

TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS AND EXECUTIVE OPEN SESSION HELD ON JUNE 19, 2024 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN MIKE FRANCIS, VICE CHAIRMAN DAVANTE LEWIS, COMMISSIONER FOSTER CAMPBELL, COMMISSIONER ERIC SKRMETTA, AND COMMISSIONER CRAIG GREENE.

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1 **TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION**
2 **BUSINESS AND EXECUTIVE OPEN SESSION HELD ON JUNE 19, 2024**
3 **IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN MIKE**
4 **FRANCIS, VICE CHAIRMAN DAVANTE LEWIS, COMMISSIONER**
5 **FOSTER CAMPBELL, COMMISSIONER ERIC SKRMETTA, AND**
6 **COMMISSIONER CRAIG GREENE.**

7 **CHAIRMAN MIKE FRANCIS:** Good morning, everybody. Let's all stand, get
8 ready for our prayer, and our pledge, and some special entertainment today. I'm
9 going to ask Vice Chairman Lewis to take the mic here for the purpose of a couple
10 of announcements.

11 **VICE CHAIRMAN DAVANTE LEWIS:** Thank you, Mr. Chairman. Before we
12 start, I would like to introduce and to give our prayer today a youth pastor in my
13 district, Mr. Joshua Ricard, and to lead us in prayer today.

14 **[MR. JOSHUA RICARD LEADS IN PRAYER]**

15 **[VICE CHAIRMAN DAVANTE LEWIS LEADS IN THE PLEDGE]**

16 **VICE CHAIRMAN LEWIS:** Today is a historic day. A commemoration of the
17 end of slavery, which is a day when black communities honor our past, present, and
18 our future. More than a century and a half later, we continue to celebrate our
19 collective history and power. Juneteenth, as it is now officially recognized as a
20 federal holiday and a state holiday that we are celebrating today, offers us a day to
21 honor the people whose backs this community, this country, was built on and
22 embrace the community's resilience and joy that comes with being black.
23 Juneteenth is not a celebration of the emancipation from slavery, but it is a

1 celebration and a testament to the enduring spirit and resiliency of black people.
2 This is the oldest and most popular celebrated of the emancipation from slavery.
3 And the significance of this day represents resiliency and liberation. And it's in the
4 same spirit today that we celebrate of joy and remembrance. True recognition of
5 Juneteenth requires us to reckon with the shameful legacy of slavery, systematic
6 racism, but it is also a reminder of the power of truth telling. As we celebrate this
7 holiday, we must commit to resisting all attempts to rewrite history, but knowing
8 that there is joy and unity in bringing people together to celebrate our freedom, and
9 our equality, and this nation. Mr. Chairman and my colleagues, it's my honor today
10 to have Ablaze Youth Ministry, which is also in my district, to lead us in a song.
11 I'll pass it to the youth choir.

12 **[ABLAZE YOUTH MINISTRY PERFORMS]**

13 **CHAIRMAN FRANCIS:** Thank you, Commissioner Lewis. Y'all can be seated.
14 Hello, everybody. Welcome back to Baton Rouge for another B&E meeting in
15 June. Special day, Juneteenth. I want to thank all of the fathers. We just had a
16 Father's Day. Any fathers in here? And thanks most of all to the most special
17 father of all, the father of this world, the creator. And I've got something special
18 to share with everyone. I guess Commissioner Campbell is on the way?

19 **EXECUTIVE SECRETARY BRANDON FREY:** He is on the way. I talked to
20 him and he said to go ahead and start, but he should be here shortly.

21 **CHAIRMAN FRANCIS:** Okay. With Commissioner Campbell's permission,
22 we'll get started. Today is another special day for me, for my family personally.
23 This is my daddy's birthday today and he was born in 1915. He would be 109 if he

1 was living today. I wish he was still here and I've got a little something that I said
2 about my dad over the years that I'd like to repeat it to you. When I was four years
3 old, my dad can do anything. Seven years old, my dad knows a lot. Nine years
4 old, my father does not know quite everything. When I was 12, oh well, naturally
5 father does not know that either. When I was 14, oh father, he's hopelessly old
6 fashion. When I was 21, oh that man, he is out of date. When I was 25 years old,
7 he knows a little bit about it, but not much. When I was 30, what I said about my
8 dad, I must find out what dad thinks about it. When I was 35, before we decide,
9 we will get dad's idea first. When I was 50, what would dad have thought about
10 that. When I was 60 years old, my dad knew literally everything. When I was 65
11 years old, I said about my daddy, I wish I could talk it over with dad again one more
12 time. And thank you for my daddy and I thank you for our most important daddy
13 of all, our heavenly father. And we'll begin this meeting. Are there some other
14 announcements?

15 **COMMISSIONER ERIC SKRMETTA:** I have one.

16 **CHAIRMAN FRANCIS:** Eric Skrmetta has an announcement.

17 **COMMISSIONER SKRMETTA:** Let him go first.

18 **CHAIRMAN FRANCIS:** Okay. And Commissioner Greene first. Okay. I'm
19 sorry. Hold on just a second. Okay.

20 **COMMISSIONER CRAIG GREENE:** I would just like to announce the loss of
21 a dear friend and a political giant in Louisiana, Richard Zuschlag. He passed away
22 between this meeting and the last one and it's a great loss for Louisiana, a great loss
23 for me personally. And his legend and the things he believed in will carry on

1 through many people and many generations and I just wanted to say that. Thank
2 you.

3 **CHAIRMAN FRANCIS:** Thank you, Commissioner Greene. Commissioner
4 Skrmetta?

5 **COMMISSIONER SKRMETTA:** The Commission held its nuclear task force
6 meeting in Metairie for the last two days. We had approximately -- I believe we
7 had an excess of 58 attendees, with experts from quite literally every arm of the
8 nuclear industry, and also from the Louisiana development industry, and from the
9 utility industries from around the country. Plus, we had a number of people attend.
10 It was an extreme success. We were very lucky to have, leading the way for us,
11 former NARUC President, Paul Kjellander, carrying the weight on this. And we'll
12 have a report available to the Commissioners and to the public about the context of
13 what was achieved. We are continuing forward on it down the road with the next
14 step, which will probably engage about how mechanisms of finance, federal or
15 regulatory modifications, etcetera, can take place. But Louisiana leads the way on
16 advanced nuclear, and it was a super success. And also, additional comment from
17 what Commissioner Francis just said to, you know, memento mori, that death
18 awaits us all and we just have to remember we do the best we can do while we're
19 here. And remember what was the pathway that was explained to us by our fathers
20 and we do the best we can in the meantime. Thank you.

21 **CHAIRMAN FRANCIS:** I want to recognize a special attendee today, a former
22 FERC Commissioner, Tony Clark. Tony, where are you? There you go, Tony,
23 thank you for coming. We appreciate your service, service and sacrifice.

1 **VICE CHAIRMAN LEWIS:** Mr. Chairman, I may say, I think -- we were looking
2 up and I think Mr. Clark beats me as the youngest ever elected Commissioner by
3 about two years. So he holds -- I may hold the title in Louisiana, but I think Mr.
4 Clark holds the title in the United States.

5 **CHAIRMAN FRANCIS:** Well, thanks to both of you. Thanks to both of you.
6 Serving in your youth so early. Thank you. Do we have some other
7 announcements?

8 **MS. KATHRYN BOWMAN:** Staff doesn't have any announcements.

9 **SECRETARY FREY:** Just one, just a reminder. You know, we made the change
10 a couple of years ago that we used to not have a meeting in August, but due to
11 schedules, we shifted that to July, so we won't be meeting until August. Obviously
12 though, if there's anything that's time pressing, emergency, we have the ability to
13 call a meeting. So we will see y'all again in August, in Baton Rouge, if all things
14 work well.

15 **CHAIRMAN FRANCIS:** All right. Thank you. If there are no other
16 announcements, Ms. Kathryn Bowman, we'll move right into the Exhibit Number
17 2.

18 **MS. BOWMAN:** Yes, sir. It's Docket Number T-37118. It's the Commission
19 versus Nola Moving on an alleged violation of Revised Statute 45:161 through
20 180.1 by engaging in activities related to moving household goods prior to
21 complying with the requirements of Revised Statute 45:164(E) and General Order
22 dated March 16, 2021 and for failure to comply with the requirements of General
23 Order dated April 3, 2008 as amended. It's a discussion and possible vote on a

1 recommendation of the ALJ. Staff conducted an investigation into Nola Moving
2 and determined that the company was not registered with the Commission, but was
3 advertising services as an intrastate household goods mover. Staff issued a citation
4 on February 29, 2024, directing Nola Moving to appear at the hearing, which was
5 delivered to the address of Nola Moving's registered agent via certified mail. Nola
6 Moving did not appear at the hearing and present a defense. Staff requested that
7 Nola Moving be found guilty of violating the revised statutes by engaging in
8 activities related to moving household goods prior to complying with the revised
9 statutes and the 2021 Commission General Order; be found guilty of violating the
10 2008 General Order as amended; and be fined \$1,000 and required to pay a \$25
11 citation fee. Revised Statute 45:164(E)(1) provides that intrastate movers of
12 household goods must obtain authority from the Commission prior to engaging in
13 activities related to moving household goods. The Commission's 2021 General
14 Order establishes specific regulations governing household good movers. At the
15 hearing, Commission Staff proved that the company violated the revised statutes
16 and the Commission's General Order by holding itself out as an intrastate
17 household goods moving company without first having obtained Commission
18 authority. Based on the evidence admitted at the hearing in this matter, the ALJ
19 recommends that the Commission issue an order finding that: 1) Nola Moving is
20 found guilty of violating Revised Statute 45:164(E)(1), the Commission's General
21 Order dated March 16, 2021, and the Commission's General Order dated April 3,
22 2008, as amended. And that pursuant to Revised Statute 45:171, the Commission's
23 General Order dated March 16, 2021, and the Commission's General Order August

1 21, 2008, Nola Moving is fined \$1,000. And pursuant to the Commission's General
2 Order dated June 7, 2006, Nola Moving is assessed a \$25 citation fee.

3 **CHAIRMAN FRANCIS:** We have a motion?

4 **VICE CHAIRMAN LEWIS:** Motion to accept Staff's recommendation.

5 **COMMISSIONER FOSTER CAMPBELL:** Second.

6 **CHAIRMAN FRANCIS:** Motion by Commissioner Lewis, seconded by
7 Commissioner Campbell. Is there any discussion or opposition? [NONE HEARD]

8 Hearing none, Number 2 has passed. And before we go to three, let me make a
9 quick announcement. We have a resolution on the passing of our brother, Zeke,
10 Paul Zimmering, and I think we're going to let -- to ask Noel Darce to deliver that.

11 **MS. BOWMAN:** Yes, sir.

12 **CHAIRMAN FRANCIS:** You have the --

13 **SECRETARY FREY:** We have it. It's right here. Remember back after Paul's
14 passing, we had said we would get one framed for Mrs. Martha. We also have one
15 for the law library to commemorate naming that after him. I'll actually hold it up
16 for everyone to see. It came out wonderful. We have it here for them to pick it up
17 and bring it back.

18 **CHAIRMAN FRANCIS:** Can we get Noel to come up? We'll take a picture, get
19 it on record. Is Noel here?

20 **SECRETARY FREY:** He's here.

21 **MS. BOWMAN:** He's here.

1 **CHAIRMAN FRANCIS:** There he is. Okay. You know, I apologize. We tried
2 to get the word out. This is supposed to be a casual meeting and so all you guys
3 can take your ties off and be in proper dress.

4 **SECRETARY FREY:** We were concerned that the AC might not be working.

5 **CHAIRMAN FRANCIS:** Okay. Hey, time out. Y'all get on the camera over
6 here, too. That's going out to the rest of the world. Let me -- I've got a question,
7 while we're talking about the camera and our meeting. It's been brought to my
8 attention that people who are watching the -- watching this live at home, are not
9 getting to see the prayer and the pledge. Is there some rule when we're supposed
10 to start this meeting, or not?

11 **MR. DERICK BERGERON:** [INAUDIBLE].

12 **SECRETARY FREY:** Derick, you're need to talk into a mic when we're
13 recording.

14 **MS. BOWMAN:** Oh wait, it's not on.

15 **CHAIRMAN FRANCIS:** It is now. Go ahead.

16 **MR. BERGERON:** I think a few sessions ago you mentioned that, and from that
17 date, every time we go to say the prayer and you start talking, we go live. For
18 example, today, as soon as you welcomed everyone and -- we went live. So all of
19 it's going out as soon as you slam that gavel and start talking, we switch it over.

20 **CHAIRMAN FRANCIS:** So all this beautiful music was live?

21 **MR. BERGERON:** That's correct. Yes, sir.

22 **CHAIRMAN FRANCIS:** Okay. Thank you.

23 **MR. BERGERON:** No problem.

1 **SECRETARY FREY:** If it wasn't, we're blaming Jerry.

2 **CHAIRMAN FRANCIS:** All right. Well, let's move on to Exhibit 3, if we don't

3 have any other interruptions.

4 **MS. BOWMAN:** Yes, sir. Exhibit Number 3 is Docket Number I-36503. It's

5 1803 Electric Cooperative's 2022 request to initiate an integrated resource planning

6 process pursuant to General Order, corrected, dated April 20, 2012. It's a discussion

7 and possible vote on Staff's report and recommendation. On August 5, 2022, 1803

8 submitted a request to the Commission to initiate its IRP process with several

9 parties intervening. At the first stakeholder meeting, 1803 presented its IRP data

10 assumptions materials, as stakeholders then filed written comments on those

11 assumptions. On May 9, 2023, 1803 published its draft IRP report with two

12 intervenors, Southern Renewable Energy Association and Entergy Louisiana, filing

13 written comments in response. On August 24, 2023, Staff filed written comments

14 to identify issues that remained in 1803's draft IRP report. On October 11, '23,

15 1803 filed its final IRP report and associated appendices, and one intervenor,

16 Entergy, filed comments in response, thereto. On February 1, 2024, Staff filed its

17 report and recommendation on 1803's final report. And in that report and

18 recommendation, Staff noted several concerns in 1803's final IRP report involving

19 transparency, use of up-to-date and timely information, and development of

20 insights that 1803's old methodology supports. Despite these concerns, Staff

21 concluded that 1803 did meet the obligations under the Commission's IRP Order

22 requirements, and therefore, Staff recommends that the Commission acknowledge

23 1803's final IRP report as having complied with the order. The acknowledgment

1 of the final IRP does not constitute the Commission's approval of 1803's IRP or
2 any specific resource decision made therein. Staff recommends that the
3 Commission acknowledge 1803's final IRP report complying with the IRP Order.

4 **CHAIRMAN FRANCIS:** Okay. Chairman recognizes Commissioner Lewis.

5 **VICE CHAIRMAN LEWIS:** Yes. Thank you, Mr. Chairman. I have a few
6 questions for Staff and then maybe a question for 1803. When reviewing it, Staff
7 mentioned that they assumed their capacity accreditation for solar in winter as zero.
8 And I'm curious that -- we know the market evolves, and so it can't certainly be
9 zero. Is that Staff's understanding or position?

10 **MR. JUSTIN BELLO:** Commissioner, Justin Bello on behalf of Commission
11 Staff. That's a technical question I'm going to punt over to our consultant, Mr.
12 Morrow here.

13 **MR. HENRY MORROW:** So 1803, they assumed zero percent winter capacity
14 accreditation for the solar, and that was an assumption, and that was one item we
15 identified as a concern. Because the capacity accreditation of solar is based on the
16 MISO standard, which very seasonally -- and so zero percent is different from that
17 standard.

18 **VICE CHAIRMAN LEWIS:** Thank you. Because that was something that, as I
19 was reviewing it, that really concerned me as we were looking at it. I mean, I think
20 one of the other questions that I have for you, Mr. Morrow, while I have you, is I
21 was unsure and it was not clear to me if 1803 considered the least cost portfolio,
22 which I think is a basic requirement of the IRP rules. And so what was your analysis
23 of the scenario they chose in their IRP?

1 **MR. MORROW:** So the least cost plan was the reference plan that they said it
2 was the least cost plan, but they did not specify that that was the least cost plan.
3 And so that was a concern -- was that even though it was the least cost plan, they
4 didn't specifically say it was the least cost plan. They mentioned the other plans,
5 the other scenarios, and mentioned those, but they did not specify that this is our
6 least cost plan.

7 **VICE CHAIRMAN LEWIS:** Thank you. Could I have a representative from
8 1803 for a few questions? And while you're coming up, I'll start, to keep this
9 moving. I first want to actually applaud you all, Staff and the intervenors, in the
10 assessment of this report. And I thank you and all of the members of 1803 for
11 engaging in good faith in this exercise. I actually liked your commitment to pursue
12 the programs of the IRA, maximizing the cost savings for your members. And I
13 also respect your objective, economic approaches to resource selection and keeping
14 up with your fiduciary duties. I'm especially pleased to see that you do plan to have
15 an even wider and deeper analysis of your demand side resources in your next IRP
16 cycle. And so I just want to make sure that I am clear that 1803 will conduct an
17 RFP for winter capacity resources?

18 **MR. KYLE MARIONNEAUX:** Commissioner, just to make appearances -- I'm
19 sorry, go ahead -- Kyle Marionneaux, counsel for 1803. I have with me, Brian
20 Hobbs, the CEO of 1803, and Mr. Patrick Maguire who's with outside consultant,
21 ACES, who led the IRP process.

22 **VICE CHAIRMAN LEWIS:** Thank you.

23 **MR. BRIAN HOBBS:** Ask your question again. I'm sorry.

1 **VICE CHAIRMAN LEWIS:** No. I just wanted to make sure that you will
2 conduct an RFP for winter capacity, correct?

3 **MR. HOBBS:** We have an RFP open today and we will -- as we have capacity
4 needs, we will be conducting RFPs, yes.

5 **VICE CHAIRMAN LEWIS:** Thank you. Because, I mean, I know there was
6 concern. I mean, I know Staff mentioned it, especially in light of another agenda
7 item, so I won't go to that one just now, but ensuring that there is adequate capacity.
8 And as you know, I have been a stickler on IRPs because I think it's extremely
9 important for, actually, the entire agenda today of our process planning and I would
10 like to really see the issues that the Staff report mentioned addressed in the future.
11 As I said, I've tried to be very consistent, and since this is your first IRP, I will not
12 object to it today. But I would like to see some of the Staff's concerns addressed in
13 the IRP, especially when we look at our capacity. But I wanted to thank you, as the
14 first go around on this, for your cooperation and willingness with intervenors and
15 Staff on this process, but I take note there are concerns for the next one and would
16 love your commitment to ensure that we really address, especially those capacity
17 needs.

18 **MR. HOBBS:** Yeah. We'll take those concerns to heart as well and we've already
19 talked about how we can address those in the next go round.

20 **VICE CHAIRMAN LEWIS:** Thank you. Thank you, Mr. Chairman.

21 **CHAIRMAN FRANCIS:** Let me also add for the sake of a lot of the viewing
22 public, RFP, request for a proposal; what proposal is that exactly, Commissioner
23 Lewis, that we're asking for, for the public's sake?

1 **VICE CHAIRMAN LEWIS:** Yes. We are asking them to really look at their
2 winter capacity, so how much resources and generation that they can hold during
3 the winter season, especially under MISO's new seasonal accreditation.

4 **CHAIRMAN FRANCIS:** So they would have that electricity power available, the
5 reserve margin, and in order to do that, we have to ask for a proposal?

6 **VICE CHAIRMAN LEWIS:** Yes, sir.

7 **CHAIRMAN FRANCIS:** RFP, so the public understands what we're talking
8 about.

9 **VICE CHAIRMAN LEWIS:** Absolutely.

10 **CHAIRMAN FRANCIS:** And now I think we -- Commissioner Skrmetta has got
11 a question for you.

12 **COMMISSIONER SKRMETTA:** Actually, not particularly on this point, but
13 related to this system, and it's really for Staff, and for you guys, and Justin. Is this
14 consultant -- are you with J. Kennedy, outside consultant?

15 **MR. MORROW:** No, I'm with Mitsubishi Electric Power Products, Incorporated.

16 **COMMISSIONER SKRMETTA:** Did we hire them?

17 **MS. BOWMAN:** Yes, sir. They were a new consultant, I guess, about two years
18 ago, that bid. They were a qualified consultant and then they bid into the IRP
19 process and we selected them.

20 **COMMISSIONER SKRMETTA:** So they work for the Commission?

21 **MS. BOWMAN:** Yes, sir.

22 **COMMISSIONER SKRMETTA:** Oh, they're not working for 1803?

23 **MS. BOWMAN:** No, sir.

1 **COMMISSIONER SKRMETTA:** Okay. I'm just trying to figure out the players
2 on the board. Okay. Is anybody here from Kennedy?

3 **MS. BOWMAN:** Not to my knowledge.

4 **COMMISSIONER SKRMETTA:** Okay. Let me -- we've had this discussion
5 before about the statistics and the bids associated with 1803 initial decision on how
6 they were going to do their power. My question to you is, I would like to know and
7 understand where we are numerically on where we were and where we are now.
8 And my understanding is there is preclusions for release of information in general
9 to the public about the initial bids from the various bidders, and the -- to look at it
10 and to equate where we are now with the change of the process and with the
11 elimination of solar assets and the movement to all gas. What is the limitation on
12 us releasing the information on the previous bids?

13 **MS. BOWMAN:** So they were submitted to us under our Rule 12.1, confidentially,
14 so we would have to speak to 1803 to allow 1803 to release that publicly.

15 **COMMISSIONER SKRMETTA:** So is it solely on the authority of 1803 to
16 release that information, or is that also something the Commission can act upon to
17 release that information?

18 **MS. BOWMAN:** If they submitted it to us under our Rule 12.1, we have to adhere
19 to their confidentiality. We have the discretion to question if something is
20 confidential or not; however, market pricing, I think we would, you know, allow
21 that to be confidential or stay confidential.

22 **COMMISSIONER SKRMETTA:** Is there a way for us to -- since it's over, right,
23 and we're looking in hindsight. And what is it, two years now?

1 **MS. BOWMAN:** Approximately.

2 **COMMISSIONER SKRMETTA:** Right. Is there anything that precludes us
3 from looking in hindsight to do an open public comparative analysis of then/now
4 under equating it across what the bids were and what the now is? Does that sort of
5 -- does that confidentiality continue forever, or is there a way for the Commission
6 to open it up and look at it in the clear light of day?

7 **SECRETARY FREY:** So I'm jumping on because I dealt with one of these when
8 I was in Katherine's role. So under our Rule 12.1, as Katherine --

9 **COMMISSIONER SKRMETTA:** I mean, I know it can happen under civil
10 litigation outside the Commission, but what I want to know is if we can avoid that
11 and have that take place in the Commission spectrum?

12 **SECRETARY FREY:** This is how the process worked in the past. When
13 something was filed confidential by one of the utilities, we had a party who wasn't
14 subject to the confidentiality agreement believed that the information was not
15 confidential. So as Katherine said, when someone submits something as
16 confidential, we deem it as such. Then the burden shifts to the party naming it
17 confidential to defend that confidentiality if there is a question. In that particular
18 case, we had a hearing in front of the Administrative Law Judge, where the
19 information was presented to her. She made a ruling as to whether it was
20 confidential, if a showing was made that it was confidential. So 1803 and/or the
21 counterparties would make the argument it is, the ALJ would rule, and then
22 ultimately it would come to the Commission for a vote. That's how it works under
23 our rules.

1 **COMMISSIONER SKRMETTA:** Right.

2 **SECRETARY FREY:** So I think the short answer to that long narrative is it stays
3 confidential until that challenge is made or they say it's no longer confidential.

4 **COMMISSIONER SKRMETTA:** The reason I'm asking is because the initial
5 confidentiality applied to the situation, applied to the initial structure of what the
6 rate structure was, right? And it was the original bids, the original rate
7 determination of what 1803 was going to do. But what we know now is that it is
8 more than what the original approved rate was by the Commission. We know that
9 that rate is going up, we know it's not including the solar, we know it's changing.
10 So my question is, does it still contain the blanket of confidentiality if it's not the
11 same horse that we bought two years ago? If it's a different situation, does that still
12 continue on in a cloak of confidentiality? When we really ought to be looking at
13 this because it becomes -- I didn't want to go to pig in a poke on this, but it's not
14 the same thing as it was. And so, I mean, I'm all good with this as long as we
15 understand it in the clear light of day.

16 **SECRETARY FREY:** And, Lauren -- I'm looking at Lauren because she worked
17 on the docket itself, but deferring to her, I guess it would depend on what was
18 deemed confidential. If it was the individual prices or bids that were submitted by
19 those who bid into the RFP, or was it the -- what sounds like you're talking about
20 is the aggregate, what ultimate cost will the customer bear as a result of the portfolio
21 compared to other portfolio options.

22 **COMMISSIONER SKRMETTA:** I'll be very clear about what I'm about.

23 **SECRETARY FREY:** Sure.

1 **COMMISSIONER SKRMETTA:** What I'm about is that we were told what a
2 price was going to be for the members of the co-op, and now, that's not the price.
3 It's significantly higher than what the price was. And what I'd like to know is what
4 that was against the other bidders to make a determination of was this a bait and
5 switch inadvertently, because they got obviously jammed up by people who made
6 promises to them on what they could deliver. But is this a thing that happened
7 which the ratepayers of these co-op conglomerates are not getting what they said
8 they were going to get, really? And is it fair to them to not have the understanding
9 of what was available to them under other bidders, right? Suppliers, it's about
10 suppliers, it's not about the conglomerate. I mean they are what they are, right?
11 It's about suppliers and to understand the differential of what was and what could
12 be and where it is. And so we're operating in the dark on that and not really
13 understanding it. So if it was all the same information, then I'd say the
14 confidentiality applies. But because it changed, I think that there should be a
15 piercing of this confidentiality to apply that information for us to have a open and
16 notorious review of it because otherwise we're not applying the best value for the
17 ratepayers and that's my concern about this.

18 **CHAIRMAN FRANCIS:** I've got a question for you, Secretary Frey.

19 **SECRETARY FREY:** Sure.

20 **CHAIRMAN FRANCIS:** The people that these five Commissioners represent
21 want transparency on everything we do. And I'll be getting a lot of calls after today
22 about this, what's going on here. Tell me why this -- we need confidentiality on

1 the subject and what subject is that exactly that we need confidentiality on. Would
2 you make that clear so I can just tell them to call you instead of [INAUDIBLE]?

3 **SECRETARY FREY:** Let me answer the first one first. So we've had -- our rule
4 12.1, or I think it's always been called that, which is something I'm struggling with
5 as we're rewriting the rules. It might not fit in the same spot, but we still may refer
6 it to 12.1. But what that rule has done is it's provided benefits over the year to the
7 Commission and I can give an example where our confidentiality provisions are so
8 strong, they were used for benefits for other agencies. And one example of that
9 was following Hurricanes Katrina and Rita, the damage they did to the wireless
10 grid. Wireless carriers were reluctant to turn over information to the state, as to
11 where their tower locations were, because of fear that that would be subject to a
12 public records request. By something being submitted to us confidential, we can
13 share it through an MOU, but it maintain that confidentiality and service could be
14 restored. So that's just one example of the value of that rule. It protects a lot of
15 this information and gives some assurance to the companies that when they submit
16 it that way, there is that initial layer of protection. But it doesn't remain forever,
17 and that example I gave you before, I think it was a Cleco case, where Cleco had
18 said something was confidential, a third party objected to that and we had a hearing.
19 So there is still a burden on whoever made that filing and determination to prove.
20 I mean, you can't just submit every piece of paper to us and say it's confidential,
21 there has to be a real showing for that. And there are certain categories of things
22 that historically have been deemed to be confidential. So that's kind of the way the
23 rule works itself. The second part is, to Commissioner Skrmetta's questions is, is

1 that data still -- if it's market sensitive data, and that was the reason why it was
2 determined to be confidential, the market has changed; so is it still market sensitive
3 data or not? I mean, I think the burden would be on the parties if someone
4 challenged it to say, well, wait, I don't know that this is still confidential. I think
5 we would go through our process, short of them saying we agree, it's no longer
6 confidential. We've had that happen before, too, where something was initially
7 filed confidential because of the time sensitive nature of it and then the party who
8 made that filing ultimately said it's no longer confidential now and would remove
9 that level on it. So I don't know that that answers your question.

10 **CHAIRMAN FRANCIS:** No, you did. That's okay.

11 **MS. BOWMAN:** And also, a component to add on top of that, it is 1803's
12 privileged information that they are providing to us to do an analysis of their request
13 for proposal process for generation. The companies bidding into that process, for
14 that generation, also deem that information confidential to the -- you know, because
15 it's a competitive bid at that point. So to start saying we're going to go through a
16 competitive process and have it be confidential, but then down the road it may not
17 be confidential, that could hamper some competitive process along the way. So it's
18 just something we need to -- I absolutely hear what you're saying, Commissioner
19 Skrmetta. I think we need to --

20 **COMMISSIONER SKRMETTA:** So we're bidding it again? I mean, effectively
21 we're bidding again. What they originally had no longer exists, right, and so we're
22 bidding it again. I mean, is that technically what we're doing?

1 **MS. BOWMAN:** Well, they do have an open RFP right now, but I don't believe
2 it's separate.

3 **COMMISSIONER SKRMETTA:** But that's for something that was not
4 completed in the original statement of what they were going to have, right? It's
5 filling the gap.

6 **MS. BOWMAN:** It's a filling a gap, it's a replacement.

7 **COMMISSIONER SKRMETTA:** Right. So the gap that was not completed as
8 part of what they demonstrated to the Commission, they were going to have at a
9 certain price, right? But everything else, you know, is there. It's the gap of
10 incompleteness, I guess, for better way of putting it. It's the unfulfilled element of
11 the contract, right? So that's going to be the difference of where it was and where
12 it's going to be. So is this something that we're limited until such time as it's
13 completed to do a review? I mean, at some point the confidentiality has to be lifted,
14 right, because it's over. And then it becomes a statistical analysis of what it was,
15 what it was promised, what it is, what it's going to be. But they're already in the
16 game and once that RFP comes back, I mean, is it -- are they done, do they have to
17 come back to us for an approval on it?

18 **MS. BOWMAN:** Yes.

19 **COMMISSIONER SKRMETTA:** You know, so we have to still come back, and
20 at that point, we're still operating against confidential information from two, three
21 years back that we're still not understanding what it was. I mean, there's some real,
22 you know, bumps in the road on this to understand what was what and where we
23 are on this. It's a real concern for me, is that we're not getting to the best value for

1 the ratepayers if the dynamic of the contract shifted because of failure of the people
2 that made promises to them and where are the -- and we've had this argument before
3 about the liquidated damages provisions are weak and they're not solid enough for
4 this. But, you know, where do we understand what really is the path that should
5 have been taken on this, and understanding the cost and the values of this, and
6 understanding when we're going to be able to look at these numbers where we look
7 at it and not just a consultant in another state who doesn't reveal this? You know,
8 this is a problem for me.

9 **SECRETARY FREY:** And just to be clear, y'all should have access to -- and I
10 know you want the public to have it, but all of that confidential data should be
11 available to you all for that comparison.

12 **COMMISSIONER SKRMETTA:** You know, I keep hearing that but I keep
13 asking to look at it and I keep not getting it.

14 **SECRETARY FREY:** Well, we'll make sure you get that because that should all
15 be available.

16 **COMMISSIONER SKRMETTA:** Because I'm trying to get this to understand
17 what it was, what it could have been, where it is, and where we are, just to be able
18 to get a grip on that. So we can talk about this amongst the Commissioners, and
19 I'm not in the business of going out and getting on, you know, public media and
20 talking about this. But even I can't understand where we are because I'm not
21 getting data and all I want is data to be able to go, yeah, this is a good idea or a bad
22 idea. And if it's a bad idea then we talk about it, right? If it's a good idea we'll
23 talk about it, too, but it's more about a bad idea.

1 **CHAIRMAN FRANCIS:** So I want to -- let me ask one question, and we'll turn
2 it over to Commissioner Campbell. So is 1803 going to give Commissioner
3 Skrmetta and the rest of us the data he's asking for; yes or no? Simple yes or no.
4 **MR. HOBBS:** Yes. And again, we believe Staff has it.
5 **CHAIRMAN FRANCIS:** All right. Good. Thank you. Commissioner Campbell.
6 **MR. HOBBS:** May I address part of the other concern?
7 **CHAIRMAN FRANCIS:** What?
8 **MR. HOBBS:** May I address part of the other concern. Mr. Chair?
9 **CHAIRMAN FRANCIS:** No. Let's call on Commissioner Campbell here and
10 then we'll get back to you, all right?
11 **MS. BOWMAN:** Use your microphone, please.
12 **COMMISSIONER CAMPBELL:** What basically are we doing today is we're
13 hashing whether or not y'all all exist. Some people never thought you ought to
14 exist. Now they want to know, and in all due respect to Mr. Skrmetta, he wants to
15 know some facts, give them to him. I've asked, continue to ask, now y'all made
16 big promises that you were going to be 20 percent cheaper. You remember that?
17 Everybody was clapping. Now, we don't think it's going to be 20 percent cheaper,
18 but we do think it is going to be cheaper. And for the record, you haven't failed.
19 You think you're going to be able to operate. And just for the record, Northeast --
20 if anybody gives a damn, Northeast is the cheapest utility in the state of Louisiana
21 right now. They're about 9 cents, 9.9 cents, compared to average of about 12. So
22 I want to give you a chance to do your job and I'm not going to ask for this and that
23 and the other. But y'all do have some big promises. I voted for your promises.

1 You assured me that you could obtain the power. Only people that were against
2 you were the three IOUs. They were against this because they sold you electricity.
3 They didn't want to lose a big customer, that was basically it. But you told the
4 people, about a million people, in Louisiana, that's about how many is on the co-
5 ops. Now, you told them it would be cheaper, we were all happy, and you got big
6 shoes to fill. And so make sure that you can get -- first, number one, you can supply
7 the electricity, and made sure it's cheaper than it would have been if you had been
8 on the same course that you have been. So I'm fine, but I want to -- I've got some
9 questions and y'all made some big promises. So you better live up to them. That's
10 all I got to say.

11 **CHAIRMAN FRANCIS:** Okay. Now it's your turn. Okay. Go ahead.

12 **MR. HOBBS:** Thank you, Mr. Chair. A couple of quick points. The portfolio
13 that was approved in January '22, so almost two and a half years ago, is still intact
14 with one exception and that is the 100-megawatt solar project that we terminated
15 and that's been discussed with the Commission.

16 **COMMISSIONER CAMPBELL:** Where was that? Where was it located? I
17 understand [INAUDIBLE].

18 **MR. HOBBS:** Do you remember?

19 **MR. MARIONNEAUX:** Yes, Mer Rouge. Up north Louisiana.

20 **COMMISSIONER CAMPBELL:** Yeah, they're building that now.

21 **MR. MARIONNEAUX:** Yes, it's still being built.

22 **COMMISSIONER CAMPBELL:** You know, Mr. Chairman, just for the record,
23 I went up there, it's a big deal. The people -- I never told y'all this, but the people

1 who are building it are very rude. I told them who I was and the guy that was in
2 there that was running the program, I sat out there 20 minutes and he never would
3 put his head out the door to say hello, goodbye, you know what. And that's right
4 up there and I just said look, I want to introduce myself. I said I'm interested. I
5 went through the -- he never offered anything. So whoever that company is in Mer
6 Rouge, they don't give a damn about the Public Service Commission. At that time,
7 I was the Chairman, I said hey, man, I'd like to go over your program, you know.
8 He doesn't have time to talk to you. I said okay, okay. I got the picture. So
9 whoever's a Mer Rouge guy, if anybody can send him any signals up there, tell him
10 he's very rude, arrogant, and that all I did want to do was say hello to him, but, I
11 mean, he sent me a message from some nice lady. Stuck her head out the door, said
12 he doesn't have time to talk to you. So oh, okay. I got the picture. I left, so if
13 you're not dealing with them it might be a good idea.

14 **MR. HOBBS:** And we're not at this point. The other point I want to make is when
15 we were going through certification, which was in the 2020 timeframe, 2020, '21
16 timeframe; we ran the RFP, and at that time, the proposal that we accepted was 20
17 percent lower cost on the wholesale power supply, just the power supply.
18 Transmission, everything, is all the same cost, so on the wholesale power cost, it
19 was 20 percent lower than the next lowest bid. Again, that portfolio is intact today,
20 but for the one project, the 100-megawatt project. The other big change is MISO
21 going to seasonal construct, which increased everybody's winter capacity
22 obligation. We are acquiring the capacity to meet that obligation. Our load didn't
23 change, so to the extent we have to add more capacity to serve the same load, cost

1 will go up, and we've been very open in saying that; however, it's going up for
2 everybody. So the relative position stays essentially the same.

3 **COMMISSIONER CAMPBELL:** Which means that you think -- what you just
4 got through saying, what I think you just got through saying, you're still going to
5 be considerably cheaper than the old way you were doing business and it's as much
6 as 20 percent because that's what you were 2 and 3 years ago?

7 **MR. HOBBS:** So here's the difficulty with that, we were, in 2021, projecting 2025
8 and 2026 costs on our portfolio and on the next lowest bid. That next lowest bid
9 would have suffered those same kinds of changes. It limited how much capacity
10 was available in it. So if it needed more capacity, like with the construct or even
11 significant load growth, you were exposed to market prices for that. Market prices
12 for capacity have more than tripled in that timeframe. So we'd have similar
13 exposure there. It's really difficult to go back to 2021, take that proposal and
14 forecast it up to this date, but because of the structure of it, it is our firm belief that
15 the solution we accepted would still be a lower cost compared to that.

16 **COMMISSIONER CAMPBELL:** But the main -- like everybody up here, but
17 that's a big deal, not only --

18 **MR. HOBBS:** It's a big deal for my members.

19 **COMMISSIONER CAMPBELL:** Well, I know. I got the picture, but that's what
20 y'all sold, that's what made me -- two things make me vote for you, two things.
21 We can handle it; we can give you the electricity; it will be stable; it won't be off
22 on one day, and this, that, and the other; and it's going to be cheap, considerably
23 cheaper. So it better be both.

1 **MR. HOBBS:** And I'd like -- two other points, we will certainly work with Staff
2 and make sure they have all the information they need, number 1. Number 2, we
3 do that with our board on a regular basis. So our membership and their members
4 are aware of what's going on with costs, what's going on in the market place. We
5 have that discussion constantly. One other point I want to make is, that I've made
6 to our board over and over and over, you're never through with power supply
7 planning. So the idea that we put a stake in the ground and that's what it looks like
8 five years later is not reality. We will continue to have load growth that'll require
9 more capacity, or we may lose a little and we'll be loan capacity. That all affects
10 cost. The MISO construct, now, they look at your load seasonally, they look at
11 how resources had performed, and they can change the accreditation of that
12 resource annually, which means it can get accredited for more capacity or less
13 capacity, which means you're either long or you're short based on that. And the
14 reserve requirements change every year on a seasonal basis, which is also moving
15 up and down your obligations. So you're never finished with power supply. It's a
16 constant ongoing process.

17 **COMMISSIONER CAMPBELL:** Bottom line, what you said, you're still good
18 with it?

19 **MR. HOBBS:** Yes.

20 **COMMISSIONER CAMPBELL:** That's what I want to know, but don't drop
21 the ball now because we got a lot of people depending on what you said. And there
22 was quite a bit -- people saying that you couldn't do this, blah, blah, blah. I trusted
23 you. I believed you, I still believe you. But you got a lot of people out there and

1 this July it's going to be 115 degrees or whatever it is. They got to have electricity,
2 and if you can deliver the electricity, like you said you could, at a lower price, that's
3 wonderful. But if you can't, it won't be wonderful.

4 **MR. HOBBS:** Understood.

5 **COMMISSIONER CAMPBELL:** Okay. Thank you.

6 **CHAIRMAN FRANCIS:** Commissioner Lewis.

7 **VICE CHAIRMAN LEWIS:** Yes, sir. Thank you, Mr. Chairman. A quick
8 question in this conversation. I know one of the challenges that Staff recommended
9 was how you did your load forecasting. And so as we talk about in this conversation
10 going back to the IRP, can you explain kind of the methodology that you used,
11 especially in light of where this conversation has gone? I think that's an important
12 part that was kind of left out of the IRP that I think could have helped this
13 conversation if we understood the methodology about how you are predicting your
14 load.

15 **MR. HOBBS:** That's fair. So the first point I want to make is, we have just
16 commissioned a new load forecast and we use an outside consultant to do that, so
17 it's independent. And we've made sure one of their deliverables is to very clearly
18 describe and define the methodology, so that we can include it in future IRPs for
19 that very reason. So we took that comment to heart, we'll improve upon it. The
20 methodology basically is though that that consultant works with each of our
21 member cooperatives, they look at historical load, they ask them a number of
22 questions about what is going on in their member base, are there changes that you're
23 aware of that are coming down the pipe. They weather normalize that forecast, and

1 then based on that input and their forecast models, develop the load forecast, so it's
2 really ground up. They actually talk with our member co-ops and learn what's
3 going on in their systems.

4 **VICE CHAIRMAN LEWIS:** And thank you. I mean, I think -- this is why I
5 think IRPs are so important. I mean, I think for this conversation that we've had
6 today, and I think as we constantly see the market changing, we are seeing
7 sensitivity elsewhere, PPAs falling through. I think this is a broader conversation
8 that is not just 1803 specific in my opinion, it's utility specific. And so as we talk
9 about that data and that transparency, I think we have to think about it in the
10 totality of what's happening in the ecosystem. Even though, while we are directly
11 talking about 1803, I think we can point to other circumstances and issues in the
12 industry that would have, I think, the same concerns that were raised that are not
13 1803 specific, especially when we look at PPAs that may not make it through the
14 process, so. But once again, I thank you for your commitment to improving your
15 IRP process and further discussions on these matters.

16 **CHAIRMAN FRANCIS:** Secretary Frey, got another question. This 12.3, that's
17 a rule, 12.3?

18 **SECRETARY FREY:** 12.1.

19 **CHAIRMAN FRANCIS:** I mean 12.1.

20 **SECRETARY FREY:** Yes.

21 **CHAIRMAN FRANCIS:** How many pages are in that rule?

22 **SECRETARY FREY:** It's about a paragraph.

23 **CHAIRMAN FRANCIS:** Really?

1 **SECRETARY FREY:** One paragraph.

2 **CHAIRMAN FRANCIS:** Wow.

3 **SECRETARY FREY:** The whole rule is longer, but it's part of our rules of
4 practice and procedure. I usually have them with me, I don't have it right now, but
5 I can look it up and read it to you. It's fairly short.

6 **CHAIRMAN FRANCIS:** No, I'd just like to maybe highlight it on our webpage,
7 if somebody wants to pull it up. So I can just tell them to look at 12.3, if that doesn't
8 give them the answer, then they can call me back, you know.

9 **SECRETARY FREY:** And it essentially, basically, refers to I think this trade
10 secret, proprietary, confidential, and designated that way as part of the filing.

11 **CHAIRMAN FRANCIS:** All right. Well, for the sake of those hundred phone
12 calls I'll get next week, it's a lot easier if we can get some of it nailed down today,
13 so just a couple of points here. What caused this problem is MISO upgraded the
14 reserve margin, right? Is that right, yes or no? Give me a yes or no.

15 **MR. HOBBS:** That is part of it, it's not all of it.

16 **CHAIRMAN FRANCIS:** Oh, okay. Well, that's close. All right. So reserve
17 margin means that we need more electricity power than we predict to have in a hot
18 summer or a cold winter. You used to have one reserve margin for the whole year.
19 Now, we see that we're having some problems with the winter and so we have a
20 winter margin and we have a summer margin. And in America, our winter margins
21 are higher now, quite a bit higher than our summer margins. Since we're in the
22 south, we're not running into any of that problem like they are up north as far as

1 having that reserve margin. Ours is July and August, keeping the electricity going,
2 right?

3 **MR. HOBBS:** It actually isn't. We're a winter peaking system and I assume most
4 of the utilities here in southern Louisiana probably are. Our largest peaks are in the
5 winter period.

6 **CHAIRMAN FRANCIS:** All right. But MISO, we're a part of MISO, that's 15
7 states, all of Central America, the central states. And so MISO has made this rule
8 for all 15 states for these reserve margins, right? And so that has affected your
9 ability to perform here on 1803, so I just want to make sure the public understood
10 that. And so MISO is one of the reasons we're here today talking about this and
11 their reserve margin. Okay. All right. Thank you. Anybody else? [NONE
12 HEARD] All right. Hearing none --

13 **MS. BOWMAN:** So we'll entertain a motion to accept Staff's recommendation
14 that we acknowledge 1803's IRP.

15 **CHAIRMAN FRANCIS:** And I would -- Commissioner Campbell, recommends
16 that we accept the Staff's recommendation, is there a second?

17 **VICE CHAIRMAN LEWIS:** Second.

18 **CHAIRMAN FRANCIS:** Second by Commissioner Lewis. Seeing no other
19 opposition, this is passed, so we'll move on to the next one. Thank you.

20 **MS. BOWMAN:** Exhibit Number 4 is Docket Number R-35462. This is the
21 Commission's rulemaking to research and evaluate customer centered options for
22 all electric customer classes as well as other regulatory environments. It's a
23 discussion and possible vote on a final Phase 1 report with the final

1 recommendations and proposed final rules. The proceeding was initiated through
2 a notice of proceeding issued by the Commission on January 9, 2020, after a
3 directive from Commissioner Greene. Staff was directed to research customer
4 centered options for all electric utility customers and to recommend a plan for how
5 to ensure those customers are the focus in Louisiana. The docket was also designed
6 to consider any proposals not already being addressed in other dockets as well as
7 other options that may mitigate increased rates for Louisiana ratepayers. The notice
8 of proceeding was published in the Commission’s Official Bulletin and 30
9 stakeholders intervened. Throughout Staff’s research and discovery process, Staff
10 noted that the docket would be handled in three phases. Staff previously issued a
11 first Phase 1 report and a second Phase 1 report, wherein Staff sought comments on
12 its allocation of topics and its proposed rules. Having received comments to its first
13 two Phase 1 reports and fully considered the input from all parties, Staff issued its
14 final Phase 1 report with final recommendations and proposed final rules on June
15 7, 2024. In that report, Staff determined that in Phase 2, Staff will analyze LEUG’s
16 proposal for enhanced CHP options and energy displacement Sleeved PPAs and
17 that Phase 3 will be left to consider full market restructuring and LEUG’s industrial
18 customer market option. Staff proposed that the Commission adopt the following
19 final rules from its final Phase 1 report: Annual reporting obligations for electric
20 utilities; periodic reporting of utility companies’ outside attorney and consultant
21 expenses; renewable energy credit values; sleeved purchase power agreements.
22 And additionally, Staff recommends that the Commission direct all utilities to
23 submit a filing for Commission consideration to update their tariffs with green tariff

1 option rate schedules, subject to conditions; decline to make revisions to the
2 General Order dated September 19, 2019, which promulgated the Commission's
3 Distributed Generation Rules; declined to make the policy decision requested by
4 Distributed Sun, without precluding future applications for consideration by the
5 Commission; and decline to make the policy decision requested by Together
6 Louisiana, without precluding future applications for consideration by the
7 Commission. Staff recommends that the Commission accepts Staff's final Phase 1
8 report with final recommendations and proposed final rules filed into the record on
9 June 7, 2024.

10 **COMMISSIONER GREENE:** I'll motion to accept Staff recommendation, and
11 I want to thank Lauren, and all the Staff, Lane, and all who worked so hard on this
12 for so many years. We started in 2019 and it's been a very heavy lift and I'm very
13 appreciative. I look forward to a robust discussion, but thank you for working so
14 hard on this, and motion to accept Staff recommendation.

15 **CHAIRMAN FRANCIS:** Motion by Commissioner Skrmetta, second by
16 Chairman --

17 **MS. BOWMAN:** Motion by Commissioner Greene.

18 **CHAIRMAN FRANCIS:** I'm sorry.

19 **MS. BOWMAN:** The buttons are different, huh?

20 **CHAIRMAN FRANCIS:** Oh yes. Okay. Motion by Commissioner Greene to
21 accept Staff recommendation on Exhibit Number 4, seconded by Chairman, and we
22 have a question and discussion by Commissioner Skrmetta.

1 **COMMISSIONER SKRMETTA:** Actually, I'd like to invite to the table some
2 folks. I'd like to invite representatives -- we probably need some chairs -- invite
3 representatives from Entergy. I'd like to invite representatives, I guess, Brad
4 Mittendorf, Randy Young, Lane Sisung, and I guess Entergy representatives,
5 whoever they'd like to come up. And I guess he already thought he was coming up
6 anyway.

7 **COMMISSIONER CAMPBELL:** We fixing to have a fight.

8 **COMMISSIONER SKRMETTA:** I was going to throw something on the floor
9 to see if they'd fight over it.

10 **MS. BOWMAN:** Housekeeping items, if you haven't filled out a yellow card,
11 please do.

12 **COMMISSIONER SKRMETTA:** I have two rottweilers, I usually just throw a
13 squeaky toy on the floor and see what happens.

14 **MS. BOWMAN:** Attorneys, you may sign the clipboard. And please introduce
15 yourself before speaking.

16 **SECRETARY FREY:** And also make sure you hit the button and you get your
17 green light before you talk.

18 **COMMISSIONER SKRMETTA:** We'll have more folks coming up periodically
19 to tag in at some point, right?

20 **CHAIRMAN FRANCIS:** What about SWEPCO?

21 **COMMISSIONER SKRMETTA:** SWEPCO is invited, too. I think they can
22 pick whoever they want to come up. And Cleco, if they want to come up at some
23 point, they can tag in as they'd like to. The reason I've asked the variety of folks

1 to come up here is because we've had some extensive discussions in private about
2 this particular issue and I wanted to express my concerns about this and I think that
3 there's various differential concerns about this. And a lot of it is because of what
4 it's called, because it's being the nomenclature, and identifying this as a customer
5 centered option, and then it's being told, well, that's not what it really is. You
6 know, it's more about developing a project that is satisfying the needs of the
7 industrial users to provide conceptual green energy to satisfy the needs of their
8 customers in Europe. That to build their products with the use of renewable energy
9 profiles. Particularly in this case, for Shell Oil, right, and the idea being that Shell
10 Oil says that Entergy was not moving quick enough to bring in renewable energy,
11 and particularly solar, that would satisfy what their needs were. And they kept
12 saying that they only did I think 55 megawatts or whatever it is on the West Bank
13 project that Entergy did. We'll get to, kind of, the questions in a minute, I'm just
14 kind of laying the foundation. And I know there was another project Entergy was
15 working on, about a hundred and something megawatt project. And so the goal of
16 this project was initially to provide a 200 megawatt project for Shell Oil to develop
17 in Bogalusa, Louisiana for including in its profile for its use at, I believe, its
18 Gramercy plant on the river, as far as putting into its mechanisms, so it could
19 identify it for its European purchasers that it produces its petrol chemical products
20 utilizing net zero energy off of solar energy. Taking it outside of the, I guess, best
21 way to put it, the IRP, and what we require the utilities to manufacture to build
22 electricity and going outside the system, effectively taking a step forward in a way
23 which could be questionable for the security of this system in my view. I'm not

1 saying it's your view, it's my view. Problem, it comes up is that I think that we
2 need to hold off on this vote. We may vote on it down the road, but I think we need
3 to take a quick pause on this. And this is where the questions I'm going to be asking
4 you, Randy, and you, Brad, and also Entergy, is that -- and I guess all the
5 Commissioners read this article. That within the last few days, there was a press
6 release that Entergy and NextEra have agreed to, I guess, the best, simple way of
7 saying, co-venture on a 4,500, more or less, megawatt solar investment in the
8 Entergy corporate footprint. I think Louisiana's going to get more than 2,200
9 megawatts of that solar, I think is a reasonable statement. Which would offset the
10 need for going into this project, which would provide more than enough electrons
11 into the green resources for the industrial use and they would be able to equate and
12 provide for the industrial consumers, the foreign consumers to look at their equation
13 about developmental projects for the oil industry and without the need to potentially
14 disrupt how cost calculations go on the residential consumers of Louisiana, of
15 which I do think there could be a real impact on this. So I'm going to start asking
16 a couple of questions. So, Lane, the question is for you so you can get a
17 microphone. Lane, I know you are the consultant on this, and really the question
18 is had you known about the Entergy and NextEra volume of solar energy that was
19 going to be coming in under their co-plan, how would that have affected your
20 analysis on what you would look at under this particular docket item?

21 **MR. LANE SISUNG:** Sure. I guess I would start by saying that I still really don't
22 know, and so what the exact plan is. The impetus behind why this -- why Staff was
23 able to support this was that there was a stated need, as you've well laid out, that

1 these industrial customers needed access to these amounts of solar capacity and
2 energy that was not going to be able to be filled through Entergy's processes in a
3 timely fashion. And so what we did was structure a mechanism that mirrored
4 Entergy's own green tariff, that was what we based it on, to allow an expedited path
5 for those large industrial customers to be able to perhaps have access to this needed
6 solar for economic development reasons. What I can tell you is that when that
7 announcement came out, I was unaware of exactly what that meant in terms of that
8 need for speed, so to speak. And so as I sit here today, it very well could change
9 things. If Entergy was able to now say, well, wait a minute, you know, we were
10 going to move at a certain pace that would not have allowed the Shells and the other
11 large industrials to get access to the capacity they needed, then, you know, that
12 would -- nothing would change. But if they were to say, now, with this deal with
13 NextEra we can get projects in the ground and we can get these allocations made
14 and every allocation that's in our queue could be met, that could change things.
15 The reality is I don't know either way, because this just happened.

16 **COMMISSIONER SKRMETTA:** Well, so next question for you is that my
17 understanding is that under this particular docket item that, even moving forward
18 under it, it really is still susceptible to what Entergy can accept it or not accept it.
19 What is Entergy -- the process moving forward under this is that Entergy still has
20 to look at it and determine if they can move forward on this?

21 **MR. SISUNG:** That is correct. So the way we structured this was that Entergy's
22 form PPA, the same one they use for their own projects would be the basis. And
23 it's not just Entergy, to be clear, it's all utilities, but to answer your question

1 directly, Entergy is using a PPA form in its own green tariffs. So the goal would
2 be it would be the same kind of agreement, Entergy would enter into a PPA just
3 like they do in their green tariff, and they would have a level of control to make
4 sure that ratepayers were protected on the terms and conditions of a PPA. The other
5 way that it's structured for protection of consumers, there's two main protections
6 in there. One is from the financial perspective. The big concern that Staff had
7 initially was that, you know, these industrial customers have not -- you know, we
8 can call it Bayou Steel and Shell Convent, have left. And the question is, if they
9 get into these transactions, you know, without the Commission having vetted them,
10 you know, what are ratepayers left behind with? So we handled that in two ways,
11 there's two paths. One is if the industrial customer is willing to put its financial
12 backing behind the project, put a letter of credit, get it bonded, have the other side,
13 have the solar developer take the risk by saying if the industrial customer goes
14 away, the contract ends; then that is one path where a customer is financially
15 projected and then they're protected from all the other terms and conditions by use
16 of Entergy's contracts. Then when you turn -- the other thing, if they don't offer
17 that financial protection, then that project needs to get certified just like every other
18 generator that gets certified by this Commission. So the Commission -- not only
19 would Entergy be involved and have access, this Commission would be involved
20 and have access.

21 **COMMISSIONER SKRMETTA:** But I mean, since we know -- well, the
22 question is what we know is what we don't know, right? So we know about the
23 concept and we're going to -- well, I hope we learn more about it soon -- is that

1 we've got a big differentiation. Because, I mean, look, the discussion -- and we're
2 not talking out of school -- is that NextEra has maintained a large concentration at
3 the focal point of the queue with projects, which has impeded other folks of getting
4 their projects done. And they also, from my understanding, have a large investment
5 in real estate, which is what has caused other people to want to join up with them
6 on the access to the focal point in the queue and the access to real estate, that they
7 can join up and make a deal to move forward and do solar, which is fine, you know.
8 But that, to me, changes the dynamic in the analysis of where we should be on this
9 particular issue, because what I want is to maintain what has been a perfectly sound
10 system for providing the lowest -- if not the lowest, but near the lowest utility rate
11 system in the country, of which, to be honest with you, is people are jealous of our
12 system. And we can look and see what other states have done along this line and
13 have had effect on ratepayers that we do not have. So I don't want to have the New
14 York markets, that look about how they sell money to Louisiana and sell them to
15 the utilities, to have cost increases in the cost of capital because of uncertainty as
16 they look at how we deal with what we allow into this as effectively direct market
17 access under a guise of consumer centered options, right. I just don't want to look
18 at this as being the camels getting its nose under the tent, right. Especially when -
19 - if, look, if there was nothing coming, we'd have a different discussion. But if
20 we're having a knowledge of what is coming, that's it. So I actually want to kind
21 of jump to the next question I have over here. And the question I have is actually
22 more to you, Brad, from the NextEra component. What is NextEra's position on

1 their interaction with Entergy about this development of this rather large component
2 of solar that they're planning to join up with and bring to Louisiana?

3 **MR. BRAD MITTENDORF:** Thanks for the question, Commissioner, but I'm
4 not privy to the commercial language between Entergy and NextEra. For that,
5 that's going to be Beaux Staples, who represents NextEra in that capacity.

6 **COMMISSIONER SKRMETTA:** Is Beaux here? There he is, he's coming up.

7 **MR. MITTENDORF:** Apparently, he is.

8 **COMMISSIONER SKRMETTA:** Yeah, there you go. He's coming. But, I
9 mean, you're aware of the concept and [INAUDIBLE]?

10 **MR. MITTENDORF:** I saw the press release.

11 **COMMISSIONER SKRMETTA:** That was about it?

12 **MR. MITTENDORF:** Uh-huh.

13 **COMMISSIONER SKRMETTA:** Beaux, you want to come up? So, well, that's
14 fine. And, Beaux, you heard the question, huh?

15 **MR. BEAUX STAPLES:** Yes, sir.

16 **COMMISSIONER SKRMETTA:** Yeah. So, I mean, you can tell us more about
17 what sort of the general plan is?

18 **MR. STAPLES:** Yes. Beaux Staples, NextEra Energy Resources. This was an
19 agreement negotiated between the commercial entities of Entergy and NextEra
20 Energy Resources. I have not read the contract. I know it's a framework setup that
21 enables both parties to benefit from the strengths of each company. There's no
22 agreement that, you know, any project will be developed through this agreement.
23 There's no guarantee, but it's up to 4,500 megawatts.

1 **COMMISSIONER SKRMETTA:** But you have the land in the queue position
2 to make these projects happen? That's the plan? I mean, that's what your business
3 is, right?

4 **MR. STAPLES:** Yes, sir. We're the country's leading developer of wind and
5 solar.

6 **COMMISSIONER SKRMETTA:** Right.

7 **MR. STAPLES:** And a leader in battery storage. We have a robust portfolio in
8 Louisiana.

9 **COMMISSIONER SKRMETTA:** Right. And I guess, Larry, do you have
10 information on the -- your concept?

11 **MR. LARRY HAND:** Larry Hand on behalf of Entergy Louisiana. I'll be the
12 third person to say I haven't read the details of the agreement, but I do have a better
13 understanding of how the joint development agreement that was announced
14 between Entergy and NextEra would work. It is 4,000 megawatts and what it will
15 do is provide collaboration between Entergy and NextEra to leverage the things you
16 talked about, their queue positions, their options on land, and things like that; to try
17 to bring more supply into our existing green tariffs that have been approved, our
18 existing -- the three-gigawatt process that was recently approved. So we've worked
19 very hard, very frustrating to hear earlier that the thought is we need Sleeved PPAs
20 because Entergy's procurement of solar has been too slow. We have been working
21 for years to get additional green tariffs approved. We now have four green tariffs
22 approved. We have a agreed pricing option, we have a Geaux Green option, we
23 have a Geaux Green limited option, and we have a Geaux Zero. None of the green

1 options have an E at the end, they're just regular greens. But we have so many of
2 those that we've now built up an approved mechanism approved by you that will,
3 once we get the supply into it, once we get -- if it's NextEra's projects, if it's
4 Invenergy, DESRI, whoever is the best option for our customers, we now have the
5 ability from a regulatory framework to get those done quickly. And so I don't see
6 a need for a Sleeved PPA today. NextEra may not win. You know, they're going
7 to have the opportunity to bid into these procurements. We hope they win. We
8 hope we can get as many resources as we need, but that JDA doesn't give them,
9 you know, an inside track. They still have to compete and win against everybody
10 else. You know, we have -- between all the tariffs that have been approved, there's
11 about 3,500 megawatts of solar capability. We don't have it contracted yet because
12 we have to do the procurements, but there's about 3,500 megawatts of solar
13 capability that is available to meet the needs of industrial customers who are
14 looking to get the green attributes. And I told you there were four or so different
15 varieties. Different industrials want different types of, you know, renewable
16 attributes. Some just want the rec. Some want to subscribe and get the capacity
17 and the energy value. So there's a whole host of different options we now have
18 available thanks to the approvals the Commission has issued, so I do think we are
19 poised to bring the bare 3,500 megawatts of renewable resources available to these
20 industrials. Keep in mind, there were some skirmishes not too long ago about
21 people fighting over the capacity of Geaux Green, and that held up further approval,
22 so there's a demand for it. We think we have the products that those industrials are
23 looking for, and, you know, what I would say is when you do those things through

1 the utility procurement process, you balance the interest, the needs of the
2 industrials, but you also balance the needs of all customers. And I want to
3 commend the Staff and the recommendation. They have had a laser focus on
4 making sure if this Commission -- and it's the Commission's decision -- if this
5 Commission does approve a wholesale Sleeved PPA, that it does so in a way that
6 protects non-participants. And as Mr. Sisung said, that could be through making
7 sure if there's a default risk, that that is borne by the industrial and not other
8 customers, and also by making sure that developers won't pull bids out of the utility
9 procurement so they can go chase a Sleeved PPA. So those are, you know, some
10 important protective mechanisms, but I do think it doesn't scratch the itch, as
11 currently postured of making sure non-participants are not harmed. Because once
12 you set up a bifurcated world where I'm a developer, Beaux Staples, NextEra is the
13 developer, they have to choose whether I want to participate in the utility
14 procurement and whatever timeline the Commission takes to approve it, I want to
15 bid in the air and a year later and I'll find out if I won. Or I can go do a Sleeved
16 PPA under the proposed rule and get it done and approved in 60 days. It's going
17 to affect the supply of bids into, I believe, utility procurements. And I'll be very
18 transparent, because of the three-gigawatt process y'all recently approved, thank
19 you, we had a more streamline process. We're still going to have an attractive
20 timeline. A little bit longer than the Sleeved PPA, maybe 75, 80 days, compared to
21 60. So we have a competitive advantage to Cleco, SWEPCO, co-ops who want to
22 go procure. But a developer is going to look pretty long and hard before I bid my
23 project into a utility RFP because they will be under the proposed rule foreclosed

1 from taking that same capacity and offering it to an industrial while it's in the RFP.
2 So I don't think this, as currently done, scratches the itch of protecting all customers
3 because of this competitive thing. Once you tell developers you can only go here
4 or you can go there, you're limiting the competition's supply in one procurement
5 of the other, which is just a structural concern. But I do want to commend the work
6 that Staff did to try to protect, as best as they could, non-participants from harms.
7 And I also want to say, you know, our industrial customers, it is important for them.
8 Many of them have -- some of them have just sustainability goals, they want to
9 chase them, great. But many of them are competing for capital within their own
10 companies across the world, to bring capital to Louisiana, and they need to be able
11 to tell their boards that, hey, we want the capital for Louisiana's project because we
12 can supply with green energy. And we support that, we want economic
13 development in Louisiana. We're also having competition, you know, with their
14 customers, so for them, you know, to supply whoever in Europe, that customer,
15 their end-use customer saying I'm not going to buy from you unless you can show
16 me your products meet these certifications. So we support, you know, trying to
17 meet the needs of industrials. We think we have, with your approval, products,
18 programs, and the opportunity to fill it very quickly. And if we need to grow it
19 beyond that in a way that balances the interests of industrials who need it and all of
20 our customers, we stand ready to do so. Bear in mind, we can move as quickly as
21 this Commission can move. I'm not pointing fingers, but we're all in this together.
22 I don't want to have the outcome here be we need a Sleeved PPA because the

1 regulatory process is too slow. We should fix that problem. If that's the choke
2 point, we should fix that, not throw the baby out with the bathwater.

3 **COMMISSIONER SKRMETTA:** Well, it seems like what you're saying is, if
4 the regulatory process is too slow, let's create more regulatory process, which is
5 what we're doing, that actually impedes and diminishes the effectiveness of our
6 current regulatory process. Which I think is what this does, and which is why I
7 would ask the Commission to delay this until August. I'd like the Staff to go back
8 and look at sort of how this Entergy, NextEra, you know, volume of work can
9 change the dynamic of this and provide the industrials with the volume of what they
10 were. Because, you know, look, my concerns are that I -- I got no sympathy for
11 European consumers that want Shell Oil to use their own green energy when we
12 can provide it systematically to accomplish the same task. Because the only thing
13 I'm concerned about is my ratepayers and I mean, particularly, my residential
14 ratepayers. Because if these actions of helping the industrials carve out their own
15 system causes some tertiary impact on my residential ratepayers, not now, but down
16 the road, then I've failed because it is an action which can affect the cost of our
17 ratepayers by taking them outside of our system and not taking advantage of a
18 unified system that we have, and that's really my problem with this. And, look, our
19 obligation is not to satisfy the industrials. Look, I had them come to my office, I
20 had them say, you know, if we don't do this, that they're going to leave. I told them
21 hit the road. I minced no words about it that, you know, we've got resources here
22 people want and we've got industrials that, you know, are flexing their muscles and
23 I'm not happy about it. But, you know, it is what it is. But we have mechanisms

1 to achieve the goals necessary for bringing the focus and the availability of what
2 they need to accomplish their goals, but we do not need to carve out a system that
3 affects the folks and the people in this state in a way that could potentially harm
4 them to satisfy the needs of European consumers. It's just not necessary. And look,
5 it's not just European consumers. The drive is that we're going to create chemicals
6 and petroleum products that are going to be built on the back of net zero or low zero
7 -- low carbon energy resources. We had this discussion for the last two days on the
8 nuclear future, right. And so we get it and we're working that as part of our plan.
9 But a part of our plan is not to carve out special interest elements on this.
10 Everybody floats on a rising tide, so we don't have to take special focus on carving
11 out special elements, when everybody can benefit from this. So I would ask the
12 Commission to delay a vote on this because right now, I'm not going to make any
13 bones about it, I'm going to vote no. All right. But I do think that this is a moment
14 to take pause and look at what value the NextEra, Entergy action can do to bring
15 value to the industrials because I think you can't bring in that much power and have
16 it not become a value to your industry, Randy. And so Randy, I know you've been
17 sitting patiently, so I'd just like to see what your thoughts are on how this NextEra,
18 Entergy action could benefit or how it affects this [INAUDIBLE].

19 **MR. RANDY YOUNG:** Thank you, Commissioner Skrmetta, and I appreciate the
20 opportunity to be here today and visit with the Commission on this topic. If you'll
21 allow, I'd like to give a little bit of background about what this is about in terms of
22 the Louisiana Energy Users Group, and then I'm glad to address a number of
23 individual points that have been raised. So, first of all, for introduction, again, my

1 name is Randy Young. I'm here on behalf of Louisiana Energy Users Group, or L-
2 E-U-G, or LEUG, as it's called. As y'all know, LEUG is an association of
3 industrial customers. It's not just one customer, it's an association of 26 customers
4 that have more than 50 plant facilities located throughout Louisiana. We're proud
5 to collectively provide more than 35,000 jobs in Louisiana. We bring about a \$2.5
6 billion payroll to Louisiana, and about a \$5 billion annual spend in Louisiana. So
7 renewable generation, it's become an extremely important topic for us. Louisiana
8 industry needs it to bring projects and jobs to Louisiana. Louisiana industry is
9 willing to pay for it so other ratepayers do not have to. And Louisiana industry is
10 asking the Commission to open some limited new paths to allow industry to the
11 table to help make it happen. More and more, we're seeing Louisiana industry need
12 access to renewable power options to meet carbon reduction needs and for
13 economic development. And that need is becoming more and more pressing for
14 existing plants and for plant expansions and also to bring new projects to Louisiana.
15 You hear a lot of stories about projects looking to come to Louisiana, and that's
16 very true, but the reality is a lot of those projects are still needing and trying to find
17 paths to renewable power to help make those projects work. LEUG is thankful for
18 and appreciates the Commission's attention and time on this topic. What we ask
19 and urge is that the Commission approve the Staff's Phase I report that's been
20 issued in this proceeding, and we would ask that it get approved today and that it
21 not be delayed. It's very important that we move this forward. We've had enough
22 -- part of the need to move forward is the timing issues on this. Part of the proposal,
23 as Mr. Sisung indicated, is a Sleeved PPA proposal. That's part of the Staff report.

1 Sleeved PPAs would allow Louisiana industry to directly participate in the solution
2 to bring renewable generation to the electric grid in Louisiana at its own cost and
3 risk, which will benefit all the other ratepayers as well. The ability for Louisiana
4 industry to contract directly with renewable providers to bring renewables to
5 Louisiana is important for economic development, to help meet carbon reduction
6 needs for Louisiana, to help bring jobs to Louisiana, and for the future of Louisiana.
7 And so we're asking that you approve and consider and approve the Staff report
8 today. And I'd like to turn to a number of points that have been raised. In terms
9 about impacts on customer bills -- well, let me back up and talk about what is this
10 Sleeved PPA proposal that's on the table today. So it's basically, it allows
11 industrials to go out and negotiate and find projects with renewable developers and
12 bring them back and sleeve them through Entergy, so Entergy is part of the contract
13 as well, and it's an overlay on top of existing bills. So this product that's on the
14 table is not going to affect any of the electricity that the customer is already buying
15 from Entergy today; that will continue. This overlay is on top of those bills.
16 Entergy expressed a whole laundry list of concerns and pushbacks on the product
17 when Mr. Sisung first issued his report and Mr. Sisung went back and added a
18 whole laundry list of protections and additional provisions to try to satisfy
19 Entergy's concerns. One is he put a program size limit on it. The program size
20 limit for Entergy is about 500 megawatts, so relative to Entergy's 10,000-megawatt
21 system, this is a fairly small slice to go in and test. If it fills up and parties want to
22 expand it, they would have to come back to the Commission for approval to expand
23 it. Second is that any of these individual Sleeved PPAs would have to be approved

1 by the Commission, so they can't just go off and do it. They have to come back to
2 you for approval and you get to see the transaction. Third is that there were
3 provisions added for protections against the customer default. So if a customer
4 enters into one of these with a renewable developer and with Entergy and the
5 customer defaults, then there's provisions in there that allows that to be addressed,
6 to provide for no recourse against the utility or its customers and to provide
7 collateral requirements or provide collateral requirements by the participant.
8 There's also protections to the utility in that the utility can oppose it, the utility can
9 reject it and ask for modifications to it, or they can agree to it or not agree to it.
10 And if the utility ultimately opposes it and says it doesn't have all the right
11 protections in it, then we have to come back before -- a full proceeding before the
12 Commission. So all those protections have been put in place. Now in terms of
13 Entergy's programs and why Entergy's programs have not met our needs. But to
14 be very candid about this, industry has been asking for renewable power and the
15 need to access renewable power for now more than four years. We opened this
16 docket in 2019. We opened the Green Rulemaking Docket on green power in 2019,
17 as I recall, so both have been more than four years. Four years fast-forward, we are
18 still, today -- Entergy has still 50 megawatts of solar on the ground. That's all they
19 have. They've opened some new subscription programs. The Geaux Green was
20 the first part of that. So under Geaux Green, they opened their first subscription
21 process. The parties that got the -- that are in the catbird seat in that process, they're
22 the ones that got selected on that first round, at the very beginning, and that was a
23 first-come, first-serve process, that was way back in November 2022, more than a

1 year ago. Those customers only have assigned to them 12 megawatts; that's all.
2 Between 10 and 15 megawatts. They're still waiting on more. Now, they have
3 come back to the Commission, asked for another program, Geaux Zero. There is
4 hopes for all of that in terms of more to come. There's waitlists that are hoping to
5 be backfilled. But nobody knows when that's going to happen. And so even for
6 those first 12 that got selected in that first round, they only know of 12 megawatts
7 so far, they're hoping for the St. James projects to come through. My understanding
8 is those are continuing to run into problems, so that's not going to be added, so they
9 don't know where the rest of it is going to come from. They don't know what
10 timing or what price ultimately they're going to be, so there's still a lot of
11 unknowns. Meanwhile, you have industry trying to figure out a path to do projects.
12 And so what this Sleeved PPA option offers is another path that if you have an
13 industrial that has a project that they're trying to do and they need to go find
14 renewables today, they can go and find that project and bring some certainty. The
15 types of certainty it adds is that they get to negotiate and determine what the price
16 is, and they agree to pay that price. So they're going to negotiate the price, know
17 what it is, and pay for it as part of the transaction. Second, they know how much
18 volume they're going to get and how many renewable energy credits they're going
19 to get. Under the Entergy programs, they have to wait and see. There's first-come,
20 first-serve processes, there's pro rata processes. They don't know how many
21 megawatts they're going to ultimately get or when, and so this allows them to create
22 that certainty in terms of the price, the volume, and the renewable energy credits.
23 And they know what the projects are and how they'll move forward. So that's what

1 we're trying to create by this additional option. We hope that Entergy's projects
2 and programs are successful. Those will be helpful for some industrial customers.
3 But this creates another option for industrials that need to do something today. And
4 I want to be clear, Commissioner, this is not about some single company that's
5 trying to do this. This is about lots of companies that have an interest in this, and
6 you mentioned one of them, but that's only one. Whether that project you
7 mentioned fits into this or not, I don't know, ultimately. But it's about --

8 **COMMISSIONER SKRMETTA:** Well, I have a question about that. Because
9 you just said that, you know, that one company wants 200 megawatts of this 500-
10 megawatt potential sleeve, right?

11 **MR. YOUNG:** You said that.

12 **COMMISSIONER SKRMETTA:** Well, no, but that's what was said in a
13 meeting, that it was 200 megawatts was the defined project.

14 **MR. YOUNG:** So that company having a project was mentioned and talked about.
15 Whether or not it fits into this program or not, Commissioner, I don't know.

16 **COMMISSIONER SKRMETTA:** Right. But they also said that there was a
17 remaining 300-megawatt balance of potential, and I asked how that was going to
18 be divided up, and you talked about, just now, about potential division, and there
19 was no real clear purpose or method of understanding how the other industrials
20 were going to, you know, divide that up or attack it. And that seems to be a regular
21 question mark about how that's going to take place.

22 **MR. YOUNG:** I'm glad to address that, Commissioner. So as part of the questions
23 that Entergy raised and was critical of Mr. Sisung's first round, Mr. Sisung came

1 back and added some provisions to that effect. So if to the extent customers want
2 to participate in this 500 megawatt Sleeved PPA program, they will have to come
3 not just raising their hand and saying I want to participate, but they will have to
4 come with an actual transaction and say here's my transaction, please add me to the
5 list. And so it has to be pretty far along on the way to be able to qualify for that
6 list. So the program that Mr. Sisung has put forward does have that process for
7 customers to come forward with actual proposals and get on that list. And when it
8 fills up, it fills up.

9 **COMMISSIONER SKRMETTA:** Mr. Brice, I know you're up here and wanted
10 to ask -- Tom Brice from SWEPCO, wanted to get your two cents on this. I know
11 that SWEPCO had some questions about it.

12 **MR. TOM BRICE:** Yes, sir. Thank you, Commissioner, and thank you, Mr.
13 Chairman, for the opportunity to speak this morning on this important topic. So
14 this Commission has been very supportive of generation diversification for our
15 company for a long, long time and an important element of that is dispatchability.
16 Having said that, this Commission recently has approved about 1,800 megawatts
17 of renewable resources for SWEPCO, and through that approval, we offered to all
18 of our industrial, residential, and commercial customers many options for satisfying
19 their green tariffs and green requirements. We offer a one-year rec program at a
20 fixed price, a ten-year rec program at a fixed price, with numerous options that they
21 can meet their needs. That's a policy that this Commission has been supportive of
22 for our utility and we very much appreciate that. But those options are there for
23 our customers today. The issue that I see with the proposal is that we, the utility,

1 will have to stand ready to serve that load regardless of that fact. It's going to be
2 supported by a renewable resource that's not dispatchable, it's not there 24/7, 365
3 days out of the year, so we'll be obligated to have the additional capacity and energy
4 to serve that load, if and when needed. So for us, we see that it somewhat frustrates
5 the IRP process, we'll have to plan for that capacity, and I am concerned about the
6 impact it will have on our residential and small customers. They're going to pay
7 the freight of any additional costs. And I think about it practically. As I said, we
8 had these rec tariffs available. Customers are already paying for the generation
9 asset itself. They can pay a nominal fee to qualify their usage as green and meet
10 those requirements, yet in this scenario, you're talking about adding a second set of
11 generation to satisfy that same objective. So I think it'd be inefficient from a cost
12 standpoint, and more than likely, in the end, the small customers will end up paying
13 some of the freight.

14 **MR. YOUNG:** May I address that?

15 **CHAIRMAN FRANCIS:** Commissioner Campbell.

16 **COMMISSIONER CAMPBELL:** Yeah, I got a few questions. This is really a
17 funny situation, and some of you guys out there, and [INAUDIBLE] it's maybe not
18 -- think it's too funny. If you work for a big company, you wouldn't think it's too
19 funny. Well, I think it's funny as hell. When I got here in 2007, there wasn't one
20 Commissioner that believed in climate change. Not one. Man, we had speeches,
21 speeches, speeches. Oh, that's crazy, that's nuts, we don't need to do anything.
22 Now everybody's got the religion, even the big companies. They want to go green.
23 They got to go green. They didn't want to go green when we could have gone green

1 for a hell of a lot cheaper, but it's the neat thing to talk about now. That's true. I
2 remember, it reminds me a whole lot of the tobacco companies; you remember
3 those people? Who said cigarettes don't hurt anybody, and they were really nice
4 people. All they did was inject more nicotine to get people more hooked on
5 cigarettes. You remember that? It doesn't hurt anybody. And then we got this guy
6 named Rex Tillerson. Y'all remember him, Rex Tillerson? He's in your group,
7 isn't he? Exxon, he's in your group?

8 **MR. YOUNG:** Yes, Commissioner.

9 **COMMISSIONER CAMPBELL:** Good. Well, the head of Exxon, Mr.
10 Tillerson, did everything he could do to stop climate change. He did studies and he
11 told his -- he actually told his people shut up about that, deny it, don't bring it up.
12 That's what Exxon, Chevron, and Shell, and all those companies did. Deny, deny,
13 deny. And it worked. When I ran for the United States Senate seven years ago,
14 there was 12 of us, they asked that. Does anybody believe in global warming? Out
15 of 12, I was the only one that said yeah. Hell, no. That's terrible. It's just an
16 overreach. There's no such thing as it. Now everybody's got the religion today,
17 even the big companies. They want the tax breaks. We give them the tax break,
18 well, it might not be so bad. We might want to take a look at it. It might be all
19 right. So now we're looking at it. Let me ask you something, Mr. Sisung. You're
20 for this proposal, you looked at it, you work for us and you're for it?

21 **MR. SISUNG:** Yeah. We developed this proposal to build in as many protections
22 as we could and believe that it would accomplish the goals of allowing, at a limited
23 level, 500 megawatts of industrials to access these at an expedited level.

1 **COMMISSIONER CAMPBELL:** Yeah. You know, I was at Cleco's deal. You
2 might have heard, I might have told y'all. I was up at Cleco's. Man, man, man,
3 every politician was there, the governor was there, Senator Cassidy was there, front
4 row. Carbon capture. Government's going to pay for it, of course, but it's
5 wonderful, wonderful, wonderful, you know. And I asked this question, I said, shit,
6 I'm confused, I'm confused. There was somebody, I forgot his damn name. Al
7 somebody, Al, Al. Who was it? Oh, Al Gore. Twenty years ago, he told you about
8 this, right? But he was a nut, right? Everybody made fun of him. He invented the
9 internet. All crazy. You had 20 of the most outstanding scientists in the world
10 saying you had global warming and everybody was against it. So now we all got
11 the religion, we want it, we want to clean it up, but we want the government to pay
12 for it, by the way, taxpayers. So anyway, it just troubles me that you have to go
13 through these when you know things are right and you have big companies that
14 deny it for the bottom line. That's it. It's one word, and I ain't no preacher, but I
15 think it's the strongest word in the bible, called greed. Big companies want to make
16 more money, and they want to get the environment clean to attract more industry
17 here. That's basically what we're doing here today. And we all want to breathe
18 better. You know, the cigarette companies said, well, of course smoking doesn't
19 cause emphysema or heart trouble, there's no proof. But anyway, Mr. Sisung, I'm
20 going to vote with you today. I'm going to trust you. And I'm real sick about
21 what's happened in the past because we're hard headed, and it takes money to get
22 us out of the hard headedness. So I'm not going to vote to put this off, I'm going
23 to vote to go on with it on account of what you said. You work for me. You don't

1 work for Chevron and Shell and Exxon, you work for me. And I work for a million
2 people in north Louisiana. So I would object to putting it off and I make a motion
3 that we pass this, Number 4.

4 **CHAIRMAN FRANCIS:** Commissioner Greene. Chair recognizes
5 Commissioner Greene.

6 **COMMISSIONER GREENE:** What is the impact on residential ratepayers for
7 this proposal versus conventional methods?

8 **MR. YOUNG:** So my view is that this takes cost pressure off of the residential.
9 Entergy has an IRP that has some 5,000 megawatts of renewables in it, plus about
10 6,000 megawatts of wind. If industry can do some of this one their own and pay
11 for it themselves, then that's less cost that has to be put on other ratepayers.

12 **COMMISSIONER GREENE:** So the residential ratepayers would not pay for
13 the Sleeved PPAs that the industrials are trying to get through this new mechanism?

14 **MR. YOUNG:** Correct.

15 **CHAIRMAN FRANCIS:** Okay.

16 **MR. HAND:** Commissioner, may I respond to that?

17 **MR. BRICE:** I'd like to as well, excuse me.

18 **MR. HAND:** I do agree that the Sleeved PPA, as structured, proposed, similar to
19 many of our utility green tariffs approved by the Commission, allow the industrials
20 to subscribe and thereby take financial pressure off of non-participants. That's the
21 objective here, and we both have that -- both of these programs have that objective,
22 that effect. I do not agree, however, that this is a zero-sum game for non-
23 participants, and that was a concern I mentioned earlier. These financial protections

1 are extremely important, valuable, but the harm can come, as you heard a little bit
2 from Mr. Brice in the IRP planning. I personally am less concerned with that
3 because we plan to deploy solar, whether it's a Sleeved PPA or not, and we'll flex
4 and manage. The Staff has also required that any resources that are sleeved must
5 have capacity credit, so it's something to manage on the IRP front. I think it's
6 doable. I'm more concerned about the disruption this will cause in the supply
7 market, and the confusion, the frustration, and where does the developer want to
8 bid their project. Do they want to bid it to a utility that will benefit all customers
9 or do they want to bid it to an industrial to sleeve it? They're mutually exclusive,
10 and if you develop one process for industrials that's faster than the regular process,
11 if I'm a developer, and I'm not, I would want to find market certainty as fast as I
12 can and get my product sold into market. And it seems -- it feels to me, and again,
13 I'm not in the development space, I can't swear to it, but it feels like that process
14 that's poised for the Sleeved PPAs could be faster than many traditional utility
15 procurements and it could steer supply away from all customers. So I do think that
16 could be, don't know it today, that could be a harm to non-participants, and I think
17 that should be -- if this rule is approved, and I can count to three pretty good, I see
18 where this is going -- it would be helpful if the Commission clarified that before it
19 votes to approve a Sleeved PPA, there's a required showing by the industrial who's
20 advocating for it or the Staff to prove up that there -- if the Commission approves
21 that Sleeved PPA, there will not be a financial harm or a reliability harm to non-
22 participants. And I think once you check that box, then all the other protections
23 Mr. Sisung put in the rule, I think it cleans it up quite a bit, but I think cleaning that

1 up would be helpful before you can really say non-participants are not harmed in
2 any way by the Sleeved PPA.

3 **MR. BRICE:** I'm sorry, Mr. Young. If I could add to Mr. Hand's comments. I
4 agree with everything you said, and I don't think the rule, as it's written currently,
5 will protect the small residential customers. They will be harmed, but some of the
6 provisions that Mr. Hand's talking about would be important. If we can show that
7 those risks have been completely eliminated, we would certainly support that, but
8 right now, SWEPCO will have the obligation to serve that load regardless. We're
9 going to have to have the capacity available regardless of whether that Sleeved --
10 the capacity supporting that Sleeved PPA is available, and our customers will be
11 paying for it.

12 **MR. YOUNG:** Yes, Commissioner. Just a couple of notes. So this point by
13 Entergy was raised during the comment process, and Mr. Sisung added some
14 additional provisions in the final proposal that require that if a renewable developer
15 is having a discussion with Entergy or with any utility on a project, then they cannot
16 have a discussion at the same time with an industrial about that project. And if the
17 renewable developer wants to withdraw from that discussion with the utility, they
18 have to go sit in the corner for three months before they can have a discussion or
19 bring a project with the industrial. So I think they already built in some of those
20 protections to avoid that circumstance. And again, as far as overall protections to
21 the ratepayers, Mr. Sisung really added a whole list of items in there that are already
22 standards that the industrial will have to meet when they bring that project to the
23 Commission for approval. The new standards that Mr. Hand was talking about

1 sound very vague and I don't know what they are exactly, but I know that there's a
2 lot of steps, concrete steps, that Mr. Sisung has identified that's part of what we
3 have to bring to the table when we come to the Commission, and that's already in
4 there.

5 **CHAIRMAN FRANCIS:** Okay. Thank you. Thank you, Commissioner Greene,
6 and we've got Commissioner Lewis coming up next. Let me ask Mr. Young one
7 thing. Randy, 35,000 employees, you know, working for these corporations, give
8 me five or six of these corporations we're talking about? There's more than just
9 Shell Oil here.

10 **MR. YOUNG:** There is, Commissioner. So we're very proud that we have a very
11 diverse cross-section of Louisiana industry in our group, and they've been members
12 of the group for a long, long time. But generally, it ranges from -- it does include
13 refineries, it also includes chemical companies, it also includes industrial gasses, it
14 also includes steel, and it includes pipelines, and pulp and paper, and also we have
15 some sawmills in there as well. So it's a very broad and diverse group.

16 **CHAIRMAN FRANCIS:** And their market is worldwide based, coming out of
17 the great state of Louisiana, right? It's more than just oil and gas corporation. That
18 is quite a few.

19 **MR. YOUNG:** That is correct, Commissioner. It's a lot more than just oil and gas
20 companies. And to be clear in terms of their needs for this, for the renewable power,
21 is to meet carbon reduction needs in Louisiana, as well as part of their product needs
22 in the United States and abroad as well, so it's much broader than just trying to sell
23 to Europe.

1 **CHAIRMAN FRANCIS:** Okay. Thank you. Commissioner Lewis.

2 **VICE CHAIRMAN LEWIS:** Thank you, Mr. Chairman. And before I get to the

3 conversation that we're on, on Sleeved PPAs, I just want to highlight some of the

4 other portions why I support this Phase I Staff report. I mean, I think one thing

5 should not get lost about the annual reporting obligation. We have recently heard

6 multiple times that our constituents want to understand the rate changes, bill impact,

7 how many customers are low income. And this requirement in this rule today, I

8 think, is extremely important to ensuring that this Commission becomes more

9 transparent in showcasing what it does. I also significantly and strongly support

10 adding the Green Tariff option to give customers of all utilities the option to opt

11 into having renewable energy used as an option for their conversation. I do have a

12 question for Staff, so Mr. Sisung or Ms. Evans. I know in this report, we did move

13 some other items that I deeply care about that are, I believe, customer-centric

14 options around demand response, about the ARC rulemaking, notices in increases

15 in any rate changes. And so I just want to ensure that even though we are talking

16 about Phase I moving to Phase II, that these items that were originally considered

17 in Phase I, that I think are still extremely important customer-centric options, do

18 not get lost in the wayside in the further discussions that we will have about what

19 we've talking about the Sleeved PPAs, and what we have teed up for Phase II and

20 Phase III. So I just wanted to -- actually I said that was a question, I don't think it's

21 actually a question anymore. I think it's just a -- I would love to see and ensure --

22 sorry about that. And so let's get to, really quickly, some of the conversation that

23 we've been on. Lane, is it not correct that you, in this rule, under the wholesale

1 Sleeved PPA, said that a PPA cannot exceed 5 percent of the relevant utility's
2 demand?

3 **MR. SISUNG:** I'm not sure if it's 5 percent, if that's the number, but yes, there is
4 a cap. I thought it was something other. It's 1 percent, that's what I thought. The
5 Sleeved PPA in total cannot exceed 5 percent of the utility's demand --

6 **VICE CHAIRMAN LEWIS:** Yeah, the utility's total demand.

7 **MR. SISUNG:** I'm sorry, I thought you were asking about a specific industrial.

8 **VICE CHAIRMAN LEWIS:** Oh, no, no, no. The utility's demand.

9 **MR. SISUNG:** Yes. Okay.

10 **VICE CHAIRMAN LEWIS:** And so, I mean, I think, and you explained and can
11 you further clarify why you felt that this construction would not harm non-
12 participants?

13 **MR. SISUNG:** Sure. As I mentioned earlier, first of all, the cap limits its ability
14 to impact. Secondly, we made sure that there would -- that the financial harms that
15 could be imposed upon non-financial customers would be protected through
16 Commission action by either the industrial customer taking all the financial risk on
17 their own balance sheet and on their own books, and that the counter-party of the
18 renewable developer would have to accept that; or that comes in front of this
19 Commission like any other project and would be subject to the same scrutiny that
20 this Commission would have. Another protection that we built in was -- I just lost
21 it, but we built in several other protections. I can look real quick at my notes, what
22 I was going to say. The cap -- that's it for now.

1 **VICE CHAIRMAN LEWIS:** Thank you. And we've heard Mr. Hand and Mr.
2 Brice bring up resource planning as a deep concern, but as I read and I look at your
3 report, you state that you believe that a Sleeved PPA should and could supplement
4 utility resource planning efforts, right, not as a much of a deterrent, as the debate
5 I've so far heard.

6 **MR. SISUNG:** It can enhance -- it can mesh with their utility planning. As Mr.
7 Hand just said sitting here, they will - they can account for it within their IRP.

8 **VICE CHAIRMAN LEWIS:** Right. And I mean, I think adding additional
9 capacity at a discounted rate while allowing a participant customer to absorb all of
10 the economic risk delivers that. And, I mean, I'm reading directly your language.

11 **MR. SISUNG:** And you just reminded me of the thing that I had forgot. Yes, we
12 structured this very much on the backbone, it's almost a mirror image of the Geaux
13 Green tariffs that Entergy has proposed, that this Commission has approved, and
14 that's why we were able to get kind of where we are, and that does do that. It puts
15 all of the financial elements of this project through to the -- in the Sleeved PPA, in
16 to the one industrial customer; and the green tariffs, it puts it through to the pool of
17 customers. That's the only difference, but they're structured in the exact same way.

18 **VICE CHAIRMAN LEWIS:** Right. Thank you. And, I mean, as I've listened,
19 and Mr. Hand, I want to understand, because my understanding of the NextEra deal
20 is that it's a framework. There is no projects agreement currently, right?

21 **MR. HAND:** That's a correct statement. The joint development agreement is a
22 framework in which NextEra and Entergy can work together to have NextEra
23 submit proposed solar resources and two RFPs. And this is not an Entergy

1 Louisiana specific framework; it applies to Entergy New Orleans, Entergy Texas,
2 Entergy Mississippi, Entergy Arkansas. So that 4,000 megawatts, I've heard, I
3 can't remember from whom, was just concerned that all 4,000 would be in
4 Louisiana and overtake all agricultural land in the state. It's not that. And to be
5 very clear, whatever projects they develop and submit into procurements, they're
6 going to be evaluated to see if it's the lowest reasonable cost option for our
7 customers. They're going to be subject to approval by the Commission, so nothing
8 about that agreement -- it does supply -- it does provide, I think, a large volume of
9 potential resources in the queue to fund and source all these renewable tariffs we
10 already have, so we're excited about that. And just again, I'm worried about
11 NextEra. They have to decide which of those projects they want to bid into the
12 utility RFP, because they once they make that decision, that resource is disqualified
13 from offering it to an industrial. And so they got to choose which one of those is
14 going to be good for me, and that's what worries me about our non-participants.

15 **VICE CHAIRMAN LEWIS:** I see that, but I mean, I think where I'm struggling
16 to use the NextEra example as a justification for the lack of need of Sleeved PPAs,
17 I mean, we've been having significant conversations about baseload growth, right,
18 and the industrial renaissance that potentially can come to Louisiana. Those are all
19 Mr. Young's clients. And when we think about that, I mean, according to EIA data,
20 just last year, I mean, 69 percent of all the energy consumed in this state was their
21 users. And so where I'm struggling to understand why we should even evaluate a
22 Sleeved PPA option if we know the demand growth is coming from industrial users.
23 Industrial users are significantly asking for renewable generation, and they are

1 looking for ways that potentially -- I'm not going to say it will [INAUDIBLE] --
2 but potentially save ratepayers, why should we not evaluate that type of decision?
3 And so that's the conundrum that I'm finding myself in this. So I will agree, I don't
4 think this is the best type of PPA we could establish. We do have other decisions
5 that are coming in Phase II and Phase III that may complete that, and I do hear the
6 concerns about what that actually means, if we go towards unlimited access or
7 open-retail access. That's not the question before us today, and so I think we have
8 to evaluate the rule in front of us as the rule in front of us, which is creating an
9 option through a wholesale Sleeved PPA that allows use of protections. I mean, I
10 read everyone's comments and I think to Staff's credit, they accepted a vast
11 majority of your concerns, from SWEPCO and Entergy, around that, and I think
12 put some significant safeguards. But I'm just deeply worried about how we are
13 processing and looking at this process, but I think this proposal gets us to where we
14 need to be. Where we should be, I mean, allows for the real questions to be
15 answered, which I think is what we're all slightly talking around, right, is really
16 retail access. That's the debate. And I'm not interested in solving that debate until
17 we get to that question, but I don't think I have seen significantly enough reasons
18 why we should put off because as you mentioned, this is a framework. I mean, I
19 think it would be evaluated as the potential discovery that we saw with the
20 opportunities in a Sleeved PPA. And so those are the reasons why I will support
21 this today and continue the conversations as we move on because we're going to
22 get -- our next agenda item talks about capacity, and this is where my head is going.
23 I feel one direction, we're saying we need to go one way, and then in the other

1 direction, in the next rule that we're going to take up, we're almost saying we're
2 going the opposite direction. And we have to pull back and really look at the system
3 here about what we are talking about in procurement of renewable generation, what
4 we're talking about capacity that we are going to require, and what we need, and
5 then where also is the ecosystem of Louisiana. And I think, to Mr. Young's point,
6 the St. James project in my district was voted down last night. That's 300
7 megawatts of capacity that was put into the tariff that is not coming online right
8 now. And so how do we match that demand that they are asking for that you are
9 now saying you can directly deliver, when some of that stuff is not coming into
10 fruition at the same time? Right. That's what I'm tasseling with and struggling
11 with. But I know I gave a lot, so I'll give you a moment if you would like to respond
12 to anything that I said, but those are all my questions, Mr. Chairman.

13 **MR. HAND:** I will. Thank you, Commissioner. And look, the St. James was an
14 unfortunate vote last night. The two projects did not get approval at the St. James
15 Parish Council by a vote of 3-4, very unfortunate, but that is not a circumstance that
16 depends on whether it was an industrial Sleeved PPA or it was a utility PPA. Same
17 process, right. So they can't bypass local zoning either, so that, to me, very
18 unfortunate, but you're right, it provides more we need to seek. And I think we can
19 fill it. And I want to be very clear, I hope I was, that we were very appreciative,
20 and very appreciative of the careful efforts that Staff did to try to mitigate the harms.
21 My only point was twofold. One is Staff got a lot of comments, put out straw man
22 comments. The first we saw of the rule that's proposed for a vote was when it came
23 out on June 7th, so we haven't had, other than this robust dialogue, we haven't had

1 the opportunity -- we provided substantive comments on the topics, but we haven't
2 had a chance to provide written comments on the rule because I think it is very
3 workable, could use some refinement, clarification. And I get, you know, it took
4 us a long time to get here, and Sleeved PPAs really became the focal point of this
5 phase in the last 180 days. So, you know, I don't want to say let's delay for the
6 sake of delay. I was just asking for certain clarifications because it came out -- I
7 know we have the opportunity to give our comments today. As we all know, it's
8 hard to have this dialogue, not have the words in front of us, redlining, debating
9 dialogue, and that was the only, you know, suggestion I had about trying to clarify
10 a few things. But we do greatly appreciate the safeguards that the Staff has
11 recommended to y'all and that y'all seem ready to accept, but do remaining -- have
12 that remaining concern about unintended, unknowable consequences of diverting
13 supply to the industrials away from the utilities. We'll find out, you know, in a few
14 years.

15 **CHAIRMAN FRANCIS:** Okay. We have a motion from Commissioner Greene
16 to accept Exhibit Number 4, and there's a second -- do we have a second on the
17 record?

18 **MS. BOWMAN:** Yes, sir. By you, Chair.

19 **CHAIRMAN FRANCIS:** Myself, okay. So let's do a roll call vote, see how we
20 stand on this. Commissioner Campbell, you vote yes or no on Exhibit 4?

21 **COMMISSIONER CAMPBELL:** Yes.

22 **CHAIRMAN FRANCIS:** Yes. Commissioner Lewis, how do you vote?

23 **VICE CHAIRMAN LEWIS:** Yes.

1 **CHAIRMAN FRANCIS:** Yes. Commissioner Greene?

2 **COMMISSIONER GREENE:** Yes.

3 **CHAIRMAN FRANCIS:** Yes. Commissioner Skrmetta?

4 **COMMISSIONER SKRMETTA:** I'm going to enter a vote of yes, but for the
5 purposes of the ability to bring it up later when this all goes wrong.

6 **CHAIRMAN FRANCIS:** Amen. Amen. Chairman votes yes, so it's unanimous.
7 So we wore that one out. Go to Number 5.

8 **MS. BOWMAN:** Exhibit Number 5 is Docket Number R-36263. This is the
9 Commission's consideration of whether the Commission should adopt minimum
10 physical capacity threshold requirements for load serving entities. It's a discussion
11 and possible vote on Staff's final report and recommendation of final rule. The
12 docket was initiated by a notice of rulemaking filed February 1, 2022, pursuant to
13 Commission Order Number U-35927, which directed Staff to open a rulemaking to
14 determine whether a capacity obligation policy should be established for electric
15 utilities subject to the Commission's jurisdiction. The rulemaking was published
16 in the Commission's Official Bulletin and 22 parties have participated in the docket,
17 either through interventions, responses to discovery propounded by Staff, or
18 comments to rules proposed by Staff. After multiple rounds of requests for
19 information and two draft rules with opportunities for comments, Staff filed its final
20 report and recommendation into the record on June 6, 2024. In its final report, Staff
21 proposed a rule that meets the core reliability objective intended, while balancing
22 the interest of the active participants in the rule. The proposed rules require all
23 Louisiana load serving entities to make an annual required resource adequacy

1 demonstration, setting forth that it had sufficiently planned to procure the required
2 capacity for the applicable planning years. Beginning with the demonstration date
3 of February 1, 2029, the required capacity percentage shall be 90 percent, and for
4 each applicable planning year. The requirement currently applies only to Louisiana
5 load serving entities in MISO's footprint, as SPP requires that each load serving
6 entity make a showing that it can cover 100 percent of its projected load obligations
7 with owned resources or purchase power agreements. Although the rule only
8 requires demonstration for the acquisition or procurement of up to 90 percent of a
9 Louisiana load serving entity's applicable planning reserve margin requirements,
10 the purpose of the rule is for every utility to prudently plan to supply 100 percent
11 of its applicable PRMR with qualified capacity resources, and the flexibility to
12 occasionally procure less due to the lumpiness of capacity investment. At this time,
13 the rule does not impose specific restrictions on the location of the qualified
14 capacity resource; however, the Commission does have authority to impose a
15 locational requirement, which could require the qualified capacity resources, or
16 some portion of them, to be located in MISO South or another local zone. Staff
17 will review each LLSE's required RA demonstration and issue a report to the
18 Commission by October 1 outlining its review of the load serving entities'
19 compliance with the requirements of this order. Additionally, annually by
20 December 15th, Staff will prepare an assessment of the aggregate resource adequacy
21 of the jurisdictional utilities based on information provided. Staff recommends that
22 the Commission accept Staff's final report and recommendation of the final rule
23 filed into the record on June 6, 2024.

1 **CHAIRMAN FRANCIS:** Okay. We need a motion before we discuss. Do we
2 have a motion? We're on Exhibit 5 here. Do we have a motion?
3 **VICE CHAIRMAN LEWIS:** Motion to -- is it under Rule 57?
4 **COMMISSIONER CAMPBELL:** Let me ask a question. Why do we need a
5 motion before we discuss it?
6 **CHAIRMAN FRANCIS:** I think that's the rule of order.
7 **COMMISSIONER CAMPBELL:** That's not a rule. That's backwards. You
8 ought to have a discussion and then a motion.
9 **MS. BOWMAN:** I'm sorry, Commissioner, will you use your microphone,
10 please? Thank you.
11 **COMMISSIONER CAMPBELL:** I said that's backwards. You ought to have a
12 discussion, and then a motion, if you like what you heard. But if you vote before
13 you have the discussion, you're putting the mule way before the horse, in my
14 [INAUDIBLE].
15 **CHAIRMAN FRANCIS:** Let me ask Colby for --
16 **SECRETARY FREY:** And Colby -- so under Robert's rules, which we loosely
17 follow, you can put an item on the table, a motion, but we've done it both ways.
18 **CHAIRMAN FRANCIS:** So it is proper either way is okay.
19 **SECRETARY FREY:** It's proper either way. I mean, the Commission has
20 discretion. We haven't formally adopted Robert's Rules of Order, so.
21 **CHAIRMAN FRANCIS:** So independent of our [INAUDIBLE] it can go either
22 way.
23 **SECRETARY FREY:** I think we can do it either way.

1 **CHAIRMAN FRANCIS:** The Chair is going to say I want to have a motion first,
2 and then we'll discuss, okay?

3 **COMMISSIONER CAMPBELL:** Let me say something, Mr. Chairman, if I
4 might.

5 **CHAIRMAN FRANCIS:** All right. I'll recognize Commissioner Campbell. Go
6 ahead.

7 **COMMISSIONER CAMPBELL:** I don't want to say anybody's getting a little
8 head start, but think about it. You have something that's technical and you have a
9 discussion. That's the way I've always done it when I was Chairman in the Senate.
10 You let people get it out of their system. Then you have a motion, yes or no. If
11 you have a motion and a second before the discussion starts, why have a discussion?
12 You've already got it passed. This is just backwards. What it does, it puts heat on
13 me. For example, if he makes a motion, if he says he's for it, you second it, I've
14 got to get you out of the motion. Why don't we have, like, normal discussion, do
15 the best job you can do, and then maybe somebody will second it. But what you're
16 doing, you're putting the heat on me to come along with you, basically. I think it's
17 -- I've seen it happen up here a bunch of times, somebody will make a motion,
18 somebody will second it, and then I got to prove that you guys are wrong. You're
19 putting me behind the 8-ball.

20 **CHAIRMAN FRANCIS:** All right. Well, I'm not being an attorney, but I'm the
21 Chairman. I'd like to ask the Staff, Ms. Lauren.

1 **VICE CHAIRMAN LEWIS:** Mr. Chairman, can I make a statement before we
2 go to Staff? Since we've been having a discussion before we go to Staff, can I
3 please --

4 **CHAIRMAN FRANCIS:** All right. Go ahead.

5 **VICE CHAIRMAN LEWIS:** I'm going to agree with Commissioner Campbell.
6 I mean, let's just go back in the minutes under Exhibit 3, when I started talking
7 about 1803. We made the motion after the discussion. So if we're going to talk
8 about procedure and parliamentary procedure, I think we should keep our precedent
9 in this meeting, which we've started discussion prior to motions. We did it in
10 Exhibit 3, we did it differently for Exhibit 4, now we're on Exhibit 5. So our
11 precedent has showed that we have taken it either way, and so I think trying to now
12 create a new parliamentary decision that is actually not parliamentary procedure
13 just makes absolutely no sense in this meeting.

14 **CHAIRMAN FRANCIS:** All right. Thank you, Commissioner Lewis. Lauren
15 Evans.

16 **MS. LAUREN EVANS:** Good morning. Lauren Evans on behalf of Staff. I do
17 have a motion in front of me on behalf of Commissioner Greene that I can read if
18 that would help solve the issue.

19 **CHAIRMAN FRANCIS:** Okay. Well, go ahead.

20 **MS. EVANS:** Okay. And this is on behalf of Commissioner Greene. I move to
21 adopt Staff's proposed rule with a modification. The definition of applicable
22 PRMR under the proposed rules should be modified to align it with the planning
23 reserve margin requirement that is set by MISO and already separately defined in

1 Staff's proposed rule. As such, I move that the definition of applicable PRMR be
2 modified to state that the applicable PRMR is each Louisiana load-serving entity's
3 MISO PRMR. In connection with this change, Staff should modify the rule and
4 exhibit to the proposed rule such that the details of the calculation of applicable
5 PRMR are set out to include the company's peak load requirement, the planning
6 reserve margin utilized, the crew incident factor utilized, and the loss factor utilized.

7 **COMMISSIONER SKRMETTA:** Question to --

8 **COMMISSIONER GREENE:** To clarify that's a motion [INAUDIBLE] --

9 **MS. BOWMAN:** Mic, please.

10 **CHAIRMAN FRANCIS:** Okay. Commissioner Skrmetta. I'm sorry.

11 **MS. BOWMAN:** Yeah. So hold on.

12 **COMMISSIONER GREENE:** That was a motion with a clarification.

13 **COMMISSIONER SKRMETTA:** Got it. Question, Lauren, is this -- and I
14 understand, but that's to adopt the 90 percent? Because it's not --

15 **MS. EVANS:** Correct.

16 **COMMISSIONER SKRMETTA:** I mean, it looks like the motion is for a
17 clarification, but to adopt the 90 percent.

18 **MS. EVANS:** The motion is to approve Staff's recommendation of the proposed
19 rule with one modification.

20 **COMMISSIONER SKRMETTA:** With the clarification. Okay. And I'll wait
21 for a second on it, because I want to offer a substitute motion.

22 **CHAIRMAN FRANCIS:** Okay. I made the motion. Do we have a second?

23 **SECRETARY FREY:** Commissioner Greene made the motion.

1 **MS. BOWMAN:** Yeah. He's asking for a second.

2 **CHAIRMAN FRANCIS:** Okay. Well, I'll second it then, if [INAUDIBLE].

3 Okay.

4 **COMMISSIONER SKRMETTA:** And I'd just like to offer a substitute motion

5 with the same content as the existing motion, but with a modification from 90

6 percent to 100 percent.

7 **CHAIRMAN FRANCIS:** Okay. We have a substitute motion by Commissioner

8 Skrmetta. Is there a second? Is there a second? [NONE HEARD] Hearing no

9 second, the substitute motion fails and so the motion from Commissioner Greene

10 is on the table.

11 **VICE CHAIRMAN LEWIS:** Are we in discussion now?

12 **CHAIRMAN FRANCIS:** Yeah. So we have discussion on it. Okay.

13 Commissioner Lewis.

14 **VICE CHAIRMAN LEWIS:** Thank you, Mr. Chairman, and thank you, Staff,

15 for this. I know this docket has been particularly long in the making and so I want

16 to be very clear where I kind of -- where I'm struggling here and where I stand. I

17 deeply care about reliability. I mean, I think this is extremely important for the

18 future of our state, but I am a little troubled, especially about the percentage

19 capacity and other timelines and there's also alternative scenarios that I do not think

20 are adequately considered in this rule. I mean, I think part of -- as I contextualize

21 my concerns, I remain concerned that the new requirements would effectively

22 endorse some old approaches to the challenges because of technology

23 advancements and the efficiencies and the resources of the open market and has a

1 whole new portfolio of solutions. And while I appreciate having minimum
2 obligations and I do think it's extremely important, some of my concerns lie that
3 we have not fully evaluated those in making those determinations. So I'll go to
4 some of my direct questions that I do have for Staff on some of the things that I
5 reviewed and so I think this is a question for UPC. Do we know how close or far
6 the LSEs are from meeting their requirements for the first applicable planning year?

7 **MR. SISUNG:** So that would be the main purpose of the filing. When you say
8 the first applicable planning year, that's four years forward. So the purpose of the
9 filing is to get that insight, but I will say that this rule was based on the history of
10 where we are. So when you ask that question, as we came into this rule, the
11 historical background of how capacity has been procured in the state of Louisiana
12 is that every utility has their IRPs and they plan accordingly and they own
13 generation or they have contracted with parties that own generation. And so what
14 has happened in the last certifications is that a lot of the cooperatives have begun
15 to contract with parties who do not own generation. So when you ask me, do I
16 know four years out, I don't know and that is the big concern of this rule and why
17 this rule is needed is so that I can know because as of right now, they have
18 obligations with counter parties who can't tell us whether it'll be met or not four
19 years out. They're financially on the hook, but they don't own the generation to be
20 able to back up the obligation.

21 **VICE CHAIRMAN LEWIS:** Thank you for that. And kind of following your
22 logic there, do we know what the percent of most have been historically in the one
23 to four year out period?

1 **MR. SISUNG:** Yeah. So for the co-ops, it was a hundred percent. They had an
2 all requirements contract and the contract expires in '21 and I think '23, '24, and
3 2025. And you had a counter party who owned enough generation to supply them
4 and it would've been a hundred percent until the end of the contract. For the
5 utilities, we have the IRP processes and we have the investor owned model, which
6 incentivizes them to build the generation to get there. And so they have historically
7 always planned to have enough generation four years out and I would certainly
8 think that they would continue to plan to do that.

9 **VICE CHAIRMAN LEWIS:** And that is good to know. I think a part of my other
10 question is do we know how feasible a non-traditional PPA to bid on an RFP that's
11 in Year 3 or 4? Because what I worry about is that this timeline and this window
12 for a non-traditional resources will be able to bid in an RFP, it may not happen. I
13 know it doesn't seem like a big deal now, but I'm worried about shutting down
14 potential opportunities down the line from non-traditional resources that are more
15 widely available, but they are now not pursued because a utility may say that the
16 time restriction is too strict or too short. And so I'm really -- that's where I'm coming
17 from is what's that feasibility of an RFP in Year 3 or 4, particularly if we're using
18 the 90 percent reserve and obligations for Year 3 and 4.

19 **MR. SISUNG:** I would say two things to that. First of all, I'm going to need to
20 better understand your concerns so I can directly address them, but I think one of
21 the things that does address it is the 90 percent. I mean, that's not a hundred percent,
22 so, you know, I don't know what percentage of the capacity mix you're talking
23 about, but if you're talking about, like, the demand response in energy efficiency

1 and battery powers, all those are in the rule. Those are qualified capacity, so they
2 are completely capable and encouraged to bid into these RFPs. And to the other
3 point, there is a separate rule that is coming before this Commission where Staff is
4 strongly encouraging that every utility be required to allow all kinds of PPAs into
5 every RFP, so where you can't exclude them. So Staff's making a conscious effort
6 to try to open up the market to exactly the resource you're talking about and the
7 timing, and we believe that the timing is well laid out. Mr. Bourg can probably
8 better lay that timing out because he's got it fresher on his mind, but we don't see
9 a problem in the world with the timeline that we've laid out. And in fact, our
10 timeline lot is right in line with what others have done who have approached this,
11 both from a free-market standpoint and from a regulated market. In Michigan, it's
12 four years, Indiana is three years, and then when you go to look to PGAM -- is that
13 correct? Yeah.

14 **MR. JONATHAN BOURG:** About the same timeline.

15 **MR. SISUNG:** Same timeline. So the timelines are well supported, well
16 established. We believe the flexibility -- when the first concern was recognized
17 about flexibility and resources being able to bid in and there being a long window
18 of time, we amended the rule in this last round to allow for RFPs to be considered
19 for meeting the purposes of the rule. So we heard the concern and we addressed
20 the concern and we -- you know, I think you guys know me well enough. I don't
21 speak in much hyperbole. This is probably the most important rule this
22 Commission is going to have in front of it in a long time and, you know, we strongly
23 support it and we think that -- we've worked on this rule, as you said, for over two

1 years and we have worked with every single commenter, every utility, and we have
2 really worked to try to get it to where it is today, which is in a pretty amazing spot
3 when you consider where we started. And so we think we built in the proper
4 protections and we strongly urge [INAUDIBLE] --

5 **VICE CHAIRMAN LEWIS:** Oh, no. Thank you. Thank you for that. And I
6 think one of the things that I did like about the rule is that it allows us to evaluate
7 the utility's load forecast, but I'm curious on how do you see that particularly
8 working in conjunction with the rule?

9 **MR. SISUNG:** Sure. Well, it is a component of the rule and it is -- a utility's load
10 forecast is exactly that, it's a utility's load forecast. They have the information that
11 backs that up, you know, whether they're in contact with customers, whether they
12 see electrification coming into their area. So that will actually be probably
13 addressed in the IRPs on a direct level and then these forward projections will have
14 to be reconciled with the IRPs. And what we've required is an attestation from a
15 responsive utility representative that attests to their belief in the accuracy of those
16 load projections and there's accountability that if they don't -- if in the forward, we
17 find that those projections were not made in the best of efforts, there's
18 accountability built in.

19 **VICE CHAIRMAN LEWIS:** Thank you. And I think -- and can you tell me
20 about the cost benefits of this new requirement? I mean, I want to make clear that
21 have we created, if we pass this rule, a record of why this rule is economically
22 justifiable and that it does serve the best interest from ratepayers in the state of
23 Louisiana.

1 **MR. SISUNG:** Yes, I believe we have. As I said, we are coming from -- or first
2 of all, what's your measure of cost benefit, and that's the most important thing, and
3 we went through this in detail in our rule. You're in a world right now where every
4 utility -- I think still right now. I don't think the co-ops -- they haven't expired, but
5 they're about to expire. But the historical world we've been in, is every utility has
6 had to pay the cost of physical capacity backing up their load. We're not changing
7 that, so we're not creating a new cost. The only impact this rule may be having is
8 it may reduce some of the savings that someone was counting on if they weren't
9 planning on leveraging a short-term spot market for savings, but every single utility
10 that got certified said in their testimony and at this Commission that they weren't
11 planning on doing that. So if they weren't planning on generating those savings
12 from relying on the MISO planning resource auction, then we are not costing
13 anything, we're just maintaining the same cost paradigm that's always existed.

14 **VICE CHAIRMAN LEWIS:** Thank you for that. And, I mean, I think I'll
15 conclude by saying, look, I'm right there with you. Where I want to be very blunt
16 to most of the utilities is I want to see significant investments in capacity from
17 demand response and from other emerging technologies because my deep concern
18 is systematic that what we're going to do, and I know the rule says you can't, but
19 that doesn't mean you won't, is you're going to use this MCO rule as a reason to
20 keep only utilizing build-up generation instead of flexible load options. And I'm
21 going to be very much a stickler if we pass this rule to see how much we are
22 investing in emerging technologies and ways to make our load more flexible to
23 make that capacity hit. Because what I don't want to hear in filings and I don't

1 want to see in testimony is oh, well, I have to build this because I need to hit my 90
2 percent capacity rule. And that's a deep concern of mine because as we know, what
3 is challenging -- we're going to talk about this later on today. I mean, we have the
4 EPA rules on greenhouse gas emissions coming down on new gas generators and
5 existing gas generators. They're going to lower, probably, the capacity value of
6 those generators, which means you're going to be having to look for options. And
7 I'm going to be very keen to see what options you are choosing, how are you
8 promoting your demand response tariffs, how much are you utilizing load
9 flexibility. I'll be very clear, load flexibility options are not going to meet all of our
10 resource adequacy, it's not. There's not enough energy efficiency or demand
11 response to hit our demand. It's not, but it should not be not looked at an option,
12 and I mean not just mentioned in filings, but seriously evaluated because that is --
13 well, like I said, Jonathan and Lane, I agree with you. I mean, I think this is a
14 significant issue and something the Commission significantly needs to look at. My
15 concern is in the systematic approach. Have we gone too narrow answering, I think,
16 a very well-timed question that does upset the emerging technologies and the
17 market evolution. But I deeply appreciate the work about this, but I just wanted to
18 put some of my concerns on the record. I think, Commissioner Skrmetta, you had
19 a question.

20 **COMMISSIONER SKRMETTA:** No questions.

21 **MS. EVANS:** Commissioner Lewis, if I may.

22 **VICE CHAIRMAN LEWIS:** Yes.

1 **MS. EVANS:** I just want to make sure you know that in the preamble we did put
2 something stating, you know, no utility may cite this rule as the basis for, in support
3 of the selection of a particular type of resource and the Commission will give no
4 weight to any attempt to do so. So that protection is in the rule.

5 **VICE CHAIRMAN LEWIS:** Yes. Thank you and I do appreciate that. I just
6 wanted to be very clear that I know sometimes we put rules in and some filings hint
7 at rules or talk around rules, so those were some of my concerns.

8 **COMMISSIONER SKRMETTA:** Actually, I do have a question.

9 **VICE CHAIRMAN LEWIS:** We'll go now to Commissioner Skrmetta.

10 **COMMISSIONER SKRMETTA:** You know, when we're talking about
11 establishing the threshold at 90 percent, and then at the same time, MISO has
12 established that they're looking at being on the cusp of a shortage of power. Do we
13 put our self at risk in the state by allowing ourselves to be at this 90 percent versus
14 100 percent? So are we putting our self in a disadvantage by not being prepared?
15 Because my concerns are, particularly when we're looking at industrials wanting
16 to come to the state of Louisiana, we tell them, yeah, we're going to have power 90
17 percent of the time, you know, we'll make certain of that, from generation. We'll
18 find the rest later. You know, are we better off looking at a hundred percent?
19 Particularly because of the, sort of, changes in the generation, sort of, spectrum of
20 MISO North versus MISO South and, you know, the overall assessment of lack of
21 resources potential. Should we be looking at moving towards a greater capacity
22 versus 90?

1 **MR. SISUNG:** Sure. So I will tell you the impetus behind the 90 percent and then
2 I will tell you what the rule contains to address your concern. So the reason 90
3 percent was chosen is because generation is historically lumpy and when you're
4 planning -- this isn't about this year, this is about four years out. So when you're
5 planning four years out, to be able to perfectly plan to make sure that you have the
6 exact amount of generation, this accommodation was made to address the
7 lumpiness of it. Not that you're going to be at 90 percent every year. You're not
8 planning to 90 percent, you're planning to 100 percent. The 90 percent is to
9 accommodate those years in which you can't meet 100 percent, but you're still
10 moving towards having 100 percent every year. And for that reason, we put in the
11 rule a statement, and I'll read it. It says although this rule only requires a
12 demonstration for the acquisition of procurement of up to 90 percent of the PRMR,
13 the purpose of the rule is for every utility to prudently plan to supply 100 percent
14 of its applicable PRMR with qualified capacity resources with flexibility to
15 occasionally procure less due to the lumpiness of capacity investment. The 10
16 percent variance is an allowance to account for the variable nature of year-to-year
17 capacity investment, such that it is recognized that there may be years where 90
18 percent is part of an overall prudent capacity procurement plan. So it is in here that
19 you need to be planning for 100 -- is 90 and then we're going to be monitoring this
20 every year and it's in your reports every year.

21 **COMMISSIONER SKRMETTA:** Yeah. I just see that as a backwards statement
22 because we should be planning for 100 with a flexibility to 90, but it's saying it
23 backwards to me. That's all.

1 **MR. SISUNG:** Okay. Yes, sir.

2 **CHAIRMAN FRANCIS:** So you recommend a 90?

3 **MR. SISUNG:** Yes, sir.

4 **COMMISSIONER CAMPBELL:** Are we ready to vote? Let's vote, man.

5 **MS. BOWMAN:** Well, I do believe --

6 **CHAIRMAN FRANCIS:** Okay. We got a --

7 **VICE CHAIRMAN LEWIS:** I do have some yellow cards. I think we have some

8 yellow cards.

9 **COMMISSIONER SKRMETTA:** Randy wants to say something.

10 **CHAIRMAN FRANCIS:** Okay. Randy, go ahead.

11 **MR. YOUNG:** Thank you, Commissioners. Randy Young, again, on behalf of

12 Louisiana Energy Users Group. And we are an industrial group. Reliability is

13 extremely important to us. We're supportive of the rule overall, but just two notes.

14 One is I would ask for some clarification in the Commission's order on the

15 confidentiality piece. So we fully respect that on the front end of this process is

16 going to be about a Staff review. Staff does its reviews and audits on the front end

17 without parties involved and we respect that that happens, but there is potential for

18 docketed proceedings that would involve this information also. Like for example,

19 if there's a non-compliance, there'd be a docketed proceeding. There's also

20 certification proceedings on resources. There's rate proceedings that involve

21 resources and even IRP proceedings that involve resources. So my understanding

22 is that the Staff is not intending to keep us from reviewing that information when

23 we get to a docketed proceeding, just as part of this initial review, but there's some

1 language in the order that says that all of this information from the utilities shall
2 remain only reviewable by the Commission and Staff. So I just wanted to get some
3 clarification that this only available does not apply once we get to a docketed
4 proceeding.

5 **MS. EVANS:** So I would agree. The language he's referencing says that it shall
6 remain only viewable by Commission and its Staff and the intent of that was that
7 would apply to filings made pursuant to this rule. It's my understanding that if a
8 company was found to be non-compliant and we had to open a separate docket, that
9 docket would be subject to normal confidentiality rules.

10 **MR. YOUNG:** And the same, just to be clear, is if we have a --

11 **MS. BOWMAN:** Randy, please use your mic.

12 **MR. YOUNG:** And the same for any other docketed proceeding, such as a
13 certification proceeding, IRP, and such, as well?

14 **MS. EVANS:** Correct.

15 **MR. YOUNG:** Thank you. Thank you, Commissioners. I appreciate that.

16 **CHAIRMAN FRANCIS:** Well, Randy, industry's okay with 90 percent?

17 **MR. YOUNG:** So, Commissioner, we're okay with the 90 percent as the ultimate
18 outcome. We do believe that once you get out to Planning Year 4, you're three
19 years away, we would prefer to see a 75 percent level in that out year to allow us
20 more flexibility. But ultimately, getting to that 90 percent, the way that Mr. Sisung
21 has it framed, we do support and agree with it.

1 **CHAIRMAN FRANCIS:** Well, I'm inclined to support industry and you represent
2 industry. You say vote for 90 percent, I'd be kind of leaning that way; wouldn't
3 you, Mr. Sisung?

4 **MR. SISUNG:** Yes, sir. I'm all in.

5 **CHAIRMAN FRANCIS:** All right. So I had to step out a minute. I don't know
6 if I missed anything. Where we at on this?

7 **MS. BOWMAN:** We have a motion by Commissioner Greene, seconded by the
8 Chair.

9 **CHAIRMAN FRANCIS:** Okay. I did second it. Well, all right.

10 **MS. BOWMAN:** You did second it.

11 **CHAIRMAN FRANCIS:** So do we want to have a roll call vote on this?

12 **MS. BOWMAN:** It's only if we have any opposition. If there's no opposition, we
13 can move forward.

14 **CHAIRMAN FRANCIS:** Do we have opposition here?

15 **VICE CHAIRMAN LEWIS:** Object, I will.

16 **CHAIRMAN FRANCIS:** Okay. So let's have a roll call vote. Yes or no on
17 Exhibit 5, Commissioner Greene?

18 **COMMISSIONER GREENE:** Yes.

19 **CHAIRMAN FRANCIS:** Commissioner Skrmetta?

20 **COMMISSIONER SKRMETTA:** Yes.

21 **CHAIRMAN FRANCIS:** Commissioner Campbell?

22 **COMMISSIONER CAMPBELL:** Yes.

23 **CHAIRMAN FRANCIS:** Commissioner Lewis?

1 **VICE CHAIRMAN LEWIS:** No.

2 **CHAIRMAN FRANCIS:** And the Chair will go with a yes vote, so we got a 4-1,
3 so 5 is in the history books. Number 6.

4 **MR. SISUNG:** Thank you very much, Commissioners.

5 **MS. BOWMAN:** Exhibit Number 6 is Docket Number U-37193. This is
6 Entergy's application for approval of Magnolia Power capacity credits purchase
7 agreement, including cost recovery. It's a discussion and possible vote to retain an
8 outside consultant. On April 29, 2024, Entergy submitted a notice letter to the
9 Commission regarding the referenced request for certification, and based on this
10 notice, Staff issued RFP 24-04 seeking an outside consultant. We received 2
11 conforming bids. The first is London Economics International of \$66,350 in fees
12 and 2,700 in expenses for a total budget not to exceed of \$69,050. And the second
13 is United Professionals Company of 95,000 in fees and 2,000 in expenses for a total
14 budget not to exceed of \$97,000. Staff makes no recommendation as both bidders
15 are qualified.

16 **CHAIRMAN FRANCIS:** We have a motion?

17 **COMMISSIONER GREENE:** Motion to accept United Professionals.

18 **CHAIRMAN FRANCIS:** Motion by Commissioner Greene to accept Bid
19 Number 2, United Professionals. Is there a second?

20 **COMMISSIONER CAMPBELL:** Which one are you accepting?

21 **CHAIRMAN FRANCIS:** It's accepting United Professionals, Commissioner
22 Greene.

23 **COMMISSIONER CAMPBELL:** I'm going to object.

1 **CHAIRMAN FRANCIS:** Okay. Do we have a second on the --

2 **COMMISSIONER SKRMETTA:** I'll second.

3 **CHAIRMAN FRANCIS:** Second on the -- do you have a substitute motion?

4 **COMMISSIONER CAMPBELL:** Yeah, I do.

5 **MS. BOWMAN:** Use your microphone please, Commissioner. Thank you.

6 **COMMISSIONER CAMPBELL:** What did you say?

7 **MS. BOWMAN:** Use your microphone.

8 **COMMISSIONER CAMPBELL:** Oh, use the microphone. Okay. I would make

9 a substitute motion that we select Number 1. It's about \$30,000 cheaper and I'd

10 like to give them some business.

11 **VICE CHAIRMAN LEWIS:** I'll second.

12 **CHAIRMAN FRANCIS:** Okay. We got a substitute motion from Commissioner

13 Campbell and seconded by Commissioner Lewis. Any other discussion? [NONE

14 HEARD] So we'll have to vote on substitute motion.

15 **SECRETARY FREY:** If there's objections to substitute.

16 **COMMISSIONER SKRMETTA:** Objections.

17 **CHAIRMAN FRANCIS:** Okay. We have an objection, so we got to vote.

18 **COMMISSIONER CAMPBELL:** This the substitute motion we're voting on?

19 **MS. BOWMAN:** Yes, sir. So your motion.

20 **COMMISSIONER CAMPBELL:** Number 1, yeah.

21 **CHAIRMAN FRANCIS:** It's your motion so, Commissioner Greene, how do you

22 vote on the substitute motion?

23 **COMMISSIONER GREENE:** No.

1 **CHAIRMAN FRANCIS:** Okay. Commissioner Lewis, how do you vote on the
2 substitute motion?

3 **VICE CHAIRMAN LEWIS:** Yes.

4 **CHAIRMAN FRANCIS:** Yes. Commissioner Skrmetta, how do you vote on the
5 substitute motion?

6 **COMMISSIONER SKRMETTA:** No.

7 **CHAIRMAN FRANCIS:** And, Commissioner Campbell, of course you vote yes
8 on your own motion.

9 **COMMISSIONER CAMPBELL:** Yeah, that's right.

10 **CHAIRMAN FRANCIS:** So the Chair's going to vote no and so the substitute
11 motion fails. So we're back on the motion -- who --

12 **COMMISSIONER GREENE:** I did.

13 **CHAIRMAN FRANCIS:** Okay. Commissioner Greene and Commissioner
14 Skrmetta seconded it?

15 **COMMISSIONER SKRMETTA:** Yes.

16 **CHAIRMAN FRANCIS:** Okay. So is there -- there must be some objection to
17 that apparently. So, Commissioner Campbell, how do you vote on the motion to
18 accept --

19 **COMMISSIONER CAMPBELL:** Mr. Greene's motion?

20 **CHAIRMAN FRANCIS:** To accept United Professionals.

21 **COMMISSIONER CAMPBELL:** I'm fine. I got beat, man. I know how to take
22 a beating.

23 **MS. BOWMAN:** So no objection.

1 **COMMISSIONER CAMPBELL:** Hey, look, I'm not Trump. When I get beat, I
2 get beat. I don't make any excuses. I'm beat. Okay.

3 **MS. BOWMAN:** So no objection on Commissioner Greene's motion.

4 **CHAIRMAN FRANCIS:** We got a no objection. Commissioner Lewis, how do
5 you vote?

6 **MS. BOWMAN:** Well, if there's no objection, we don't have to --

7 **VICE CHAIRMAN LEWIS:** I don't object.

8 **CHAIRMAN FRANCIS:** You didn't?

9 **VICE CHAIRMAN LEWIS:** No, I didn't object.

10 **CHAIRMAN FRANCIS:** So that means you vote for United Professionals?

11 **COMMISSIONER SKRMETTA:** No vote necessary.

12 **CHAIRMAN FRANCIS:** Oh, no vote necessary. All right. Sorry about that. So
13 Number 6 belongs to United Professionals, so that's in the history books. Go on to
14 7.

15 **MS. BOWMAN:** Exhibit Number 7 is Docket Number U-36174. This is
16 SWEPCO's application for recovery of certain storm damage costs incurred as a
17 result of Hurricane Laura and Delta and the February 2021 Winter Storm Event,
18 related securitization financing, establishment of a storm reserve, and recovery of
19 storm damage costs associated with the June 2023 storms. It's a discussion and
20 possible vote on an uncontested stipulated settlement and this was Exhibit 13 last
21 month. On October 18, 2021, SWEPCO filed its application for authorization of
22 recovery of certain extraordinary storm cost damage incurred from several storms.
23 The application constituted the first phase of SWEPCO's recovery. On May 24,

1 2023, the Commission issued Order Number U-36174, finding the distribution and
2 transmission O&M portion of SWEPCO's jurisdictional costs associated with the
3 storms were reasonable and prudent and eligible for recovery. Specifically, Order
4 U-36174 required SWEPCO to submit an application to the Commission for Phase
5 II to determine the prudence of all Louisiana-jurisdictional transmission and
6 distribution capital costs associated with the storms, as well as an analysis
7 comparing securitization versus traditional rate recovery of those costs. On July
8 31, 2023, SWEPCO filed that Phase II application. SWEPCO and Commission
9 Staff reached an agreement and executed an uncontested stipulated settlement,
10 which was filed into the record on April 24, 2024. The major terms of that
11 settlement are as follows: The distribution and transmission capital portion of
12 SWEPCO's jurisdictional costs are reasonable and prudent and eligible for
13 recovery; securitization is the most cost-effective option for SWEPCO's customers;
14 SWEPCO will be authorized to securitize the storm costs associated with the June
15 2023 storms, as well as a request for additional funds for reserves for future storm
16 costs that cost above \$1 million; the terms and conditions of SWEPCO's proposed
17 financing order comply with the requirements of the securitization act. As there
18 are no unresolved issues, Staff recommends that the Commission approve the
19 issuance of a financing order consistent with the terms of the uncontested stipulated
20 settlement filed into the record on April 24, 2024.

21 **COMMISSIONER SKRMETTA:** Move to accept --

22 **COMMISSIONER CAMPBELL:** I got a question.

1 **CHAIRMAN FRANCIS:** Commissioner Skrmetta moved to accept Staff
2 recommendation. Do we have a second?

3 **COMMISSIONER GREENE:** Second.

4 **COMMISSIONER GREENE:** And a second by Commissioner Greene. Any
5 discussion? Commissioner Campbell.

6 **COMMISSIONER CAMPBELL:** [INAUDIBLE] I love you taking care of my
7 business. I love when you take care of SWEPCO and I'm the only one representing
8 SWEPCO, but that's okay. I'm happy today.

9 **CHAIRMAN FRANCIS:** Well, wait a minute, I got some SWEPCO.

10 **COMMISSIONER CAMPBELL:** How many? Two streets? You gave me all
11 of SWEPCO.

12 **CHAIRMAN FRANCIS:** I got Downtown Simpson and a few other places and I
13 talked to them just the other day about their electricity.

14 **COMMISSIONER CAMPBELL:** Okay. Well, good deal. But anyway, I got a
15 question or two.

16 **CHAIRMAN FRANCIS:** All right. You got the mic.

17 **COMMISSIONER CAMPBELL:** One of these bonds, I'm fine with it, but does
18 anybody have any idea what these bonds are going to -- y'all are going to be able
19 to -- what they're going to pay? What people will pay for the bonds? How much
20 will the bonds -- does anybody know how much the bonds will -- the percentage
21 weigh?

22 **CHAIRMAN FRANCIS:** Here they come.

1 **SECRETARY FREY:** Yeah. I think Noel and Tom can talk to us. It's probably
2 going to be a range, Commissioner.

3 **COMMISSIONER CAMPBELL:** They haven't been sold, I know, but do you
4 have the idea of what they will be?

5 **CHAIRMAN FRANCIS:** So who we got at the mics here?

6 **MR. NOEL DARCE:** Commissioner, Noel Darce on behalf of the Staff.

7 **MR. TOM BRICE:** Tom Brice on behalf of SWEPCO and Bobby Gilliam
8 representing SWEPCO.

9 **MR. DARCE:** And the answer is until you sell them, you don't really know, but
10 right now the estimate is going to be --

11 **COMMISSIONER CAMPBELL:** The prime rate now is what? What is the
12 prime rate?

13 **MR. DARCE:** I'm not sure, but the assumed interest rate that they're going to be
14 sold for is about 5.125 percent.

15 **COMMISSIONER CAMPBELL:** Five percent?

16 **MR. DARCE:** Plus.

17 **COMMISSIONER CAMPBELL:** Any of you guys got a bunch of money out
18 there, I can't buy any, but if I could buy some, I'd buy some. This is tax-free bonds.
19 Five percent. It's a good deal for the people and it's a great deal for people investing
20 money. That's all I want to know. Prime's about eight percent or something.

21 **SECRETARY FREY:** It's 8.5. That's what Kathryn just pulled up.

1 **COMMISSIONER CAMPBELL:** And if you went to the market and borrowed
2 the money, you'd be paying what, Tom? Seven or seven and a half or something
3 like that?

4 **MR. BRICE:** Yeah. So if you looked at our average cost of capital, it's about 7.5.

5 **COMMISSIONER CAMPBELL:** So you're saving two points?

6 **MR. BRICE:** Couple percentage points. Yes, sir.

7 **COMMISSIONER CAMPBELL:** Which is a lot of money.

8 **MR. BRICE:** Yes, sir.

9 **COMMISSIONER CAMPBELL:** That's all I want to know. Appreciate y'all's
10 help.

11 **CHAIRMAN FRANCIS:** Okay. Commissioner Lewis got a question for you.

12 **VICE CHAIRMAN LEWIS:** One quick question. I know there was a
13 disagreement with the treatment of ADIT --

14 **MS. BOWMAN:** I don't think you're on.

15 **VICE CHAIRMAN LEWIS:** Thank you. I know there was a disagreement with
16 the treatment of ADIT in the joint stip, but it seems like there was an agreement
17 that customers will receive the full benefit of ADIT. But I want to make sure that
18 my understanding is correct and that is exactly what will happen and that
19 disagreement now has been fully resolved in this stipulation.

20 **MR. DARCE:** It's resolved in the settlement. Customers will receive a hundred
21 percent of the ADIT benefit outside of any sharing in the FRP band.

22 **VICE CHAIRMAN LEWIS:** Okay. Thank you.

23 **CHAIRMAN FRANCIS:** Mr. Noel, for the benefit of the audience, what's ADIT?

1 **MR. DARCE:** Accelerated deferred income taxes. It's a timing difference in what
2 the companies pay versus what they put in their books and it's recorded in a way
3 that allows them to keep money that they're not actually paying out and it's
4 essentially a reduction in rate base.

5 **CHAIRMAN FRANCIS:** Kind of a -- all right. I guess. So it'll save me 20 phone
6 calls, so appreciate that. Okay. Is there any objection to accepting Number 7?
7 [NONE HEARD] No objection, so looks like it's also in the history books and it
8 passed. Thank you. Thank y'all.

9 **MS. BOWMAN:** Exhibit Number 8 is undocketed. It's the State Universal
10 Service Fund Administrator. It's a discussion and possible vote to renew LaPorte,
11 CPA & Business Advisors' services. At the July 2020 B&E, LaPorte was retained
12 to administer the Universal Service Fund for a three-year period with annual
13 reviews thereafter subject to Commission approval. LaPorte's current retention
14 expires July 31, 2024, and in light of this expiration and the option for annual
15 renewals, Staff requested confirmation from LaPorte whether it agreed to continue
16 handling administrative services for the State Universal Service Fund. LaPorte
17 indicated its willingness to continue providing those services with the same billing
18 structure that is currently in place, which is a \$10,000/month to manage and
19 administer the USF. Staff recommends that the Commission renew LaPorte's
20 services for an additional year with the option to renew thereafter under the same
21 billing structure previously approved, which is \$10,000 a month.

22 **COMMISSIONER SKRMETTA:** Move to accept Staff recommendation.

23 **COMMISSIONER GREENE:** Second.

1 **CHAIRMAN FRANCIS:** Moved by Commissioner Skrmetta, seconded by
2 Commissioner Greene. Any discussion? [NONE HEARD] Hearing none, it's
3 passed. Number 9.

4 **MS. BOWMAN:** Exhibit Number 9 is undocketed. It's reports, resolutions,
5 discussions. There is a discussion and possible vote to ratify the invitation to the
6 Louisiana Public Service Commission to participate in the Frontiers Consortium.
7 The Frontiers Consortium is a -- was organized by Steven Aumeier, the senior
8 advisor at the Idaho National Laboratory, with the goal being to assist in the
9 development and capture of economic opportunities involving advanced nuclear
10 energy. Given its role actively analyzing the potential for advanced nuclear energy
11 opportunities in Louisiana, the Frontiers Consortium has invited the Commission
12 to join as a participant. This is at no cost to the Commission. Staff recommends
13 that the Commission ratify the invitation to the Commission to participate in the
14 Frontiers Consortium.

15 **CHAIRMAN FRANCIS:** Commissioner Skrmetta.

16 **COMMISSIONER SKRMETTA:** This is a no cost to the Commission, but puts
17 us at the table at the lead on a national basis on advanced nuclear and it's a great
18 honor for the Commission to be invited to participate. So I think we should move
19 forward on this.

20 **CHAIRMAN FRANCIS:** Okay. Such a motion by Commissioner Skrmetta.

21 **COMMISSIONER SKRMETTA:** Move to ratify.

22 **SECRETARY FREY:** It's a move to ratify.

23 **VICE CHAIRMAN LEWIS:** I'll second.

1 **CHAIRMAN FRANCIS:** And seconded by Commissioner Lewis. Any other
2 discussion? [NONE HEARD] Hearing none, what's next?

3 **MS. BOWMAN:** There is a ratification. It's a discussion and possible vote to
4 ratify interventions of the Commission in RTO-related and other FERC energy
5 regulatory proceedings. This matter is on the agenda for ratification of
6 interventions on behalf of the Commission in RTO-related FERC proceedings,
7 pursuant to the scope of work approved in the connection with the retention of
8 Stone Pigman and UPC. Due to the short deadlines allowed for the interventions,
9 if advanced Commission approval is not possible, the Executive Secretary, on the
10 recommendation of UPC or Stone Pigman or on his own determination, may
11 authorize the initial interventions, comments, or protests, subject to ratification at a
12 following B&E. Staff recommends that the Commission ratify the following
13 actions. There was LPSC docket-less interventions filed in the following: ER24-
14 1905, ER-24-1948, ER-24-1949, ER-24-1950, ER-24-2026, ER-24-2046. Those
15 are all for monitoring purposes. The Commission also appealed the EPA issuance
16 of final rules on the greenhouse gas emissions in D.C. Circuit Number 24-1120,
17 and the Commission also filed a request for rehearing at FERC Rulemaking Order
18 Number 1920, regarding RTO planning and cost allocations in FERC Rulemaking
19 21-17. Staff recommends that the Commission ratify these interventions.

20 **COMMISSIONER SKRMETTA:** Move to ratify all interventions as listed by
21 Staff.

22 **COMMISSIONER CAMPBELL:** I'll second.

1 **CHAIRMAN FRANCIS:** Moved by Commissioner Skrmetta, seconded by
2 Commissioner Campbell, and Commissioner Lewis has discussion.

3 **VICE CHAIRMAN LEWIS:** Yes. Thank you, Mr. Chairman. I do not disagree
4 with the ratification of the first five; however, I would have to object to ratification
5 of a motion to intervene in D.C. Circuit Number 24-1120 and then RM21-17. So I
6 support the first five, so I would actually request if possible we -- if I could make a
7 substitute. I don't know if that's -- I would request that if we could take up the first
8 five as one motion and then have the other two, so I could make my objection heard
9 only to those two and not to the entire slate.

10 **MS. BOWMAN:** We can do that. So, Commissioner Skrmetta, would you like to
11 modify them?

12 **COMMISSIONER SKRMETTA:** Yes. Modify it as so.

13 **VICE CHAIRMAN LEWIS:** Thank you.

14 **COMMISSIONER SKRMETTA:** And move forward.

15 **CHAIRMAN FRANCIS:** Okay. So is there any objection to -- do we have a
16 second on Commissioner Skrmetta?

17 **MS. BOWMAN:** Commissioner Campbell.

18 **CHAIRMAN FRANCIS:** Commissioner Campbell. So is there any objection to
19 that motion? [NONE HEARD] Hearing none, it passed. We'll take up the other
20 one. It's the following two.

21 **COMMISSIONER SKRMETTA:** And I'll move to accept and to ratify on the
22 two remaining docketed interventions.

23 **VICE CHAIRMAN LEWIS:** And I'll object to those two.

1 **COMMISSIONER GREENE:** I'll second.

2 **CHAIRMAN FRANCIS:** Seconded by Commissioner Greene. Is there any --

3 **COMMISSIONER SKRMETTA:** Move for a roll call vote.

4 **CHAIRMAN FRANCIS:** Okay. We have a roll call vote. Commissioner

5 Campbell, how do you vote?

6 **COMMISSIONER CAMPBELL:** Yes.

7 **CHAIRMAN FRANCIS:** Commissioner Greene, how do you vote?

8 **COMMISSIONER GREENE:** Yes.

9 **CHAIRMAN FRANCIS:** Commissioner Skrmetta, how do you vote?

10 **COMMISSIONER SKRMETTA:** Yes.

11 **CHAIRMAN FRANCIS:** Yes. Commissioner Lewis?

12 **VICE CHAIRMAN LEWIS:** No.

13 **CHAIRMAN FRANCIS:** No. Commissioner Francis votes yes. Okay.

14 **VICE CHAIRMAN LEWIS:** Thank you.

15 **MS. BOWMAN:** We also have a discussion and possible vote to ratify the vote

16 cast by Chairman Francis acting as the Commission's representative on the RCS

17 for the Southwest Power Pool. It's on the agenda for ratification of a vote cast on

18 June 10, 2024 by the Chair as the representative. Staff followed the protocol set

19 forth in Special Order 17-2019 to consult the Vice Chair and the Secretary prior to

20 the vote. Protocol also requires ratification at a future B&E. The voting items

21 approved amendments to the SPP tariff to implement previously approved joint

22 targeted interconnection queue policies. The RSC previously approved these

23 policies in January of 2023 and February of 2024 and the amendments memorialize

1 these policies. Staff recommends that the Commission ratify Chairman Francis’
2 vote cast on June 10, 2024 as the Public Service Commission’s representative of
3 the SPP RSC.

4 **COMMISSIONER SKRMETTA:** Move to ratify.

5 **VICE CHAIRMAN LEWIS:** Second.

6 **CHAIRMAN FRANCIS:** Move by Commissioner Skrmetta, seconded by
7 Commissioner Lewis, and I’ll abstain. Is there any discussion or objection? [NONE
8 HEARD] Hearing none, it passed.

9 **MS. BOWMAN:** And then there is also a directive. It’s a directive to Staff to
10 open a service quality investigation on SWEPCO as a result of recent frequent
11 storm related outages and this is at the request of Commissioner Campbell.

12 **SECRETARY FREY:** And I’ll read this. I worked with Commissioner Campbell
13 on this. This is the directive: Since the beginning of this year, SWEPCO’s service
14 territory has experienced numerous system wide outages. In fact, since April, no
15 less than 5 weather related events have resulted in peak outages of 17,000 or greater
16 per event. Given these frequent outages and the impacts they are having on
17 SWEPCO’s customers, I direct Staff to open a service quality investigation into
18 SWEPCO focusing on these outage events, the underlying causes, as well as
19 SWEPCO’s vegetation management practices, and historical spending for
20 vegetation management and distribution maintenance. Staff shall also review
21 SWEPCO’s SAIDI and SAIFI reports as well as those of the neighboring electric
22 service providers. Finally, I further direct Staff to solicit a bid from UPC to assist
23 with this investigation. UPC is currently retained to review SWEPCO’s formula

1 rate plan filings, and in those filings, SWEPCO specifically requested to retain
2 additional revenues from overcollections for vegetation management and resilience
3 work. And that's the directive.

4 **CHAIRMAN FRANCIS:** Okay. You have any discussion on that, Commissioner
5 Campbell?

6 **COMMISSIONER CAMPBELL:** Yeah. I want to -- we've had a lot of outages
7 up in northwest Louisiana, 12 parishes, and I want to have just a -- like Mr. Greene
8 did with Entergy, I want to look at SWEPCO and the people want to look at
9 SWEPCO to make sure that the service can get better. We want good service at a
10 reasonable price. So this is just a little housecleaning, a checkup that we need.
11 There's people demanding. Since the first of the year, in one portion of Shreveport,
12 service has been out ten times, that's too much, since the first of the year.

13 **CHAIRMAN FRANCIS:** I know. That's too much.

14 **COMMISSIONER CAMPBELL:** And so I want to take a look at what they're
15 doing. Making sure they're doing the best job possible. Making sure they're using
16 the right contractors, paying them what they ought to be paying. Just a general
17 examination of how they're doing business and this is good. It'll be good. A lot of
18 questions will get answered. Thank you. Thank you.

19 **CHAIRMAN FRANCIS:** Can that be done by our Staff? Is that right?

20 **SECRETARY FREY:** Our Staff has already started on it and then UPC is working
21 on the formula rate plan where some of these issues are overlapping, so part of the
22 directive, we're soliciting a bid from them to assist on that part.

23 **COMMISSIONER CAMPBELL:** That's fine with me. I think they'll be good.

1 **CHAIRMAN FRANCIS:** Okay. I'll remind my fellow Commissioner in
2 Shreveport that I do have a little SWEPCO up there in Vernon Parish and I've been
3 in touch with those folks many times. They've been calling me about the outages
4 and I've talked to SWEPCO about it. So I'm on the team with you, brother, on that
5 one.

6 **COMMISSIONER CAMPBELL:** Good. Where did you say you represented?
7 Simpson?

8 **CHAIRMAN FRANCIS:** Simpson, that's right.

9 **COMMISSIONER CAMPBELL:** Well, hold on a second. I got something to
10 tell you about Simpson.

11 **CHAIRMAN FRANCIS:** All right.

12 **COMMISSIONER CAMPBELL:** I bought a squirrel dog from Simpson a month
13 ago. Yeah. The guy lived in Simpson and I bought a squirrel dog, so we got
14 something in common.

15 **CHAIRMAN FRANCIS:** Well, I'll tell you, I'll give you my Simpson story. My
16 son is 51 years old and when he was a year old we lived in Simpson, Louisiana,
17 Downtown Simpson, so I'm very familiar with that area. It's a wonderful part of
18 the world and I'm glad to represent a few of those folks and they sure have my
19 phone number. They're calling me several times. Okay. So we're moving on to -
20 - it's a directive. Do we need to vote on this?

21 **MS. BOWMAN:** If there's no opposition, we're good.

22 **CHAIRMAN FRANCIS:** You think SWEPCO's got the message?

23 **SECRETARY FREY:** I believe they do.

1 **CHAIRMAN FRANCIS:** All right. Thank you. Moving on.

2 **MS. BOWMAN:** So Exhibit Number 10 is Docket Number U-36923. It's Cleco's
3 request for implementation of a change in rates with an effective date of July 1,
4 2024 and extension of its existing formula rate plan. It's a discussion and possible
5 vote on an uncontested stipulated settlement at the request of Chairman Francis.
6 On June 30, 2023, Cleco filed its request with the Commission with notice
7 published in its Official Bulletin. Interventions were received from Cabot
8 Corporation, International Paper Company, Packaging Corporation of America,
9 Alliance for the Affordable Energy, and Sierra Club. After extensive negotiations,
10 Cleco, Staff, and the intervenors were able to enter into an uncontested stipulated
11 settlement, which was filed into the record on May 31, 2024. The major terms of
12 the settlement are as follows: Effective July 1, 2024, Cleco Power may collect
13 approximately 756.321 million with a portion through base rates and a portion
14 through its Rider IICR, Cleco Power's FRP is extended for an additional 3 years
15 and they have a target return on equity of 9.7 percent with an earnings bandwidth
16 of 60 points.

17 **COMMISSIONER SKRMETTA:** Move to approve the uncontested stipulated
18 settlement.

19 **CHAIRMAN FRANCIS:** And I'll second that and Commissioner Lewis has some
20 questions.

21 **VICE CHAIRMAN LEWIS:** Thank you. Can I have a representative from Cleco
22 and also Mr. Patrick or UPC at the table?

23 **MR. MARK KLEEHAMMER:** Good morning. Mark Kleehammer with Cleco.

1 **VICE CHAIRMAN LEWIS:** Good morning. Good morning, Mr. Kleehammer,
2 and thank you. My first question is can you explain the decoupling mechanisms
3 and how they will change the way residential customers should expect to be billed?
4 **MR. BOURG:** Sure, Commissioner. Jonathan Bourg, consultant for Commission
5 Staff. So the decoupling mechanism was proposed by Cleco. It only applies to
6 residential -- the residential customer class, which they're largely on volumetric
7 rates now. And so the proposal was made that for that set of customers, the revenue
8 that was anticipated as a result of this rate case would be compared to the actual
9 revenue received and this only applies for two years, which is a next FRP cycle and
10 the one following that. It's a two year, basically, trial run period. They would
11 compare the anticipated revenue for those residential customers to the actual
12 revenue received which would fluctuate based on usage, whether that would be
13 weather, energy efficiency, or whatever. And based on that difference, there would
14 be a credit or a charge to customers. It's limited to \$3 million per year for these
15 two-year periods. Staff put that limit on the proposal and we agreed to it essentially
16 because Cleco's FRP is a unique one in this state. It is what many refer to as
17 asymmetrical. There is no opportunity for a rate increase under its current FRP,
18 only for a rate refund. And so limiting the request in size and for the two year
19 period -- for the second two years of this three year FRP, we agreed to allow that
20 trial run period.
21 **VICE CHAIRMAN LEWIS:** Okay. Thank you. Can you tell me what is the
22 percent estimated for a average residential customer with this rate -- with this FRP
23 extension?

1 **MR. BOURG:** Are you asking for the rate increase?

2 **VICE CHAIRMAN LEWIS:** Yeah. The percentage and the dollar figure of that.

3 **MR. BOURG:** Sure. So I'm going to give you what I have for a 1,250 kilowatt-

4 hour customer. There are some refunds that would be associated with another

5 docket that the Commission previously approved. So I'll give them to you in net

6 without the refunds, those are related to the Dolet and Oxbow mines. The rate

7 increase would be about 10.6 percent, \$16.29 for a 1,250 kilowatt-hour customer.

8 Netting that out with the refunds, the increase would be \$6.69 or a 4.4 percent

9 increase. A number of factors driving that -- what is obviously a not insignificant

10 rate case, the major -- 80 percent of the rate increase is due to the loss of a wholesale

11 load at Cleco, which coincides with the renewal of this FRP and the resetting of

12 rates through the rate case.

13 **VICE CHAIRMAN LEWIS:** Thank you. And, Mr. Kleehammer, I know that in

14 this case to your CARE Program, you moved the fuel adjustment clause to 12

15 months instead of, I think -- am I correct, it was three months traditionally?

16 **MR. KLEEHAMMER:** Correct.

17 **VICE CHAIRMAN LEWIS:** Will LIHEAP recipients be auto-enrolled in this

18 program?

19 **MR. KLEEHAMMER:** Yes. To the extent you are enrolled in LIHEAP, you will

20 be automatically enrolled in our program.

21 **VICE CHAIRMAN LEWIS:** Thank you. And I do appreciate that. But my

22 further question is if you are LIHEAP eligible, is there a process that Cleco

23 undertakes that looks -- because not everyone knows LIHEAP, the utility assistance

1 program. And so I'm deeply worried about those who may not have that
2 knowledge, especially in some of the rural areas. So I guess my question is more
3 probably towards billing and call centers. Is there a process that Cleco undertakes
4 to ensure that if they recognize someone who may be LIHEAP eligible to ensure
5 that they can either become qualified in LIHEAP to then get the care program? You
6 see what I'm --

7 **MR. KLEEHAMMER:** I understand your question and I apologize. I do not
8 know. I know that we advertise LIHEAP, but I do not know that we follow on any
9 individual customer to see.

10 **VICE CHAIRMAN LEWIS:** Thank you. I know in this -- which I'm pleased
11 with that you lowered your disconnection and reconnection fees as well as your late
12 fees, but I've had a significant amount of concerns. I know when we talked,
13 according to the National Consumer Law Center, Cleco's late fees are the second
14 highest in the country, only to Entergy New Orleans. Around \$22 per customer.
15 Even with reducing this late penalty to three percent, do you think that's sufficient
16 and do you see more work, especially on this issue, for a lot of low-income
17 customers that oftentimes are struggling to pay the original bill? So the late fee, in
18 my eyes, oftentimes is just a poor tax, because if I'm struggling and I'm trying to
19 get LIHEAP eligible and then a late fee is tacked on, that to me just seems like a
20 revenue grab more than an affordability item to help ensure people can adequately
21 afford and pay their utility bills.

22 **MR. KLEEHAMMER:** Yes, Commissioner. As you noted, we did reduce our
23 late fees by 40 percent, from 5 percent to 3 percent. But in addition to that, we have

1 restructured our connection and reconnection fees, reducing them by about 54
2 percent collectively.

3 **VICE CHAIRMAN LEWIS:** Thank you. And I'm really pleased to hear that. I
4 do want to see some more work, especially on the affordability pieces in the items
5 that you were looking at. I would encourage Cleco to look at how some other
6 utilities across the country have enacted -- whether or not if you just received
7 LIHEAP, if you can be LIHEAP eligible to receive those credits, because as we
8 know, there are about only 60,000 Louisianans who receive this assistance
9 program, but 650,000 Louisianans qualify. And that delta is a big gap for me and
10 unless you are connected to a community action program or you have adequate
11 information, we know there are some challenges with that, especially in the north
12 under Louisiana Housing Corporation. I would encourage you and deeply
13 encourage you to look at more aggressive ways to do so. And then can you explain
14 to me -- I know in this settlement you talked about how you plan to discuss
15 Rodemacher II and the coal burning operations prior to its 2028 retirement. Is it
16 feasible -- can you commit and explain how you're going to look at Madison III
17 and Rodemacher II in economic values before those times?

18 **MR. KLEEHAMMER:** Yes. We have several conditions that we've agreed to
19 with respect to environmental and economic dispatch of our solid fuel units. First
20 is with respect to Rodemacher II, which we have an intent to cease burning coal
21 prior to 2028, we are going to discuss that with our partners. We are about a 30
22 percent owner of Rodemacher. We will discuss that and we will share those
23 discussions and in fact invite other folks to those discussions with our co-owners.

1 As far as dispatch goes, as a general principle, we do economically dispatch our
2 units into the market. There are exceptions and we've noted those exceptions where
3 we would be looking at reliability purposes, environmental emissions testing,
4 dispatch maintenance, safety, and of course, any signals where we see an
5 opportunity or economic value for our customers. In addition to that, we have
6 committed to update our integrated resource plan with respect to Madison III. That
7 was a big discussion in our IRP earlier this spring, and as we look across the
8 universe of opportunities to decarbonize in the state, we will be pushing forward
9 with a accelerated IRP looking at those options.

10 **VICE CHAIRMAN LEWIS:** Thank you. And, Mr. Bourg, can you explain how
11 we got to the target ROE of 9.7? I know in the original filed testimony, Staff's
12 position was that 9.41, if I'm not mistaken, so I'm really curious. I know Cleco had
13 requested higher, but I'm trying to see how did Staff evaluate going from 9.41 as
14 an ROE to 9.7?

15 **MR. BOURG:** Sure. Cleco's request was a 10.4. Our initial testimony was a 9.41.
16 In the course of discussion, we went back and forth. 9.7 is on the low end of
17 comparable utilities throughout the region and, ultimately, we landed on 9.7 as a
18 reasonable landing point between, obviously, there was a position at 10.4 and there
19 was a position at 9.41 and 9.7 is where we resolved the matter.

20 **VICE CHAIRMAN LEWIS:** Thank you. And the last question I have for you,
21 when reviewing, there were comments I want to say by some of the intervenors to
22 do a more phase-in using maybe about 5.3 percent I think, is that -- and then in the
23 testimony we said we would handle that later. Can you clarify or explain? I was a

1 little confused by why we -- what is the reasons behind not looking at the phase-in
2 opportunities for this rate impact? Because, I mean, even with the credits, that's a
3 significant impact on some of the poorest areas of Louisiana and that's part of my
4 concern.

5 **MR. BOURG:** Sure. The phase-in proposed did not -- it wasn't a free phase-in, it
6 came with a cost. It was a delay, create a reg asset, recover it later.

7 **VICE CHAIRMAN LEWIS:** Okay.

8 **MR. BOURG:** So you were just putting off the recovery. It wasn't just
9 [INAUDIBLE] --

10 **VICE CHAIRMAN LEWIS:** Oh, yeah. No. I just wanted to see --

11 **MR. BOURG:** And so the request was 155 with that delayed recovery down to
12 105, the ultimate resolution is at 103. And we thought with the refunds with Dolet
13 and Oxbow at the same time, it makes sense to implement the rate rather than
14 putting off a cost that is just going to gain carrying costs and cost [INAUDIBLE] -
15 -

16 **VICE CHAIRMAN LEWIS:** Gotcha. So you feel the combining of the credits
17 that we had already approved with the rate impact for those three high peak summer
18 months made more sense than -- in the carrying. Okay. That makes sense to me.
19 Thank you, Mr. Chairman.

20 **CHAIRMAN FRANCIS:** All right. I got a question for Mr. Kleehammer.

21 **MR. KLEEHAMMER:** Yes, sir.

22 **CHAIRMAN FRANCIS:** The grocery stores around Pineville and other Cleco
23 areas, do you have any phase-in on your grocery bill?

1 **MR. KLEEHAMMER:** No, I have not received the phase-in --

2 **CHAIRMAN FRANCIS:** All right. Thank you. That's all I had. All right. Thank

3 y'all for coming.

4 **MS. BOWMAN:** So we have a motion on the floor by Commissioner Skrmetta

5 and a second by Chair.

6 **CHAIRMAN FRANCIS:** Okay. So I guess -- any objection?

7 **MS. BOWMAN:** Oh, Commissioner Lewis objects.

8 **CHAIRMAN FRANCIS:** So one objection. We'll need to have a roll call vote.

9 So Commissioner Greene, how do you vote?

10 **COMMISSIONER GREENE:** Yes.

11 **CHAIRMAN FRANCIS:** Commissioner Skrmetta, how do you vote?

12 **COMMISSIONER SKRMETTA:** Yes.

13 **CHAIRMAN FRANCIS:** Commissioner Campbell, how do you vote?

14 **COMMISSIONER CAMPBELL:** Yes.

15 **CHAIRMAN FRANCIS:** Commissioner Lewis votes no. Chair votes yes, so it's

16 passed, 4-1. Next item.

17 **MS. BOWMAN:** Exhibit Number 11 is Docket Number U-37155. It's

18 SWEPCO's formula rate plan annual report for Test Years 2022 and 2023. It's a

19 discussion and possible vote pursuant to Rule 57 on SWEPCO's return of

20 overcollections. This is at the request of Commissioner Campbell and will need

21 two votes. On April 2, 2024, SWEPCO filed its formula rate plan annual reports

22 for the Test Years 2022 and 2023 with notice being published in the Official

23 Bulletin and no interventions. On June 3, 2024, SWEPCO filed testimony detailing

1 a billing error in which SWEPCO over collected rates in the amount of
2 approximately \$23 million. SWEPCO further detailed an alternative plan where
3 SWEPCO would refund ratepayers a portion of the over collected fees and retain
4 the remaining fees for additional vegetation management. After discussion,
5 SWEPCO has agreed to fully refund the \$23 million over collected due to the
6 accounting error. This refund will be present on July, August, and September bills
7 for SWEPCO customers. This return of over collected funds is separate from
8 Staff's examination of SWEPCO's RFP application, which is still ongoing. Staff
9 recommends that the Commission: 1) Take the matter up under the Commission's
10 original and primary jurisdiction pursuant to Rule 57; and 2) Accept the proposed
11 plan for SWEPCO to fully refund ratepayers over the months of July, August, and
12 September 2024.

13 **COMMISSIONER SKRMETTA:** Move to bring the matter up under Rule 57.

14 **COMMISSIONER CAMPBELL:** I'll second.

15 **CHAIRMAN FRANCIS:** Motion to take it up under Rule 57 by Skrmetta,
16 seconded by Commissioner Campbell.

17 **COMMISSIONER CAMPBELL:** I want to make a motion on this since I live
18 up there.

19 **CHAIRMAN FRANCIS:** Okay. So we're under Rule 57.

20 **COMMISSIONER CAMPBELL:** I would like to make a motion to accept Staff
21 report. But let me just say this, this has nothing to do with the examination we're
22 doing, right, Brandon?

23 **MS. BOWMAN:** Correct.

1 **COMMISSIONER CAMPBELL:** This is separate. I'm going to give SWEPCO
2 credit. They found their mistake. They found it and they want to give it back.
3 Now, they didn't want to give it all back to the people. I want to give it back to the
4 people. They had some other things they wanted to do with it, but I think it's a
5 good thing to give it back. It's \$60 -- \$61 or \$62 and we decided to give it out in
6 July, August, and September because that's the hottest months. That makes sense.
7 A lot of people can use the money. Some business up there, like the LSU hospital
8 in Shreveport, it's going to be a lot of money coming back because they use a lot
9 of electricity. So it's pro rata, however much you use is how much you're going to
10 get paid. It's a very fair deal, so I hope that y'all vote for this and send the money
11 back to north Louisiana. We need it. We need it. God bless y'all.

12 **CHAIRMAN FRANCIS:** Okay. So Commissioner Campbell made the motion
13 on Exhibit 11 under 57, seconded by Commissioner --

14 **VICE CHAIRMAN LEWIS:** I'll second.

15 **CHAIRMAN FRANCIS:** -- Lewis. Okay. Is there any opposition or discussion?
16 [NONE HEARD] Hearing none, Exhibit 11, under Commissioner Campbell, is
17 passed.

18 **COMMISSIONER SKRMETTA:** [INAUDIBLE] we got to do the motion now,
19 huh? That was it?

20 **MS. BOWMAN:** That was it. Exhibit Number 12 is Docket Number U-37213.
21 This is Cleco's request for a Commission financing order authorizing Cleco Power
22 to finance, through a securitization financing transaction, the retirement cost
23 associated with the Dolet Hills Power Station and the associated mines, as well as

1 energy transition reserve. It's a discussion and possible vote to expand the scope
2 of United Professionals Company at the request of Chairman Francis. The
3 Commission recently approved the uncontested stipulated settlement entered into
4 between Staff and Cleco Power related to the company's decision, along with
5 SWEPCO, to close the Dolet Hills and Oxbow Mines, as well as the Dolet Hills
6 Power Station. Order Number U-35753 provided certain amounts to be recovered
7 through securitization and Cleco Power filed the instant request on May 17th in
8 accordance with that order. Given UPC's knowledge of Docket and Order Number
9 U-35753 and the proposed cost recovery mechanism, Staff solicited UPC to
10 continue assisting the Commission by reviewing the related securitization
11 financing. Staff solicited them under the Commission's contract order. Based on
12 Staff's solicitation, UPC proposed a budget of \$71,000, which is 70,000 in fees and
13 \$1,000 in expenses. And Staff recommends that the Commission authorize the
14 scope expansion of UPC, including a budget increase in the amount of \$70,000 in
15 fees and 1,000 in expenses.

16 **VICE CHAIRMAN LEWIS:** Motion to accept Staff's recommendation.

17 **COMMISSIONER SKRMETTA:** Second.

18 **CHAIRMAN FRANCIS:** Motion by Commissioner Lewis, seconded by
19 Commissioner Skrmetta. Any opposition? [NONE HEARD] Thank y'all for my
20 request there. So it's passed and before we close, we've got the former FERC
21 Commissioner. You got any words of wisdom for us? We really thank you for
22 your service, for one thing, and coming today to be with us, sitting through a
23 sometime not so interesting and long meeting.

1 **MR. TONY CLARK:** Thank you, Mr. Chairman, and thanks for the kind
2 introduction, Commissioner Lewis. Yeah. It's been -- I didn't realize that I beat
3 you by a few months. It's been several years though as I was recently reminded. I
4 was getting my ID updated and the nice woman who was doing the update had said,
5 what color is your hair? I said, well, it says brown on the ID. And she said, I'm
6 changing it. So I don't know if it's regular years or just years on Commissions, but
7 again, just thank you for the opportunity to be here. I'm actually here -- again, for
8 your record, I'm Tony Clark, senior advisor at the firm of Wilkinson Barker Knauer.
9 I was here at the request of our client, Entergy Louisiana, just on this issue of
10 resource adequacy and I will tell you that I've had a particular interest in the docket
11 that you've had open. It's one that I've actually quoted in other testimony that I've
12 provided in another state with regard to the way that a Commission can take a look
13 at the importance of resource adequacy and capacity planning. It is, in my mind,
14 one of the biggest challenges that we have in the electricity industry today. We
15 have this confluence of rapid demand growth; a number of relatively rapid
16 dispatchable generation retirement; in all likelihood, carbon constrained future,
17 either from government regulations or because of corporate buying practices and
18 things like that; and no easy button way to replace that capacity in the near term.
19 So your Commission's focus on that particular issue I think is commendable, and
20 having read through what the Staff prepared, I thought it was a well written report.
21 It builds upon some of the work that's been done in other states. I think they quoted
22 some proceedings in Indiana and in Michigan. And I agreed with leaning into those
23 particular analyses, but yeah. The main issue that you've been struggling with and

1 that you've taken a leadership role, as Louisiana so often does in the energy field,
2 is one that's commendable and it's this issue of resource adequacy capacity. It's
3 going to be a tremendous focus because what you want to avoid, and I think what
4 the Commission is attempting to avoid as I read it, is you don't want a situation
5 where entities just go out and get the cheap, marginal power that's often weather
6 dependent, but without planning on ensuring that you have that dispatchable
7 capacity to back it up. And you don't want the assumption that everyone just leans
8 on "the market", because if everybody's leaning on the market at the same time in
9 unexpected ways, then bad things happen with reliability. So congratulations on
10 the good work that you're doing. Thank you.

11 **CHAIRMAN FRANCIS:** Appreciate you. Keep sharing it with all of our help
12 out here. Thank you very much for your service, sir.

13 **MR. CLARK:** Thank you. Take care. Thank you and you, too.

14 **COMMISSIONER SKRMETTA:** Mr. Chairman, move to adjourn.

15 **CHAIRMAN FRANCIS:** Move to adjourn, a second. Done.

16

17 **(WHEREUPON THE MEETING WAS ADJOURNED)**

18

1 I certify that the foregoing pages 1 through 112 are true and correct to the best
2 of my knowledge of the Open Session of the Business and Executive Meeting
3 held on June 19, 2024 in Baton Rouge, Louisiana.

4 *****

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