks
3 identified. Delays in receiving regulatory approvals or the required permits beyond the
4 dates assumed in the project schedules will increase total costs and result in delayed in-
5 service dates. The project schedules have been developed by optimizing the sequence
6 of activities to produce the shortest practical schedules at the lowest reasonable cost.
7 The schedules have built-in contingencies for critical path activities that will help
8 mitigate short delays.

9
10 Q69. DOES THE WF6 EPC AGREEMENT (AND WILL THE WESTLAKE EPC
11 AGREEMENT) HAVE PROVISIONS THAT MITIGATE RISK RELATING TO
12 EACH EPC CONSORTIUM'S PERFORMANCE?

13 A. Yes. As I discussed earlier, the fixed-price, fixed-duration form of contract, coupled
14 with liquidated damages for late delivery, heat rate, and output provide protection for
15 customers. Additionally, the agreed-upon EPC general terms and conditions require
16 that each EPC Consortium deliver a finished product that meets minimum requirements
17 for performance and to warranty that work for twelve months following Substantial
18 Completion. The EPC Consortiums are also required to indemnify ELL against claims
19 for bodily injury and third-party property damage.

20 The agreed-upon EPC terms also establish a milestone payment structure
21 whereby the contractors will only be paid for the work that has been completed, as
22 verified by ELL. The milestone payments are subject to a cumulative cap with monthly
23 values stated in the contracts that protects the Company's cash flow. Additional

1 protections are provided through ascending letter of credit requirements and payment
2 retention, offering financial incentives and recourse for the Company.

3
4 Q70. IS ELL OBTAINING PROTECTIONS AND INDEMNITIES FROM THE EPC
5 CONTRACTOR THROUGH THE USE OF INSURANCE?

6 A. Yes.

7
8 Q71. WHAT TYPES OF INSURANCE ARE INCLUDED IN THE COST ESTIMATES
9 FOR THE PROPOSED GENERATORS AND WHAT DO THEY COVER?

10 A. The Company intends to procure Builder's All Risk ("BAR") including Delay in Start-
11 up ("DSU") and Sabotage and Terrorism ("S&T") insurance for each CCCT project.
12 BAR insurance is for the benefit of the Company, the contractors, and subcontractors
13 of every tier, and covers property damage to project work from non-excluded perils
14 while it is under construction, from the moment of the contractor being given access to
15 the site, including inland U.S. shipment from an OEM and/or supplier until the policy
16 lapses. The limit of liability under the BAR policy is expected to be roughly equal to
17 the EPC contract value, subject to various deductibles depending on the insured peril.
18 DSU covers certain schedule-delay costs resulting from property damage to project
19 work caused by a non-excluded peril under the BAR policy. After the deductible period
20 is met, DSU insurance provides coverage for certain costs until project completion is
21 achieved (but usually not longer than 18 months following scheduled, but delayed,
22 Substantial Completion), including AFUDC, owner's costs, and the contractors'
23 increased site costs. The S&T policy provides coverage for real and personal property,

1 including delay in start-up caused by acts of sabotage or terrorism and has the same
2 policy period as the BAR policy.
3

4 **VII. CONCLUSION**

5 Q72. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

6 A. Yes, at this time.

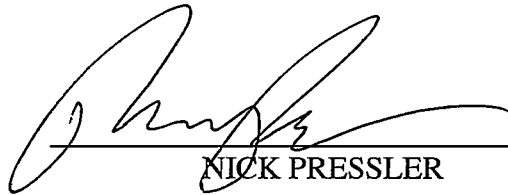
AFFIDAVIT

STATE OF LOUISIANA

PARISH OF ORLEANS

NOW BEFORE ME, the undersigned authority, personally came and appeared, **NICK PRESSLER**, who after being duly sworn by me, did depose and say:

That the above and foregoing is his sworn testimony in this proceeding and that he knows the contents thereof, that the same are true as stated, except as to matters and things, if any, stated on information and belief, and that as to those matters and things, he verily believes them to be true.


NICK PRESSLER

SWORN TO AND SUBSCRIBED BEFORE ME

THIS 9th DAY OF ~~JANUARY~~ 2026
FEBRUARY

(END)



NOTARY PUBLIC

My commission expires: at death

