
EXETER

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REF: 200505

May 28, 2020

Kathryn H. Bowman
Office of the Executive Counsel
Louisiana Public Service Commission
Galvez Building (70802)
602 North Fifth Street
P.O. Box 91154
Baton Rouge, LA 70821-9154

Re: Docket TBD, RFP No. 20-08, Cleco Power LLC, In re: Request for Proposals for Renewable Resources.

Dear Ms. Bowman:

Exeter Associates, Inc. (Exeter) is pleased to submit this proposal to assist the Commission Staff with Cleco Power LLC (Cleco)'s planned issuance of a request for proposals (RFP) for renewable energy resources, and to assist Commission Staff with any related LPSC resource certification applications that may be filed by or for Cleco

Exeter is well-qualified to provide the assistance that the Commission requires. Exeter has extensive experience in all matters regarding PPAs, including reviewing PPAs to determine whether the contract terms and conditions are reasonable, and whether the costs to be incurred by Louisiana ratepayers are reasonable as compared to other alternatives. Exeter performs similar work for other clients, including the U.S. Department of Defense and the U.S. Department of Energy, including reviewing PPAs proposed by renewable energy companies for U.S. government installations around the country.

Exeter also has extensive experience addressing utility regulatory matters before the Louisiana Public Service Commission, as well as before other state and federal regulatory agencies. The firm's experience includes extensive work in analyzing the operations, books, and records of utility companies and providing expert testimony on all aspects of utility regulation,

utility planning, and ratemaking. Exeter also has assisted the Commission with reviewing utility RFPs and with resource certification applications.

The Exeter staff members proposed for this effort have extensive experience with the Commission's MBM General Order and the Commission's certification General Order and docketed certification cases. In addition, Exeter has extensive experience with the technical and regulatory aspects of renewable energy resources. In addition to our extensive experience in assisting Staff in Louisiana with both RFPs and certification cases, Exeter staff has specialized expertise with renewable energy resources. In particular, Mr. Kevin Porter, a Principal with Exeter who will lead this effort, specializes in renewable resource development issues. Prior to joining Exeter, he served as an economist with the National Renewable Energy Laboratory (NREL). Mr. Porter and other Exeter staff have assisted Maryland state agencies in the analysis, development, and implementation of renewable portfolio standards and governmental entities in renewable resource procurement. Mr. Porter and other Exeter staff are familiar with MISO's tariffs, rules and planning processes in general, including resource adequacy and zonal resource credits.

Exeter has also assisted Commission Staff with SWEPCO's purchases of energy and capacity from wind energy projects. Exeter testified in Docket No. U-32095, concerning SWEPCO's purchase of 31 MW of wind power from the Flat Ridge 2 wind project in Kansas. Although Mr. Porter did not testify in that case, he provided research support and technical assistance to Mr. Matthew Kahal, a consultant to Exeter. Mr. Porter testified in Docket No. U-32814 regarding SWEPCO's purchase of 358 MW of wind power from five wind projects located in Kansas, Oklahoma, and Texas. Both cases resulted in a settlement between Commission Staff and SWEPCO.

Mr. Porter will be primarily responsible for assisting Commission Staff with reviewing Cleco's RFP for renewable resources and any associated resource certification applications that may arise from the RFP. Resource certification support includes reviewing the certification applications and testimony; drafting data requests; reviewing data requests and responses from other parties; preparing testimony as needed, participating in conferences, meetings or calls as requested; and providing miscellaneous regulatory support to Commission Staff such as drafting motions, exceptions, briefing sheets and orders of the Commission, as requested. Exeter will provide assistance to the Commission and Commission Staff throughout the RFP and resource certification processes, and Exeter understands that the time estimate for this project is between 18 and 24 months.

Detailed resumes for Exeter's key personnel are on file with the Commission. A brief description of Exeter's corporate qualifications and the qualifications and experience of its senior personnel are included as Attachment A to this proposal. Exeter would be pleased to provide

additional copies of the complete resumes of our key project team members or any other additional information the Commission may find helpful.

Project Plan

Exeter prepared a project plan encompassing both the RFP and the resource certification processes, as described below. Exeter provided a rough estimate of how long Exeter believes each of these steps will take, but of course, the Commission and its Staff will set the schedules for both the RFP process and the Certification proceeding. Exeter assumes Cleco will issue its draft RFP on June 2nd, and the final RFP will be issued 60 days after that.

RFP Process

1. **Review Cleco's Informational Filing and Draft RFP.** Exeter will review Cleco's informational filing and draft RFP to ensure that the requirements of the Commission's Market-Based Mechanism Order are met. Exeter will also prepare comments on the draft RFP on behalf of Commission Staff as requested (four weeks, or on or before July 2nd).
2. **Review Cleco's Final RFP.** Exeter will review Cleco's RFP and, if requested, will prepare a memorandum for Commission Staff detailing the changes between the draft RFP and the final RFP, and whether Cleco met the requirements of the Commission's Market-Based Mechanism Order (three weeks, or on or before July 23rd).
3. **Attend Bidding and Technical Conferences.** Exeter will attend and participate in all bidding and technical conferences with Cleco, Commission Staff, and other participants. Exeter will consult with Commission Staff before these conferences on questions and issues to raise, if any. If requested, Exeter will prepare a presentation detailing comments and concerns on behalf of Commission Staff (six weeks, or on or before September 3rd).
4. **Assess Bid Responses and Evaluations.** Exeter will review the responses to Cleco's RFP and consider whether the RFP was conducted fairly. Exeter will give particular attention to any self-build option Cleco proposes to include to ensure that the self-build option is advantageous for Louisiana ratepayers and is not anti-competitive. Exeter anticipates preparing a memo, or conducting a telephone briefing, for Commission Staff with Exeter's assessment (three weeks, or on or before September 24th).
5. **Review Cleco's Bid Selection(s) and Executed Contracts.** Exeter will review Cleco's selection of the winning bidder(s) and the executed contracts, and help Commission Staff prepare a report on the RFP that, among other things, describes why the RFP was issued, how Cleco administered the RFP, the number and types of bids received by Cleco, and the winning bidders and why they were chosen (four weeks, or on or before October 22nd).

Certification Process

1. **Review of Company Filings and Exhibits.** Exeter will first review Cleco's certification filing, testimony and related exhibits, and strategize with Commission Staff as to how best address issues raised from the filing (four weeks, or on or before November 19th).
2. **Participation in Discovery and Preparation and Review of Data Requests.** Exeter will draft and refine data requests on behalf of Commission Staff, compile information and responses received during discovery and from information provided by responses to data requests (three months).
3. **Participation in Hearings and Conferences.** Exeter will participate in all status or other conferences held by the Administrative Law Judge, as well as any conferences scheduled with Cleco, Cleco's legal counsel and/or consultants, and any Intervenors and their counsel and/or participants (two months).
4. **Preparation of Direct and Cross-Answering Testimony.** Exeter will help Commission Staff in preparing and defending direct and cross-answering testimony, as well as reviewing comparable testimony from the other parties participating in the case (four months, or on or before February 18th).
5. **Preparation of Briefings and Motions.** Exeter will assist Commission Staff in preparing motions, exceptions, briefing sheets, and Commission Orders (two months, or on or before April 19th).
6. **Participation in Informal Conference Calls, Meetings and Conferences.** Exeter will be available to participate in informal conference calls and/or meetings with individual Commissioners, the entire Commission, or Commission Staff (two months, or on or before June 18th).
7. **Assist and Participate with Settlement Negotiations.** Exeter will participate in any settlement discussions with Commission Staff, Cleco and Intervenors, as well as stipulation hearings that may result from those negotiations (two months, or on or before August 18th).
8. **Prepare Recommendation to the Commission.** Based on information gathered through discovery, data requests, conferences, and hearings, Exeter will make a recommendation to the Commission as to how it should rule on the resource certification application (four weeks, or on or before September 17th).

Cost Proposal

Exeter proposes to perform the tasks described herein for a budget not to exceed \$70,000 for professional services plus direct expenses not to exceed \$6,237 for covering up to three trips to Baton Rouge. Exeter will bill for professional services at our standard hourly billing rates, which range from \$85 per hour for research assistants to \$225 for principals. The billing rate for Mr. Porter is \$200 per hour. Should travel be necessary, Exeter's direct expenses will be billed at State-authorized rates as specified in the Travel Policies and Procedures Memorandum issued by the State of Louisiana, Division of Administration in effect at the time such expenses are incurred.

The RFP requests an overview of the estimated costs in Exeter's proposal. Exeter assumes that the labor hours will be roughly split between the bidding process and any certification applications that result. Mr. Porter's hourly rate was used to calculate the total labor hour budget, but as noted, Exeter will use other staff as needed.

For travel, Exeter assumed three trips to New Orleans and driving a rental car to Baton Rouge. From past experience, Exeter has found that this is quicker than flying from Baltimore to Baton Rouge through one or two connecting cities. Exeter would purchase fully refundable tickets from Southwest Airlines, which has direct flights from Baltimore to New Orleans. Although initially more expensive than nonrefundable fares, Exeter has found that this is cost-effective as it accounts for schedule changes, such as changes in hearing dates, that often occur during regulatory proceedings. Here is a break-down of Exeter's travel cost estimates:

<u>Item</u>	<u>Estimated Cost</u>
Air Fare	\$3,348 (\$1,116 * 3 trips)
Hotel	1,080 (\$120/night with taxes, 3 nights per trip)
Rental Car/Gas	960 (\$320 per trip)
Per Diem	549 (federal per diem of \$61 used)
<u>Express Mail/Copying Costs</u>	<u>300</u>
Total	\$6,237

Conflict of Interest

Please note that Exeter has no business relationship with Cleco or any of its affiliates, nor have we ever had such a relationship. Thus, we have no conflict of interest that could impair or restrict our ability to provide assistance and objective advice to Staff.

Ms. Kathryn H. Bowman
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Exeter Associates, Inc.

If you have any questions of either a technical or contractual nature, please do not hesitate to call. We look forward to again being of service to the Commission and the ratepayers of Louisiana.

Very truly yours,

Kevin L. Porter
Vice President

ATTACHMENT A

EXETER ASSOCIATES, INC.

**10480 LITTLE PATUXENT PARKWAY
SUITE 300
COLUMBIA, MARYLAND 21044**

CORPORATE QUALIFICATIONS

EXETER ASSOCIATES, INC. CORPORATE QUALIFICATIONS -- GENERAL

Exeter Associates, Inc. provides economic and financial consulting services in the areas of public utility regulation, energy, and antitrust economics. The firm maintains the highest standards in the application of economic and financial analysis to both quantitative and policy issues in the electric, gas, and other industries.

Exeter Associates, Inc. is distinguished by the breadth of experience and expertise of its senior professionals. Each holds an advanced degree in economics or a related field with extensive experience in his or her area of expertise, and each is a recognized expert in one or more of the areas of analysis and research shown below.

Public Utility Regulation (Electric, Gas, and Water/Wastewater)

- | | |
|---|--|
| < <i>Alternative regulatory structures</i> | < <i>Structural separation remedies</i> |
| < <i>Local competition</i> | < <i>Rate structure and rate design</i> |
| < <i>Industry restructuring</i> | < <i>Marginal costs and rates</i> |
| < <i>Privatization</i> | < <i>Rate of return</i> |
| < <i>Wholesale/retail wheeling</i> | < <i>Affiliate company relationships</i> |
| < <i>Mergers and acquisitions</i> | < <i>Revenue requirements</i> |
| < <i>Costing methodologies</i> | < <i>Utility financial condition</i> |
| < <i>Imputation standards/non-accounting safeguards</i> | < <i>Utility productivity studies</i> |
| | < <i>Depreciation</i> |

Econometric and Energy Modeling

- | | |
|------------------------------------|--|
| < <i>Demand and cost analysis</i> | < <i>Conservation and load management analysis</i> |
| < <i>Energy supply forecasting</i> | < <i>Economic analysis of environmental policies</i> |
| < <i>Load forecasting</i> | |

Industry Analysis

- < *Electric utilities*
- < *Water/sewer utilities*
- < *Oil and natural gas*

Cost/Benefit Analysis

Life-Cycle Cost Analysis

Financial Modeling and Analysis

Evaluation/Acquisition of Alternative Utility Supplies

ELECTRICITY

Exeter staff has been continuously involved in electric utility industry regulatory issues since the Company began operating in 1981, and the experience of its senior staff predates the formation of the Company. Exeter has provided expert witness testimony in hundreds of regulatory proceedings before state and federal regulatory commissions. This testimony has been on behalf of commission staffs, consumer advocates, and federal and state government clients. In addition, Exeter personnel have provided consulting and prepared reports/studies addressing broad policy issues facing particular states and industry-wide regulatory concerns. These testimonies and studies have involved such recent issues as industry restructuring, wholesale and retail open access, privatization of utility systems, stranded costs, contract evaluation/negotiation, and the development or evaluation of performance-based mechanisms (alternative forms of regulation) for electric utilities. Most recently, Exeter has also examined and provided testimony on renewable energy, energy conservation, demand response, procurement of default electricity supply service, and construction and siting of power plants.

Exeter staff has extensive experience in providing expert testimony and consulting on revenue requirements, rate of return, load forecasting, demand side management, depreciation, cost of service, prudence, rate design, fuel costs, purchase power costs, competition (both wholesale and retail), utility resource planning, cogeneration analysis and merger issues.

NATURAL GAS

Exeter Associates has been extensively involved in natural gas regulatory issues since the mid-1970's. After the adoption of Federal Energy Regulatory Commission (FERC) Order No. 636 and subsequent unbundling of interstate pipeline service in 1993, local gas distribution companies (LDCs) have become entirely responsible for the gas procurement function, a responsibility primarily borne by interstate pipelines prior to adoption of FERC Order No. 636. Exeter's engagements have included evaluation of LDC gas procurement practices and policies in the post-Order No. 636 environment on behalf of public utility commission (PUC) staffs and consumer advocates. Exeter has provided expert witness assistance to PUC staffs and consumer advocates in numerous regulatory proceedings before state and federal regulatory authorities addressing revenue requirements, cost allocation and rate design issues. Exeter professionals have advised state and federal clients concerning issues related to natural gas industry restructuring. This includes addressing issues such as performance-based gas procurement programs, stranded costs, unbundling of LDC services, and new regulations to promote competition under conditions of an evolving market structure. Exeter has also assisted clients in the direct procurement of natural gas supplies and contract negotiations in the continually evolving competitive gas acquisition markets.

WATER/WASTEWATER

Exeter Associates' personnel have extensive experience in designing water/wastewater rates, performing cost allocation studies, evaluating revenue requirements, and addressing other aspects of water and wastewater regulation. Because of the substantial capital improvements required by water utilities to comply with the quality standards of the Safe Drinking Water Act (SDWA) and its amendments, significant increases in water rates are often required. Exeter has extensive experience in addressing the allocation and recovery of SDWA-related costs.

In addition to the staff's providing expert testimony in numerous regulatory proceedings throughout the U.S. on behalf of state and federal government clients, Exeter personnel have assisted clients in negotiations for water supply, rates, service characteristics, and billing arrangements. In addition to these issues, Exeter personnel have addressed the adequacy of infrastructure, privatization of federally-owned water treatment and storage facilities and water distribution systems, and issues related to fire protection.

EXETER ASSOCIATES, INC. RECENT CLIENTS

Exeter Associates' professional staff members have served a broad range of client organizations including public service commissions, consumer advocates, government agencies and private firms. Recent clients include:

Arkansas Public Service Commission	National Nuclear Security Administration
Brookhaven National Laboratory	National Renewable Energy Laboratory
Center for Resource Solutions	New Hampshire Office of Consumer Advocate
Colorado River Commission of Nevada	Northrop Grumman
Community Legal Services, Inc.	Office of the Ohio Consumers' Counsel
Defense Logistics Agency Energy	Pennsylvania Office of Attorney General
Delaware Division of the Public Advocate	Pennsylvania Office of Consumer Advocate
Delaware Public Service Commission	Public Utilities Commission of Ohio
Fermi National Accelerator Laboratory	Regulatory Assistance Project
General Electric	Rhode Island Division of Public Utilities & Carriers
General Services Administration	SLAC National Accelerator Laboratory
Hawaii Public Utilities Commission	Strategic Petroleum Reserve
Illinois Citizens Utility Board	Sustainable Energy Advantage
Imperial Irrigation District	Tennessee Attorney General – Consumer Advocate and Protection Division
Indiana Office of Utility Consumer Counselor	Tennessee Regulatory Authority
Lawrence Berkeley National Laboratory	Township of Bedminster, New Jersey
Lawrence Livermore National Laboratory	U.S. Air Force – Air Force Civil Engineer Center
Louisiana Public Service Commission	U.S. Army – Commercial Utilities Program, U.S. Army Corps of Engineers
Maine Office of the Public Advocate	U.S. Department of Defense
Maine Public Utilities Commission	U.S. Department of Energy
Maryland Department of the Environment	Utah Office of Consumer Services
Maryland Energy Administration	The Utility Reform Network
Maryland Office of People's Counsel	Western Area Power Administration – Desert Southwest Region
Maryland Power Plant Research Program	Western Interstate Energy Board
Maryland Public Service Commission	
Massachusetts Attorney General – Office of Ratepayer Advocacy	
Midwest Renewable Energy Tracking System	
National Association of Regulatory Utility Commissioners	

EXETER ASSOCIATES, INC. KEY STAFF MEMBERS

Exeter Associates, Inc. specializes in serving clients engaged in litigative, policy-making, and decision-making activities and in providing the highest quality consulting services to clients in the areas of regulatory policy, industry restructuring, utility supply planning, contract negotiation, and on a wide range of other contemporary economic issues. The senior professional staff has provided expert testimony on numerous occasions before state, federal, and foreign regulatory agencies; state and federal courts, the Federal Energy Regulatory Commission, the U.S. Postal Rate Commission, and U.S. Congress and state legislative committees and subcommittees. Summaries of the qualifications of Exeter's senior staff are presented below:

MR. DWIGHT D. ETHERIDGE is a principal at Exeter Associates with 29 years of wide ranging experience in the electric utility industry. His areas of expertise include retail competition, energy markets, risk management and control, distributed generation, telecommunications, contract rate negotiations, rate design, cost allocation and forecasting, revenue requirements and benchmarking studies. Mr. Etheridge supports clients on multiple utility issues, including planning and options studies, cost analyses related to negotiations and utility rate cases, power procurement and price projections, risk management and energy price hedging programs, and utility infrastructure analyses. While employed by an investor-owned utility, Mr. Etheridge held increasingly more responsible management positions in strategic, deregulation, pricing, and planning areas, including reporting to the CEO during electric deregulation and a merger of two utilities. Mr. Etheridge has extensive experience developing analytical and strategic solutions on a variety of utility issues and communicating on those issues to regulatory commissions, legislatures, senior management, boards of directors and the public. He has presented expert testimony on over 30 occasions and has acted as a spokesperson numerous times on television, radio, and in print. Mr. Etheridge holds a B.S. in business administration from the University of California, Berkeley.

MR. JEROME D. MIERZWA is a principal of Exeter Associates and a senior analyst with 24 years of public utility regulatory experience. At Exeter, Mr. Mierzwa has conducted purchased gas cost allocation analysis and rate design analysis, management audits and similar investigations of the natural gas supply and procurement policies and practices of interstate gas pipelines and local distribution companies (LDCs). Most recently, Mr. Mierzwa has been involved in evaluating performance-based incentive regulation for LDC purchased gas costs and the unbundling of LDC services. Mr. Mierzwa has participated in developing utility class cost-of-service studies, has presented testimony sponsoring gas, water, and wastewater utility cost-of-service studies, least-cost gas procurement and incentive regulation, in addition to presenting testimony addressing utility rate base, expenses and revenues. Mr. Mierzwa holds a B.S. in marketing and an M.B.A. in finance from Canisius College.

MS. CHRISTINA R. MUDD is a principal at Exeter Associates, Inc. with 20 years of experience in energy efficiency, renewable energy, and climate change policy. With Exeter Ms. Mudd provides detailed analysis on the economic impacts of energy and environmental policies. Ms. Mudd participates in the Maryland staff working group for the Regional Greenhouse Gas Initiative, assists the Maryland Department of Natural Resources, Maryland Energy Administration and Maryland Department of Environment reviewing policies and programs related to electricity regulation, energy efficiency, renewable energy, and climate change. Ms. Mudd also provides technical support to federal agencies by reviewing utility supply contracts and rates, and reviewing the economic feasibility of alternative energy projects. Ms. Mudd served as the Executive Director of the National Council on Electricity Policy from January 2005 to December 2006. The National Council is a partnership between the National Association of Regulatory Utility Commissioners, National Association of State Energy Officials, National Governors' Association, and National Conference of State Legislators. Ms. Mudd holds a B.S. in political science and biology from James Madison University and an M.A. in international affairs with a concentration in economics and energy policy from Johns Hopkins University School for Advanced International Studies.

MR. KEVIN L. PORTER is a principal of Exeter Associates and a senior analyst with nearly 30 years of experience. Mr. Porter has been active in renewable energy analysis and research since 1984. His scope of expertise includes the technical and economic status of renewable energy technologies, design and implementation of state and federal renewable energy policies, transmission access and pricing for renewable energy technologies, and electricity policy in general. He has advised the National Renewable Energy Laboratory, the State of Maryland, the American Wind Energy Association, and other clients on renewable energy and green power procurement and policy design, and has written or co-written over 60 reports, conference papers, and journal articles. He holds a B.S. in environmental studies from Lewis & Clark College in Portland, Oregon, and an M.A. in economics from The American University in Washington, D.C.