

LOUISIANA PUBLIC SERVICE COMMISSION
MINUTES FROM NOVEMBER 13, 2019
OPEN SESSION

MINUTES OF NOVEMBER 13, 2019 OPEN SESSION OF THE LOUISIANA PUBLIC SERVICE COMMISSION HELD IN BATON ROUGE, LOUISIANA. PRESENT WERE CHAIRMAN MIKE FRANCIS, VICE CHAIRMAN FOSTER CAMPBELL, COMMISSIONER LAMBERT BOISSIERE, COMMISSIONER ERIC SKRMETTA, COMMISSIONER CRAIG GREENE, AND EXECUTIVE SECRETARY BRANDON FREY.

Open Session of November 13, 2019, convening at 9:23 A.M., and adjourning at 11:10 A.M., the Galvez Building, 602 North 5th Street, Baton Rouge, Louisiana, with the above-named members of the Commission and Executive Secretary Brandon Frey.

<p>Ex. 1</p>	<p>Commissioner Skrmetta announced that the December Business and Executive (“B&E”) Meeting will be held in Metairie at the Copeland Tower, 2601 Severn Avenue, Building B, Metairie, LA in the Ballroom on December 18, 2019, at 10:00a.m. There will be a reception on December 17th in the Lobby area at 6:00p.m.</p> <p>Chairman Francis announced that there will be a Technical Conference following today’s B&E at 1:30 P.M. in the Natchez Room.</p> <p>Deputy General Counsel Melissa Watson announced that the Public Utility Section of the Louisiana State Bar Association will be hosting a Continuing Legal Education (“CLE”) event on December 5, 2019, at the Baton Rouge City Club. If you are interested, you can register online at lsba.org, by mail to Deputy General Counsel Watson, or at the door from 7:30 A.M. to 8:00 A.M. The program is approved for six CLE hours, including for ethics and professionalism.</p> <p>Executive Secretary Brandon Frey announced that the last Commission Bulletin before the December B&E will run on November 27, 2019 due to the Thanksgiving holiday. All requests must be received by Monday, November 25.</p>
<p>Ex. 2</p>	<p>U-33244 - Entergy Gulf States Louisiana, LLC and Entergy Louisiana, LLC, ex parte. In re: Potential Business Combination of Entergy Louisiana, LLC and Entergy Gulf States, L.L.C.</p> <p>In re: Discussion and possible vote on ELL’s compliance filing regarding Rider FIORE-L to address retail effects of final FERC Interruptible Order addressed in Order No. U-20925-B (RRF 2004) dated October 7, 2009.</p> <p>On motion of Commissioner Skrmetta, seconded by Chairman Francis, and unanimously adopted, the Commission voted to accept the Staff Recommendation that the Commission approve the ELL application, but reduce the interest amount to be collected from ratepayers by \$609,182. This adjustment is not opposed by the Company, subject to its comments and reservations filed in the record. Further, that the Commission issue an order containing ordering language as follows:</p> <ol style="list-style-type: none"> 1. Subject to a \$609,182 reduction in the claimed interested amount, this Commission hereby approves the ELL application and accepts the revisions to Attachment “A” of ELL’s Rider FIORE-L, filed August 23, 2019 pursuant to LPSC Order No. U-20925-B (RRF 2004) dated October 7, 2009 and Commission Order No. U-33244-A; 2. ELL is permitted to recover the amount as addressed in Ordering Paragraph 1 through Rider FIORE-L over a two-month period beginning as soon as practical following the issuance of a Commission Order in this matter; and 3. This Order is effective immediately.
<p>Ex. 3</p>	<p>U-35200 - Utilities Inc. of Louisiana, ex parte. In re: 2018 Formula Rate Plan Annual Filing.</p> <p>In re: Discussion and possible vote on Draft Report and Joint Order.</p> <p>On motion of Chairman Francis, seconded by Commissioner Skrmetta, and unanimously adopted, the Commission voted to adopt Staff’s Joint Report and Draft Order filed into the record September 30, 2019, allowing UIL to implement a Rider FRP revenue increase of \$589,721.</p>

<p>Ex. 4</p>	<p>S-35373 - L&R Utilities, Inc., ex parte. In re: Request for a Letter of Non Opposition to Borrow Funds for Capital Improvements.</p> <p>In re: Discussion and Possible Vote on the Staff Report and Recommendation.</p> <p>On motion of Commissioner Skrmetta, seconded by Vice Chairman Campbell, and unanimously adopted, the Commission voted to adopt Staff's Report and Recommendation, subject to the Company's clarification, and express its non-opposition to the authorization of an increase of L&R's loan from the Louisiana Department of Health Drinking Water Revolving Loan Fund.</p>
<p>Ex. 5</p>	<p>R-31106 - LPSC, ex parte. In re: Rulemaking to study the possible development of financial incentives for the promotion of energy efficiency by jurisdictional electric and gas utilities.</p> <p>In re: Discussion and Possible Vote to maintain the Quick Start Program pending consideration of Phase II and for budget increase for J. Kennedy and Associates for Phase 2.</p> <p>(Ex. 6 on the October 10, 2019 B&E Agenda)</p> <p>Commissioner Skrmetta moved that the Statewide Energy Efficiency Program be ordered as follows:</p> <p style="padding-left: 40px;">That the Commission maintain the Quick Start program for Residential and Commercial programs for an additional one-year period beginning January 1, 2020, which shall be known as Quick Start Year 6, and approve the additional budget request for J. Kennedy under option 1 for a Total fee of \$114,000, and;</p> <p style="padding-left: 40px;">That the Commission maintain the Quick Start program for Political Subdivisions for an additional one-year period beginning January 1, 2020, which shall be known as Quick Start Year 6, and approve an additional budget for hiring qualified engineering firms under said program, said fee limited to one percent (1%) of the total budget of the political subdivision portion of the Statewide Energy Efficiency Program.</p> <p>Anticipating that all engineering contracts related to this matter shall not exceed Fifty Thousand Dollars (\$50,000.00), each Commissioner shall be permitted to nominate a qualified engineering firm, consistent with the Commission's November 10, 2014 General Order for contract employees, to provide professional services for each district, subject to the Commission's confirmation vote and approval, to review 1) all new project applications made after the date hereof and 2) all approved project applications where labor or material costs for the project have not yet been incurred as of the date hereof.</p> <p>The role of the engineering firm shall be to act as contract staff and provide all services, including, but not limited to, to reviewing the application for compliance with the program rules and guidelines, to verifying that the project application includes all project specifications, scope of work, cost and other information as may be required to be included in an application by the Louisiana Public Service Commission. The engineering firm will issue an engineers opinion on the cost of the application to insure the proposed project and costs are within industry norms. Upon completion of a project the firm will inspect the work for compliance with the approved application, taking into account any project changes that may have occurred. The engineering firm shall promptly report its findings to the District Commissioner, the project applicant and the Commission's utilities division.</p> <p>Any completed projects, or projects where labor and material costs have been incurred as of the date hereof, shall proceed according to the approved application and shall be paid by the appropriate utility upon completion of the work as specified in the application.</p> <p>Finally, the deadline for year 6 applications for the political subdivision energy efficiency program shall be January 31, 2020.</p> <p>Chairman Francis seconded the motion.</p> <p>Vice Chairman Campbell made a substitute motion to add a bid process on the political subdivisions with the bids due March 31, 2020, seconded by Commissioner Boissiere. With Chairman Francis, Commissioner Skrmetta, and Commissioner Greene opposing, the motion failed.</p>

Subsequently, the Commission re-considered Commissioner Skrmetta’s original motion, with Commissioner Greene moving to amend Commissioner Skrmetta’s original motion to not expand the EE budget, but to maintain the current budget and allow the Commission to hire engineering firms up to 1% of the current total EE budget for public entities. Commissioner Skrmetta agreed to this amendment.

On reconsideration, with Commissioner Greene’s amendment included, Commissioner Skrmetta’s motion was seconded by Chairman Francis, with Commissioner Greene concurring, Vice Chairman Campbell opposing, and Commissioner Boissiere abstaining, the revised motion passed.

Ex. 6

1) Reports

-Staff status report regarding robocalls.

Executive Secretary Brandon Frey reported that there will be an hour devoted to the topic at the upcoming CLE event, as well as a panel of industry representatives discussing what the industry is doing along with the rules coming from the Federal Communications Commission (“FCC”) to address the robocall problem.

-Report from Staff on Emerging Renewable Energy Tariffs, specifically Green Tariffs.

Executive Counsel Kathryn Bowman gave the following report:

In working with District II Staff, research has found twenty-three (23) green tariffs in 17 states have been proposed or approved since 2013, which have helped bring more than 900 megawatts (MW) of new solar and wind projects to the grid.

Vertically integrated utilities have started to introduce voluntary renewable energy offerings and products that allow customers to purchase renewable energy, a form of which is a “green tariff.” Voluntary green tariff programs allow eligible customers to collaborate and negotiate with their utility to purchase the actual, tangible energy produced from a renewable energy project as well as the associated environmental attributes.

Green tariff programs can provide commercial and industrial customers an opportunity to invest in new generation in the form of renewable resources and bear the costs of those investments so that new renewable energy is brought onto the grid at no expense to other customers.

The collaborative and negotiable nature of green tariffs lends each to being uniquely different from one another; however, the examples throughout the nation show that utilities can collaborate with larger energy customers on renewable energy options with the goal of (1) meeting varying sustainability and renewable energy goals, (2) reducing potential long-term energy risks, and (3) demonstrating commitment to the development of new renewable energy projects.

Therefore, based on the preliminary research done since October’s B&E, there seems to be various renewable energy tariff options throughout the nation that this Commission could study to determine a best approach to design its own renewable energy programs here, including green tariffs.

Commissioner Greene directed Staff to open a rulemaking to look into renewable energy tariff options with a focus on bringing new renewable resources into Louisiana.

Commissioner Skrmetta added to Commissioner Greene’s directive for Staff to open up a dialogue with Statkraft, an electric generation company owned by Norway, to find potential inclusion in Louisiana for osmotic pressure electric generation.

There was no opposition.

2) Resolutions

Resolution designating April as “Utility Worker Appreciation Month” at the request of Commissioner Skrmetta.

Commissioner Skrmetta proposed a resolution, to be presented next month, to annually designate the second week of April as “Utility Worker Appreciation Week” by the Commission and will ask the Legislature and Governor to do the same in the next Legislative session. We should formally set aside time to honor and recognize the men and women of our utility companies. Spending a week honoring their work and efforts is the least we can do.

There was no opposition.

Commissioner Greene congratulated Joe Ticheli and South Louisiana Electric Cooperative Association (“SLECA”) for their National Recognition for safe and efficient work and thanked them for the work they do down in Houma.

3) Discussions

4) ERSC/OMS/SPP

Discussion and possible vote to ratify the vote taken by Commissioner Boissiere acting as the Commission's representative to the Entergy Regional State Committee.

On motion of Commissioner Skrmetta, seconded by Chairman Francis, with Vice Chairman Campbell and Commissioner Greene concurring, and Commissioner Boissiere abstaining, the Commission voted to ratify the vote of Commissioner Boissiere taken on October 23, 2019, as the Louisiana Public Service Commission representative to the ERSC.

Discussion and possible vote to ratify the votes taken by Commissioner Skrmetta acting as the Commission's representative on the Board of Directors of the Organization of MISO States.

On motion of Chairman Francis, seconded by Commissioner Greene, with Vice Chairman Campbell and Commissioner Boissiere concurring, and Commissioner Skrmetta abstaining, the Commission voted to ratify the votes of Commissioner Skrmetta taken on October 10, and October 24, 2019, as the Louisiana Public Service Commission representative to the OMS Board of Directors.

Discussion and possible vote to ratify Vice Chairman Campbell’s votes taken on October 28, 2019 as the LPSC representative to the SPP Regional State Committee.

On motion of Commissioner Skrmetta, seconded by Chairman Francis, with Commissioner Boissiere and Commissioner Greene concurring, and Vice Chairman Campbell abstaining, the Commission voted to ratify Vice Chairman Campbell’s votes taken October 28, 2019, as the Louisiana Public Service Commission representative to the SPP Regional State Committee.

5) Directives

Possible Directive to open a Rulemaking to Research Emerging Renewable Energy Tariffs at the request of Commissioner Greene.

The directive was addressed in the report from Staff on Emerging Renewable Energy Tariffs, specifically Green Tariffs.

There was no opposition.

Ex. 7

Discussion of Regional Transmission Organizations and their administrative costs.

At the request of Commissioner Campbell.

Vice Chairman Campbell expressed his concern about SPP’s use of ratepayer monies for certain administrative costs. Chairman Francis and Commissioner Skrmetta both offered discussion of the duties of the organizations and offered their support of Vice Chairman Campbell.

<p>Ex. 8</p>	<p>Discussion regarding the status of Cooperatives' Requests for Proposals.</p> <p>At the request of Commissioner Greene.</p> <p>Commissioner Greene made the following directive: For quite some time, all LPSC-jurisdictional electric cooperatives have satisfied their members' power needs through long term, all requirements contracts. It is my understanding that those contracts will expire within the next five years. A majority of the cooperatives, but not all, have notified the Commission, either through Requests for Proposals or Requests for Information that they intend to test the market prior to entering into any new power supply agreements.</p> <p>It is critical when navigating this process, however, that all cooperatives are mindful of not only the applicable Commission orders that govern this process, but also the timelines those orders contemplate.</p> <p>Accordingly, to ensure that the next iteration of cooperatives wholesale supply arrangements provide the best rates, price stability, adequate supply, and diverse generation, the electric cooperatives are hereby reminded of their obligation to comply with the MBM General Order dated October 29, 2008 (Docket No. R-26172), and its RFP process, prior to engaging in the procurement process. Further, in order to ensure that all potential power supply options are considered, including the construction of generation facilities, and thus that the ultimate selection or selections are prudent and represent the lowest cost resources, while also maintaining reliability, the cooperatives are encouraged to begin this process as soon as practicable.</p> <p>Consistent with the above, I would ask the cooperatives to provide a report to the Commission for discussion at the December B&E that outlines where they are in the process, or, in the event no action has yet been commenced, when they intend to begin the process.</p>
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On motion of Commissioner Skrmetta, seconded by Vice Chairman Campbell, and unanimously adopted, the Commission voted to adjourn.

MEETING ADJOURNED

The next Business and Executive Session will be held on Wednesday, December 18, 2019, at 10:00a.m. Copeland Tower, 2601 Severn Avenue, Building B, Metairie, LA.