

TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS AND EXECUTIVE OPEN SESSION HELD ON SEPTEMBER 17, 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 SEPTEMBER**
3 **17, 2024 IN BATON ROUGE, LOUISIANA. PRESENT WERE:**
4 **CHAIRMAN MIKE FRANCIS, VICE CHAIRMAN DAVANTE LEWIS,**
5 **COMMISSIONER FOSTER CAMPBELL, COMMISSIONER ERIC**
6 **SKRMETTA, AND COMMISSIONER CRAIG GREENE.**

7 **CHAIRMAN MIKE FRANCIS:** Call our September meeting of the B&E to
8 begin. As sparse as it is, we've got a quorum here, and we always start off by
9 acknowledging our creator first. And I'd like to ask Foster Campbell to lead us in
10 prayer.

11 **[COMMISSIONER FOSTER CAMPBELL LEADS IN PRAYER]**

12 **CHAIRMAN FRANCIS:** I'd like our Vice Chairman, Mr. Lewis to do the pledge.

13 **VICE CHAIRMAN DAVANTE LEWIS:** Absolutely.

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

15 **CHAIRMAN FRANCIS:** Okay. Let's start out with our announcements.
16 Secretary Frey, you have something for us?

17 **EXECUTIVE SECRETARY BRANDON FREY:** Good morning, Mr. Chair.
18 With sad news, it seems like this is becoming more common, but we wanted to
19 announce the passing of a man who I believe was a giant in our industry, who
20 practiced in front of the Commission for years. John Chavanne, who represented
21 Marathon, passed away on the 12th. And I'd like to -- John never really ever came
22 to the table much, but was behind the scenes working on some of the biggest
23 dockets, so I thought it might be nice if we had some of the people who worked

1 with him on a regular basis and knew him to say a few words about it. So I've
2 spoke with them already, so if Mark Kleehammer, Randy Young, and Jennifer
3 Vosburg could come up. I think they want to share a few words about John.

4 **CHAIRMAN FRANCIS:** Great, great. And I'll say this: I've called John many
5 times and asked him to explain some of this complicated business to me. He was
6 a wealth of information and a great guy. I really enjoyed working with him. I'm
7 going to miss him, personally. Okay. Who wants to go first? Ladies first, huh?

8 **MS. JENNIFER VOSBURG:** Thank you, Commissioner. For those of y'all who
9 didn't know, John Chavanne was actually from New Roads where I live.

10 **CHAIRMAN FRANCIS:** Yes.

11 **MS. VOSBURG:** And so I had a opportunity yesterday to visit with the family,
12 many whom I've known for decades at this point. And the message that we had
13 yesterday was how much John loved what he did, you know, the fact that he was
14 such a gentleman at what he did as well just, you know, brilliant. But, you know,
15 what y'all didn't get to see that I got to see, seeing him in New Roads, was such a
16 family man, was such a good Christian man, going to daily mass, his wife Bonnie
17 of 60 years, their children, their grandchildren. Everything that we saw and knew
18 about John Chavanne here, that was the true person. He was just an amazing,
19 wonderful, brilliant -- just absolutely brilliant. Imagine sitting in New Roads and I
20 would go to the store and I'm in the parking lot talking to John Chavanne about,
21 you know, a multi-billion-dollar Entergy docket or something, thinking there is
22 nobody else in this parish right now who understands what we're talking about.
23 But just the brilliance that he was, he's going to be greatly missed.

1 **CHAIRMAN FRANCIS:** Okay. Randy Young.

2 **MR. RANDY YOUNG:** Thank you, Commissioner. And thank you to Brandon
3 for this idea, too. And John spent a large part of his life dedicated to work before
4 the Commission, and so I think it's great to have this opportunity to remember him.
5 So John was just a really, really fine gentleman, excellent person to be around and
6 a good friend over a whole lot of years and we'll miss him a whole lot. Very much
7 a very Christian person. He brought his Christianity to everything he did. He
8 always wore a cross since the first time I met him, more than 30 years ago, and that
9 was a big part of who he was as well. But when you got to know John -- so John
10 loved numbers and it just brings back some fun thoughts. So John would put out
11 spreadsheets like nobody else that I've ever known, ever. And we deal with a lot
12 of numbers, but John was the king of the spreadsheets. But the amazing thing was
13 that he would write them all out by hand, and so he was not working on a computer.
14 He was doing them all on legal pads and he'd get his daughter to type up all of his
15 spreadsheets. But he was definitely the king of the numbers and the spreadsheets.
16 And I'll miss that and I'll miss his smile and just working with him. And fortunate
17 to get to work with him quite a bit here over the last few months as part of the
18 Entergy rate case. And just talked to him a day before he passed and he was still
19 talking about his numbers and excited about his numbers. So we'll miss him a lot,
20 a fine gentleman.

21 **CHAIRMAN FRANCIS:** Thank you.

22 **MR. MARK KLEEHAMMER:** Well, I agree with everything --

23 **CHAIRMAN FRANCIS:** Mark Kleehammer.

1 **MR. KLEEHAMMER:** -- Jennifer and Randy said. I had the opportunity to work
2 with John for about 20 years and everything they say is true. His detailed
3 understanding of the filings, which can be extraordinarily complex, was pretty
4 amazing. In fact, we sometimes had coached our team to learn through his
5 discovery because we knew what questions he was going to have. And it would
6 just -- his focus was on the details, but his ultimate focus was on resolving conflict
7 amicably. And so we would get to a position where he would settle cases, he would
8 move toward settlement, never giving up the strong positions for his clients. I
9 mean, he was always almost the best-informed person in the room. But he strove
10 to get to the right answer for both Marathon and all the other customers. And I
11 really did appreciate working with him.

12 **COMMISSIONER FOSTER CAMPBELL:** I want to say something.

13 **CHAIRMAN FRANCIS:** Okay. Commissioner Campbell. He's on, yeah.
14 Commissioner Campbell.

15 **COMMISSIONER CAMPBELL:** I worked with him ever since I got here, which
16 has been a long, long time, 27 years or something like that. But I respected him.
17 He was a nice fellow. I called him on a lot of things. Although he worked for
18 Entergy, he never let you down, but he would tell me if I was right or wrong. He
19 had a great -- and he still does -- has a great son-in-law. Don Cazayoux is my
20 friend, was United States Attorney, and he's totally honest. And he and his father-
21 in-law -- he was proud of his father-in-law and his father-in-law was proud of him.
22 I spoke -- you might as well say, when a vacancy came up, I was for Don Cazayoux
23 because I think he's a fine fellow. But evidently it hadn't worked out. But anyway,

1 very seldom do you meet a guy with that kind of integrity. I'm not disparaging
2 anybody out there. We're all -- have faults, but very seldom do you meet a guy
3 that's that clean and nice and honest. And you know that right off the bat when you
4 talked to the guy. No tricks, no fancy talk, just ask him the question, he'd answer
5 it. So I didn't know that until just now that he passed away. When is his funeral?

6 **MS. VOSBURG:** It was yesterday.

7 **COMMISSIONER CAMPBELL:** Yesterday. Well, I'm sorry. I would have
8 came earlier. I would have paid my respects. But if you see Congressman
9 Cazayoux, you tell him I asked about him and his wife. His wife was John's
10 daughter, yeah. They're nice people. New Roads missed a good citizen yesterday.
11 That doesn't mean the rest of you guys are not nice people, but I don't know if
12 you're nice as he was. I can tell you that because he's close to being at the very,
13 very top.

14 **CHAIRMAN FRANCIS:** Thank y'all for coming up. And I want to say this:
15 John was really special as a mentor and there was just something special about him,
16 the way he would talk to you and help you. And I still remember when I first started
17 and I was really in the dark on a lot of issues, he really took a lot of time to help
18 me. And I want to say this, too, there's some folks out here in the audience that
19 favor John and John was an example to that are still living mentors for all. So thank
20 y'all for what you're doing while you're still living. Thank you for the way you've
21 helped me, many of you. Thanks. And here's our final two Commissioners. All
22 right. Are there some other announcements? Commissioner Lewis.

23 **VICE CHAIRMAN LEWIS:** Did you have something, Kathryn?

1 **MS. KATHRYN BOWMAN:** I do, but go ahead.

2 **VICE CHAIRMAN LEWIS:** Okay. Thank you, Mr. Chairman. I first wanted to
3 just thank a lot of the utility companies for the week we had yesterday as we
4 navigated a lot of uncertainty and worked some very strange hours. It's something
5 you don't want to experience as a Commissioner, but it was my first time as
6 Commissioner dealing with such a storm. And there's so many unnamed people
7 that I want to thank, especially the two electric utilities in my district, DEMCO and
8 Entergy, for their tireless work to restore power to those in my district, for the
9 timely information that was received, for all of the linesmen who I got to visit up
10 and down my district who did extraordinary work in some hard conditions to turn
11 the power back on. And so I wanted to take this time to thank them for their service
12 and all the work that they did, especially in parts of my district which were hard
13 hit, such as Ascension, St. John, St. James, and St. Charles, and Assumption
14 Parishes. And so I appreciate the work and I think this a model that hopefully we
15 can continue on in the future. Francine did not do as catastrophic damage, which
16 is great, but I think the working relationship and the partnerships we built last week
17 and the timely information was beneficial. And so I know this is not a one-off
18 event, that this may occur again. This was a test to our system, but I know,
19 potentially, we will face stronger storms, so I hope we can continue to do this work.
20 Going back to some of our previous dockets on pole viability, grid maintenance,
21 resiliency to ensure that we are continuously improving our system and our
22 structures, so that we can protect all of those. I want to give a special shout out to
23 DEMCO for their communication. It was great to have an hourly update of what

1 was going on in my district, so I truly appreciated that. So I wanted to put that on
2 the record, Mr. Chairman. Secondly, I wanted to thank one of my staffers who is
3 departing us today. I had done a partnership with New York University and their
4 Environmental and Impact Center to have a fellow, a legal fellow, who has assisted
5 us in policy research, handling dockets. And Annie Matthews has been an
6 invaluable member of my team, preparing me, and having multiple conversations
7 with a lot of you on the future of our utility and energy system. I can say I've
8 become a better Commissioner because of Annie and her knowledge and her
9 research and her quest to always push me to make the best decisions, not only for
10 our state, but for our infrastructure. She has received a amazing opportunity and
11 this will be her last meeting with me and last meeting here at the Commission. So,
12 Annie, we wanted to thank you for your service to the District III office, for your
13 engagement. We wish you the best and you know where you can come for a good
14 lunch once again. So thank you, Annie, for all that you have done. And then lastly,
15 Mr. Chairman, I want to talk about is we talked about resiliency a second ago, I
16 sent a -- I had a pleasure of speaking on a panel with NARUC and the author of the
17 Department of Energy's new Liftoff Report for their Innovation Grid Deployment.
18 This is a project that is in the Loan Program's Office of Grid Deployment Office in
19 the DOE. And after a series of very impressive conversations, investigations in
20 different areas of technology and energy systems, I highly recommend all of our
21 electric utilities to look at this DOE Liftoff Report and have conversations. I sent
22 you all a letter yesterday asking for some information about what grid enhancing
23 technologies that you are imploring, looking at, or considering, and I hope you

1 would provide context for your responses. After that, I would love -- and I've been
2 in talk with the DOE Loan Office to have a presentation and a gathering here in the
3 state with Jigar Shah and Leslie Richards from the DOE Loan Office to talk about
4 ways we can find resources to improve the Louisiana electric grid, especially in the
5 face of these natural disasters that we are seeing. And so if you did not receive that
6 letter, please reach out to my office, but I look forward to your responses and your
7 engagement. Thank you, Mr. Chairman. That's all I have.

8 **CHAIRMAN FRANCIS:** Okay. I'd like to welcome Commissioner Skrmetta,
9 Commissioner Greene, and we acknowledged John Chavanne's passing. I don't
10 know if y'all had any comments on John.

11 **COMMISSIONER ERIC SKRMETTA:** Yeah. Thank you, Mr. Chairman. You
12 know, it was a pleasure to work with Mr. Chavanne. He was always very dedicated
13 to his client. We didn't see him that often, but when we did, it was -- he always
14 brought thoughtful, you know, content to the conversation. And he will definitely
15 be missed and I'm sorry to hear of his passing and my best to his family. Also, I'd
16 like to add further comment on the subject matter of Hurricane Francine and, you
17 know, join in the general comments from Commissioner Lewis. It should not be
18 taken lightly that Louisiana was impacted by a Category 2 storm and we,
19 effectively, did full restoration in under 70 hours, where Texas was impacted by a
20 Category 1 storm and took more than a month for restoration. And it's a testament
21 to the way we have assessed how we regulate, how we require our companies to
22 respond, and also how we deal with handling the storm and the storm outages. So
23 it was especially well handled with this storm. A lot of people saying it's a test

1 storm. I said, well, it was a Category 2 storm, so I think a lot of people who had --
2 you know, were impacted didn't think too much of it being a test storm. But the
3 good news was all the various state agencies, the utilities, the Commission,
4 everything went particularly well, handled very smooth, and shows that all the years
5 of adapting, modifying, planning really made a difference. I will say one thing I
6 thought made a huge difference was this time, particularly Entergy as well as some
7 of the co-ops, doubled the amount of vegetation control personnel and I think that
8 made a big difference on how quickly things moved along. And one final note, on
9 a different note, y'all notice that my Chief of Staff, Adrie De Waal, is no longer
10 with the Commission. She has moved on to the Department of Environmental
11 Quality. She is now the State Director of Special Projects, serving the Secretary
12 over there. So thank you very much.

13 **COMMISSIONER CRAIG GREENE:** I just want to thank everyone for their
14 work on the storm. I thought it was -- unfortunately, you get better at the things
15 you do a lot of, and so we seem to be getting better at that. Hopefully, with some
16 of our resiliency and pole viability dockets, we have fewer and fewer of the
17 recurring problems as well. I know that the general public keeps asking why do we
18 keep having these problems. Well: 1) Wind blows hard; and 2) It costs money to
19 make it better. So we can't affect the first, but we're trying to affect the second and
20 that will take time and money. So thank you.

21 **CHAIRMAN FRANCIS:** Okay. Any other announcements?

22 **SECRETARY FREY:** And actually, I had a report I was going to give, so since
23 we've kind of teed it up, I'll give my report now on the storm, kind of where we

1 peaked and all of that. So Hurricane Francine made landfall in lower Terrebonne
2 Parish on September 11th at approximately 5:00 P.M. The estimated top wind
3 speeds at landfall were 100 miles an hour with a minimum central pressure of 972
4 millibars. LPSC began tracking outages at GOHSEP that afternoon and we
5 recorded our peak outages on the morning of the 12th at 6:00 A.M. at approximately
6 410,000. Jessica has been tracking these storms with me and other Staff members
7 for about 20 years now and we've kept a pretty good chart together. So with that
8 peak of 410,000, that ranks 9th of the tropical systems we've been tracking over the
9 last 20 years for total maximum outages. While a number of our utilities
10 experienced outages, both jurisdictional and non-jurisdictional, the peak outages
11 were as follows: For Entergy, and this includes Entergy New Orleans who we don't
12 regulate, but they report to us, 302,500; DEMCO, 40,000; Cleco, 37,000; WST,
13 24,500; and SLECA, 20,600. That was SLECA's entire system that was off at one
14 time. With that peak, that was approximately 18 percent of all of our jurisdictional
15 customers. However, within 24 hours more than 60 percent was restored. We had
16 139,000 still out 24 hours from our peak. Within 48 hours, approximately 90
17 percent was restored. I've never seen numbers like that. There was 46,700
18 remaining 48 hours out. And within 72 hours, that number dropped to 18,000. By
19 day four, all but 2,800 had been fully restored. As we pointed out at GOHSEP, and
20 I know both Commissioner Lewis and Commissioner Skrmetta and Commissioner
21 Greene, you've all said this: Why were these numbers lower? So we looked at, for
22 our comparative purposes, to similar storms, Gustav, which was a little bit stronger;
23 Isaac, which was a little bit weaker, which took similar paths. By comparison --

1 and we gave these numbers to GOHSEP and I think they were reported in press
2 conferences as well. Gustav, we peaked at 1.3 million outages, and Isaac, 900,000.
3 So less than half of Isaac and less than a third of Gustav. Storm was certainly faster
4 moving, so that may have helped us. It's possible that the winds recorded were not
5 as high. But you've all mentioned resilience, and as a firsthand example of what
6 resilience can do, and this was -- I know, Commissioner Skrmetta, you mentioned
7 this at a press conference -- Grand Isle never lost power. So Grand Isle was rebuilt
8 to a hardened standard above ground following Ida and it never lost power. I don't
9 know if that's ever happened in a storm down there. We could probably get Entergy
10 to tell us, but it shows that if we build things right, they can last. And as pointed
11 out by the Commissioners, there was quite a bit of vegetation removal ahead of
12 time, which we know definitely helped. One other thing, too, I know there was
13 very good coordination between the IOUs and the co-ops about pointing out -- and
14 that was pointed out to me from both sides of the equation and as well with the
15 IOUs and some of the municipal systems they serve. So, you know, we're getting
16 better at this, obviously. We'd like to have none, but it's definitely helping. A few
17 numbers that we have right now. We had approximately 8,000 crew members
18 working the storm, that's combined between the IOUs and the co-ops. And our
19 early estimates, about 1,700 broken or damaged poles. I'm going to need to pull
20 back and see how that compares to others, but that could be a testament, too, to
21 replacing some of these older poles. That number doesn't see very high to me for
22 a storm of this size. And, Jessica, I don't know -- and finally, let me thank Jessica.
23 And we also drug in David, who is not in here, our IT Director, who is Jessica's

1 new assistant, who were there all the time. Commissioner Skrmetta, I know you
2 got to see it firsthand. It's organized chaos, basically. I wouldn't say chaos. It's a
3 very well-run machine at GOHSEP. We have utilities embedded there, the
4 communication industry is embedded there, and we've gotten really efficient at
5 addressing these issues. Jessica, I don't know if you wanted to add anything to that?

6 **MS. JESSICA KAYUHA:** No. I think that's -- you said it right --

7 **SECRETARY FREY:** Get the mic.

8 **MS. KAYUHA:** I've been doing these storms, yeah, since 2002 and working with
9 Brandon for a long time, too, even before he was Executive Secretary. This was
10 amazing. The response from the -- I've never seen, I mean, a Cat 2 hurricane to
11 have 66 percent back on within 24 hours. It's unheard of, especially going over
12 populated areas. You know, with Laura and Delta they took out, yes, 600,000
13 people, but they went up the whole side of the state and it only took out 600,000
14 people. I say only, but anytime you go over -- anytime New Orleans, Baton Rouge,
15 Jefferson Parish, you could expect those numbers to be bigger, like Isaac, like
16 Gustav, and Ike. And instead, we only had 490,000 people. If that's not resiliency,
17 I don't know what is. So thank you, Brandon, for always being, you know,
18 supportive of me and what we do over there.

19 **CHAIRMAN FRANCIS:** Thank you, Brandon.

20 **COMMISSIONER GREENE:** Good job.

21 **CHAIRMAN FRANCIS:** Any other announcements?

22 **MS. BOWMAN:** I do have one, Commissioner. So I just wanted to make an
23 announcement that the Energy Bar Association's Louisiana Chapter is hosting a

1 seminar next week on September the 25th at the Tulane Law School, and the
2 seminar's going to be on the impacts of the Supreme Court's Loper Bright decision
3 on utility regulation. So if you're interested in going or would like any more
4 information, you can contact either Jamie Watts or Nathan Huntwork.

5 **CHAIRMAN FRANCIS:** All right. Let's move on to Exhibit 2.

6 **MS. BOWMAN:** So moving on to Exhibit Number 2 is Docket Number R-31106.
7 This is the Commission's rulemaking to study the possible development of
8 financial incentives for the promotion of energy efficiency by jurisdictional electric
9 and gas utilities. It's a discussion and possible vote on the 2024 budget increase
10 for the District III engineer and to retain an engineer for District III for 2025.
11 Pursuant to the Commission's General Order dated December 2, 2021, each
12 Commissioner can nominate a qualified engineering firm to provide professional
13 services for each district for the political subdivision energy efficiency program,
14 subject to the Commission's confirmation vote and approval. Based on that general
15 order and the allocation of political subdivision portioned to that program for
16 District III, Bonton Associates provided the engineering services to District III for
17 2024, which was \$26,251. Since January of this year, Bonton has reviewed and
18 assisted District III in awarding approximately \$3 million for energy efficiency
19 projects, is in the processing of reviewing an additional applications that are
20 anticipated to award an additional approximately \$650,000 in the near future. In
21 addition, Bonton has worked with District III to close out remaining projects from
22 2022 and has completed inspections and closing reports for those projects within
23 the year of 2024. Given the additional assistance Bonton has provided District III

1 for projects prior to 2023, including assistance in awarding a backlog of funding,
2 Bonton has expended its budget for 2024 prior to the close of the year. With the
3 additional work identified to close out 2024 and anticipated work for 2025, Bonton
4 requested, and Vice Chairman Lewis supported, a budget increase of \$25,748 to
5 close out 2024, as well as nominates Bonton to be District III's engineer for 2025
6 for a budget not to exceed of \$26,251.74, for a total budget of \$52,000. Pursuant
7 to the Commission's General Order, Staff recommends that the Commission
8 approve Commissioner Lewis' nomination of Bonton Associates to assist District
9 III with the political subdivision energy efficiency program in 2025 and approve
10 the budget increase for 2024 in the amount of \$25,748.

11 **VICE CHAIRMAN LEWIS:** Mr. Chairman.

12 **CHAIRMAN FRANCIS:** Okay. Commissioner Lewis.

13 **VICE CHAIRMAN LEWIS:** Thank you, Mr. Chairman. Yes, Bonton Associates
14 was the engineering firm that my district hired when I took over. Our district had
15 a backlog of applications that were preapproved, really, just a matter of days before
16 I took over. And they have worked diligently, not only to close and do those
17 completed reports from a bunch of the projects that Commissioner Boissiere had
18 approved, but then also work with me and my public entities on the new projects.
19 Our budget has been a lot bigger because of we did not use it for a few years. And
20 so we are requesting, not only this extension, but already going ahead for the 2025
21 year. This would still keep them within the one percent that we're allocated under
22 our budget. We are still one of the lowest percents in the district, and so I would
23 ask -- well, I would move we accept Staff's recommendation at this time.

1 **COMMISSIONER SKRMETTA:** Second.

2 **CHAIRMAN FRANCIS:** Motion by Commissioner Lewis, seconded by
3 Commissioner Skrmetta. Is this a one-time charge to kind of catch up?

4 **VICE CHAIRMAN LEWIS:** Yes, sir. So we allocated money for 2024 already
5 and they have expended that budget, but a lot of what that expense was was closing
6 out a bunch of the projects that Commissioner Boissiere had approved in 2022.
7 And so this is just -- so since there was no engineer hired in 2022, it's kind of almost
8 like a catchup for that.

9 **CHAIRMAN FRANCIS:** Okay. So you should be back to normal procedure
10 there within a year or so?

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

12 **CHAIRMAN FRANCIS:** All right. Good. Is there any objection to this motion
13 and second? [NONE HEARD] Hearing none, Number 2 is approved. Exhibit 3.

14 **MS. BOWMAN:** Exhibit 3 is Docket R-31106. It's the Commission's rulemaking
15 to study possible development of financial incentives for the promotion of energy
16 efficiency by jurisdictional electric and gas utilities. This is a discussion and
17 possible vote to retain a statewide program administrator, including the approval of
18 transition costs. At the January 2024 B&E, the Commission approved a Phase II
19 statewide program to begin in January of 2026, with the goal of hiring a program
20 administrator in August of 2024. With the assistance from J. Kennedy, Staff
21 conducted a request for qualifications this past spring that resulted in nine
22 companies indicating interest in the Commission's upcoming RFP process. After
23 conducting a bidder's conference, Staff recommended seven of those companies

1 proceed to participating in the RFP process. Staff issued RFP 24-05 in May,
2 seeking a program administrator for the 2024-2025 transition year as well as the
3 four-year program cycle. The RFP sought administrative costs only and three
4 proposals were received. Staff has reviewed those proposals, conducted interviews
5 with all three prospective administrators, as well as ask follow-up questions
6 clarifying components of each proposal. The three companies submitted proposals
7 are: Aptim for \$24,499,998; TRC for \$37,600,000; and then Frontier Entergy of
8 \$41,459,677. Staff makes no recommendation as all three bidders are qualified.
9 And we do have representatives from each of the companies here that are willing
10 to do a quick presentation, answer any questions you guys may have.

11 **CHAIRMAN FRANCIS:** All right.

12 **COMMISSIONER SKRMETTA:** Mr. Chairman.

13 **CHAIRMAN FRANCIS:** Let me recognize Commissioner Lewis.

14 **VICE CHAIRMAN LEWIS:** Yes. Thank you, Mr. Chairman. I would like to
15 have each of the companies present for -- I believe we said five minutes, around. I
16 know there's some presentations and so I'm just going to go in the order that I see
17 them. And can we have some representatives from Aptim to the table to make your
18 presentation, and then Frontier, and then TRC?

19 **COMMISSIONER SKRMETTA:** And, Mr. Chairman.

20 **CHAIRMAN FRANCIS:** Commissioner Skrmetta.

21 **COMMISSIONER SKRMETTA:** Yeah. And no problem hearing the
22 explanations, but I think -- I just find the budgets presented as extraordinary and I
23 think they are excessive. And I'd like to see if the Commission would entertain

1 having these go back out for rebid. I think that they would eventually make an
2 impact on the cost of electricity to the ratepayer. And so I just think that even if we
3 go with the lowest bid, it would still be excessive. And I just -- I'm just
4 overwhelmed by the bid amounts on this as, effectively, monitoring a system which
5 these managers would not, effectively, be conducting. They are basically
6 monitoring a system. So I'd like to ask the Commission to consider putting this
7 back out for a rebid.

8 **COMMISSIONER CAMPBELL:** I object.

9 **COMMISSIONER SKRMETTA:** Okay.

10 **COMMISSIONER CAMPBELL:** I object because everybody knows what
11 they've been doing and they're here.

12 **MS. BOWMAN:** Use your mic, please.

13 **COMMISSIONER CAMPBELL:** I said I object. That means I'm not for it. I
14 think that we've talked about this, we've talked it to death. I want to congratulate
15 Mr. Greene. He's sort of the founder of all this with Entergy's problems and he's
16 harped on it and done a lot of studying. And so it hasn't affected me as much in
17 north Louisiana. We ran our own program up there and we've done a good job
18 with it, but I know there's been problems other places. So I got some questions to
19 ask this guy when I get a chance, but I don't think that we need to put it out for bids
20 again.

21 **CHAIRMAN FRANCIS:** Okay. Let's hear from Aptim then.

1 **MS. MICHELLE KRUEGER:** Hi. I'm Michelle Krueger. I'm a Program
2 Director at Aptim. And I don't know if we have a presentation for the screen. I
3 know you all might have it printed in front of you.

4 **MS. BOWMAN:** And you do have hard copies in front of you as well.

5 **MR. JOEL FREEHLING:** Hi. Joel Freehling from Aptim as well. Thank you
6 for inviting us.

7 **MS. KRUEGER:** So as I mentioned, my name is Michelle Krueger. I'm a
8 Program Director at Aptim in Louisiana. And I've worked for energy efficiency
9 for Entergy Louisiana and Entergy New Orleans for the last six years and in energy
10 efficiency education and resiliency in the state of Louisiana for 13 years. So our
11 company team also includes VEIC and CSRS. Aptim and CSRS are both
12 Louisiana-based companies with headquarters right here in Baton Rouge, over 16
13 offices across the state and almost 500 employees in Louisiana. Seventeen of our
14 employees are currently working in energy efficiency program administration in
15 Louisiana. Our team includes the companies that currently administer statewide
16 programs in four state public commissions in Wisconsin and Vermont. And the
17 Aptim team currently administers the largest energy efficiency program in the state
18 for Entergy Louisiana. We've overachieved energy saving goals ever since 2018
19 when becoming the program administrator for Entergy Louisiana. And just last
20 year, we reached 117 percent of the energy savings goals across ELL and EGS
21 territories.

22 **COMMISSIONER CAMPBELL:** I have some questions.

23 **COMMISSIONER SKRMETTA:** I have a question, Mr. Chairman.

1 **CHAIRMAN FRANCIS:** Commissioner Campbell, you were first, go ahead.

2 **COMMISSIONER CAMPBELL:** I didn't hear what you said.

3 **CHAIRMAN FRANCIS:** You have a question?

4 **COMMISSIONER CAMPBELL:** Yeah. I have several.

5 **CHAIRMAN FRANCIS:** Okay. Go ahead.

6 **COMMISSIONER CAMPBELL:** I've got several questions I would like

7 [INAUDIBLE] --

8 **MS. BOWMAN:** His mic. I don't think it's on, Commissioner.

9 **COMMISSIONER CAMPBELL:** I've got some questions I would like for you

10 to answer. There's a great difference between your bid and other people's bids. So

11 I want to be crystal clear here that you're not lowballing this to come back and ask

12 for more money later. Let's get that out on the table. And you shake your head

13 like this if you're not coming back.

14 **MR. FREEHLING:** No. We have bid this based on our experience in Wisconsin

15 and other states and believe this is the cost that we would [INAUDIBLE] --

16 **COMMISSIONER CAMPBELL:** Okay. Well, that's good because it's such a -

17 -\$13 million is a lot of money, and it wouldn't be fair for you to come and lowball

18 this and come back and say oh, by the way, I need \$13 million more. So this 25

19 million, you're happy with, right?

20 **MR. FREEHLING:** Correct, sir.

21 **COMMISSIONER CAMPBELL:** Okay. What's the work you -- is included in

22 \$25 million worth of -- what do you do for that? What do you do for that much

23 money, which is a pile of money?

1 **MS. KRUEGER:** Yeah. So there is a transition year plan that includes the final
2 program design, which would engage every Commissioner and their office in
3 making sure that the priorities of each Commission district are addressed within the
4 final program design. Also, you know, designing programs around meeting every
5 market in the state, every customer class, including -- I know we have a diverse
6 state and really making sure we're reaching customers across each district. It will
7 also include marketing, branding development of your new statewide program and
8 so that's really a focus to make sure that that is a recognizable brand for the LPSC
9 to use into the future for a successful program. And also, utility coordination, so
10 beyond just the IOUs that have had existing programs, also the co-ops and their
11 customers that would have new access to energy efficiency rebates.

12 **COMMISSIONER CAMPBELL:** Just to be crystal clear, this is for the entire
13 five-year period?

14 **MR. FREEHLING:** Correct. That is the five-year budget.

15 **COMMISSIONER CAMPBELL:** And so everybody hears that. We got it. That
16 was my concern because I been here sometimes and sometimes people will give
17 you a bid and oh, by the way, we got to have a little bit more here, we got to need
18 a little bit more there. So that's not the case with you fellows?

19 **MR. FREEHLING:** Correct. This is our bid.

20 **COMMISSIONER CAMPBELL:** Okay. I don't have any other questions.

21 **CHAIRMAN FRANCIS:** Commissioner Skrmetta.

22 **COMMISSIONER SKRMETTA:** So if you're the successful bidder, you're
23 going to work for the Commission?

1 **MS. KRUEGER:** That's correct.

2 **COMMISSIONER SKRMETTA:** So you're not going to work for Entergy
3 anymore?

4 **MS. KRUEGER:** That's correct. Well, the way we saw it was the transition year,
5 in January 2026, the statewide program that Entergy would no longer have a
6 program, that it would be the Commission's statewide program.

7 **COMMISSIONER SKRMETTA:** So you're still going to work for Entergy
8 during that year?

9 **MS. KRUEGER:** We don't have a contract yet for 2025 with Entergy Louisiana.

10 **COMMISSIONER SKRMETTA:** But you have a contract with them now?

11 **MS. KRUEGER:** Yes, that's correct, through the end of 2024.

12 **COMMISSIONER SKRMETTA:** So you'd have a contract with us and a
13 contract with them at the same time?

14 **MS. KRUEGER:** We won't -- currently, we don't have a contract yet for 2025
15 for Entergy Louisiana.

16 **COMMISSIONER SKRMETTA:** But you have a contract with them now?

17 **MS. KRUEGER:** Yes, correct. That ends at the end of 2024.

18 **COMMISSIONER SKRMETTA:** And if you're the successful bidder, you'd
19 have a contract with us now?

20 **MS. KRUEGER:** Correct. And that's what we would assume through 2025.

21 **COMMISSIONER SKRMETTA:** And you don't see a problem with that?

22 **MS. KRUEGER:** I'm sorry. We don't have yet a contract in 2025 for Entergy
23 Louisiana.

1 **COMMISSIONER SKRMETTA:** But you have a contract with them now?

2 **MS. KRUEGER:** Correct.

3 **COMMISSIONER SKRMETTA:** And you would have a contract with us now?

4 **MS. KRUEGER:** We would assume so, yes.

5 **COMMISSIONER SKRMETTA:** And you don't see a conflict?

6 **MS. KRUEGER:** Well, considering transitioning the largest program to the
7 Commission program, no, we don't see a conflict.

8 **COMMISSIONER SKRMETTA:** But the law would see a problem with it. I
9 don't have any other questions.

10 **CHAIRMAN FRANCIS:** Commissioner Greene.

11 **COMMISSIONER GREENE:** My understanding is y'all's bid is about 1.2
12 percent of the overall cost of the project. Is that about right?

13 **MS. KRUEGER:** 1.2 percent of the overall statewide?

14 **COMMISSIONER GREENE:** Yeah.

15 **MS. KRUEGER:** No. I don't think -- are you talking about, like, in terms of
16 funding incentives for the program?

17 **COMMISSIONER GREENE:** No. Just the overall cost of the program that y'all
18 are going to be overseeing.

19 **MS. KRUEGER:** Including statewide incentives and all of that?

20 **COMMISSIONER GREENE:** Yeah, yeah. I thought it was around 2 billion; is
21 that wrong? Is that right?

22 **MS. BOWMAN:** So the budget isn't set yet. That's part of what the program
23 design is going to flesh out.

1 **COMMISSIONER GREENE:** Okay.

2 **MS. BOWMAN:** What we have estimated, which is a very large range at the
3 moment, it's based on all the participating utilities' five-year average of revenues,
4 also accounting for those that would be opting out. So that's going to be somewhere
5 between 60 and 100 million.

6 **COMMISSIONER GREENE:** Okay.

7 **MS. BOWMAN:** But it's going to depend, again, on program design and how we
8 move forward with it.

9 **COMMISSIONER GREENE:** But the percentage of monitoring the program is
10 commensurate of other states; is that right?

11 **MR. FREEHLING:** Correct. Yeah. Typically, around the country, it's between
12 7 and 10 percent.

13 **COMMISSIONER GREENE:** Okay.

14 **MR. FREEHLING:** We came in at 7, I think.

15 **COMMISSIONER GREENE:** Okay. That's what I wanted to know. Thank you.

16 **CHAIRMAN FRANCIS:** I want to go back to the first slide, please.

17 **MS. KRUEGER:** Sure.

18 **CHAIRMAN FRANCIS:** I see CSRS. We do work with them. Is that a
19 corporation you're outsourcing underneath your umbrella of companies that are
20 doing work for us? Would that be right?

21 **MS. KRUEGER:** So, right. There's a partnership with VEIC and CSRS within
22 our proposal. The scope was more towards assisting public entities programs, so

1 that each Commission district would have a resource with, you know, the option to
2 use that for their public entities.

3 **CHAIRMAN FRANCIS:** Okay. And you got VEIC?

4 **MS. KRUEGER:** That's right.

5 **CHAIRMAN FRANCIS:** That's another corporation you're outsourcing to fulfill
6 your -- okay. How much -- what part of the budget would VEIC be, percentage
7 wise? Just give me a ballpark figure.

8 **MS. KRUEGER:** It's a very small percentage. They would be helping with the
9 final program design. So they also do run Efficiency Vermont, and Vermont as a
10 statewide energy efficiency program, so a small percentage.

11 **MR. FREEHLING:** I think it was less than 5.

12 **MS. KRUEGER:** Less than 5 percent.

13 **CHAIRMAN FRANCIS:** And CSRS, public entities and community
14 engagement. What part of your budget would that play?

15 **MS. KRUEGER:** That was also a small percentage.

16 **MR. FREEHLING:** Yeah, it's 5 to 10 percent.

17 **CHAIRMAN FRANCIS:** So this is all under the small -- so basically most of
18 what you're bidding on, you have staff -- is this being outsourced just for our project
19 or are you using these companies with Entergy now?

20 **MR. FREEHLING:** We don't use them with Entergy. VEIC is part of our project
21 in Wisconsin.

22 **CHAIRMAN FRANCIS:** Okay. So this is some outsourced help you'll have.
23 Okay. That's good. That's what I wanted to understand. Thank you.

1 **MR. FREEHLING:** Thank you. Are there any other questions?

2 **VICE CHAIRMAN LEWIS:** Thank you. I want to thank you, one, for meeting
3 with me. First, I want to also join Commissioner Campbell in thanking
4 Commissioner Greene and really being a leader in this. This is a historic moment,
5 I'm going to say this to all the companies, for a deep southern state to have a third-
6 party administrator in the Southeast is really a leader and at NARUC and the
7 multiple organizations I've been able to attend. As a Commissioner, so many states
8 are watching us, and I want to thank you for your time and your commitment.
9 We've had multiple meetings in my office about your proposal, and I would be
10 remised if I didn't ask a question about if you could explain for the general public
11 how you plan in this process to do outreach and program design, especially for low-
12 income customers. As you know, I've been a big proponent of talking about the
13 significant need of energy burden in this state, where Louisianans are spending
14 somewhere between 30 percent of their annual income on their utility bills. A lot
15 of it is due to aging housing infrastructure and not having efficient energy usage in
16 their homes. And so if you could address your approach to handling what I think
17 is the biggest crisis in Louisiana right now, which is our energy burden.

18 **MS. KRUEGER:** Absolutely. So that's a large reason why we're interested and
19 want to participate in this statewide program design, is to make sure that the
20 program can serve all Louisiana customers and reduce energy burden, which is, you
21 know, a hardship on many households. So within the transition plan we have here,
22 we do have an outreach and engagement portion, and we have existing relationships
23 with The Alliance for Affordable Energy, trade allied contractors across the state,

1 other Louisiana housing corporations, and others that already provide support, and
2 making sure that we also can complement the program to make sure we can all
3 work together to kind of layer those or braid that funding to make sure to serve
4 those customers.

5 **MR. FREEHLING:** And I would add, one of the reasons we brought VEIC on is
6 they're a leader nationally on serving low-income and disadvantaged communities,
7 and have done, for instance, an energy burden analysis in Wisconsin, so that we can
8 target our resources to those that are most in need. And so we're looking forward
9 to working with them to really help us even do better than what we've done with
10 Entergy so far.

11 **VICE CHAIRMAN LEWIS:** Thank you. That's all my questions.

12 **CHAIRMAN FRANCIS:** Okay. Any other questions? [NONE HEARD] We
13 thank you for your presentation. Frontier, we have people with Frontier here.

14 **MS. AMY MARTIN:** Good morning.

15 **VICE CHAIRMAN LEWIS:** Good morning.

16 **MS. MARTIN:** How are y'all doing today?

17 **VICE CHAIRMAN LEWIS:** Great, thank you.

18 **MS. MARTIN:** Thank you so much for having us here. My name is Amy Martin,
19 I'm Vice President of Consulting and Engineering for Frontier Energy. And with
20 me here today is Derek Neumann, he's our Senior Engineering Consultant. So y'all
21 had a lot of questions about budget. We have a presentation here, but if you'd like
22 us to jump straight to that, we'd be happy to.

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

1 **MS. MARTIN:** I got one nod, and one go ahead, so we'll just kind of fly through
2 this a little bit, but please interrupt me, and we can jump to whatever is best for
3 y'all. So Frontier Energy, we've been working across the energy efficiency
4 spectrum for a lot of years, since the '80s in one way or another. We evaluate,
5 design, implement programs for investor owned utilities, municipalities, co-ops, on
6 both the electric and the gas side. And we've been working with Cleco and
7 SWEPCO since 2017 in one way or another to help them run their Quick Start
8 program designs. Now, we've really been more in the background, right. We're
9 not administrating those programs or implementing those programs, we really are
10 working mostly in the background. And through all that work, with those utilities,
11 we do have a lot of tools and processes currently in place that we think will provide
12 a lot of value as we transition into a statewide program because I know one of the
13 goals of the Phase II Rules is to do this with the least disruption possible, very
14 quickly and efficiently, and try and make what's already working well in the state
15 continue that and expand it to the areas that don't currently have energy efficiency
16 programs, and then kind of leave some of the stuff that isn't working so great. So
17 the stuff we have right now mainly are deemed savings. We have established
18 deemed savings, which are engineering calculations for every single measure
19 installed in Louisiana, across every climate zone; so that's ready to go Day 1. And
20 for those not familiar with deemed savings, it's really just a way for us to accurately
21 verify that what's being installed in people's homes is actually going to produce
22 demand reduction in energy savings. Because that's really important, right. You
23 don't want to spend all this money and not get any energy savings out of it. Our

1 deemed savings engine helps provide a lot of accountability and transparency to
2 this process. We know that it's a big part of this and incredibly important. It tracks
3 in real time exactly how much savings should be claimed, and flags things if they
4 need to be verified. If something wasn't done properly, it's flagged in the system,
5 so we can go check that out. The P3 database currently being used by Cleco and
6 SWEPCO, we believe we can really roll that out to the other -- across the statewide
7 fairly easily. It's the backbone of the programs. It's a great way for the
8 Commissioners and Commission Staff to have a real-time snapshot of what's going
9 on. You'll know exactly what amount of money's been spent, where, what
10 measure's been installed, how much of it was installed, and if we're on our track to
11 hit our goals. And finally, we have the program planning model, whereas I like to
12 say it's going to help us prioritize priorities because there's a lot of different things,
13 a lot of moving parts as part of these Phase II Rules, and we do want to work with
14 all the Commissioners and make sure what we're putting forth to each Commission
15 district will work. And so we have done a lot of work already, we're very proud of
16 that work, but this is a different beast. You know, this is a lot bigger. And right
17 now, the staff who's been working on it are based in Austin, Texas, so we know
18 we're going to have to scale up. And that doesn't scare us because we have
19 experienced a lot of growth in a short amount of time recently. What we want to
20 do is we want to hire local Frontier staff. We don't want to outsource to people we
21 don't know or trust, we want to hire people up and teach them the Frontier way, so
22 really proud of that. You know, we pride ourselves on being a -- providing large-
23 firm capabilities with the touch of a small firm. So we want to find the people that

1 already have relationships in the area because having that expertise and knowing
2 what makes sense in Natchitoches versus what makes sense in Bossier City, you
3 know, will really help us in this endeavor because we do want to partner with local
4 trade allies, your local air conditioning contractor, your local ceiling insulation
5 installer; they will be the backbone of these programs. You know, additionally,
6 because we're really good at energy savings and spreadsheets, but maybe not so
7 great at statewide branding and marketing, we've partnered with a local Louisiana
8 firm called Creativity Justified, and they're going to create a statewide brand that
9 people will know and understand because that's another priority for us, making sure
10 we're empowering customers to know what options exist for them, how they can
11 benefit from these programs, so Creativity Justified is going to help us with that.
12 And also, University of Louisiana Lafayette. They've got a great set of engineers
13 down there. We're going to use them to help us train our trade allies. So why are
14 we here today? You know, we've been involved in this process since the beginning
15 and have listened in to a lot of these meetings. When we see this quote from the
16 RFP that the focus of the rules is to minimize cost to consumers and ensure what
17 customers pay goes directly toward energy efficiency projects, we interpret that to
18 mean maximizing customer incentives. And if you don't remember anything I say
19 today, that's the main story from us today, we want to maximize customer
20 incentives through this process. Our strategy is to target approximately 80 percent
21 of total spending. You know, previously we were saying we don't know exactly
22 what the total statewide budget is going to be, and that makes this process really
23 difficult for us and y'all. But we're going to target 80 percent of total ratepayer

1 funds back toward ratepayers. And the way we're going to do that is streamlining
2 administration and implementation, and leveraging the existing success of the
3 Quick Start programs. I do think it's important to differentiate, just very quickly
4 when we generally talk about Quick Start programs. Based on our experience in
5 the state to date, we think that there's two main models. One is a third-party
6 administration model that's implementer-led. It's similar to what Entergy
7 Louisiana has been offering. In 2023, Program Year 9, they spent about 36 percent
8 of total budget on admin and about 61 percent on incentives and direct install
9 programs, based in your SARPs. SWEPCO, on the other hand, had a utility-led
10 program, running what we like to refer to as standard offer programs. And what
11 that really means is that it's driven by the trade allies in the field. They were able
12 to target almost 82 percent of funding towards customer incentives, and only 16
13 percent towards admin. And how they were able to do that is just reducing some
14 layers. So instead of having a program implementer -- excuse me, a program
15 administrator that then hires a program implementer that then works with the trade
16 allies to give out customer incentives, they're running the programs, directly
17 working with the trade allies to do customer incentives. So by reducing those
18 layers, you reduce overhead cost and you can maximize funding directly back to
19 the customers. So that SWEPCO model is very similar to what we're presenting
20 and what we included in our proposal. We want to streamline administration and
21 implementation costs, maximizing incentives. We have confidence we can actually
22 pull this off. We wouldn't be here today if we didn't think we could do this for
23 y'all. We have confidence we can do it because we're already doing it in Texas

1 and other states. Texas has a very strict admin cap, 15 percent of spending on
2 admin. We had to find a way to make this successful, and so that's the model that
3 we included in our proposal. So our job, we're going to be providing all the
4 infrastructure, all the regulatory support, working with all the stakeholders,
5 working with you guys directly, going to be providing the trade allies, all the tools
6 they need to effectively run programs because we want them out in the field, out in
7 the communities, talking to customers, educating customers, and, you know,
8 actually installing high efficiency equipment. We do know this is a little different.
9 This is not typical of a statewide third-party administrator model. We created
10 something specific for Louisiana because we thought it was the best way to give
11 y'all the best of both worlds: To have a statewide program administrator, have
12 some control over that, find some efficiencies within that, but also maximize
13 customer incentives. So we're going to do all the branding, we know that's
14 important, we're going to do the education, but the end of the day, our priority is
15 getting high-efficiency measures installed into homes and businesses across the
16 entire state of Louisiana. So that brings us to the big question, I know we've spoken
17 to a few of y'all, and there's been questions about the cost proposal. We were
18 joking and apologized to Kathryn and her team about that because what we put
19 together made it hard for y'all to compare bids, and we do apologize for that, but
20 that's because of our strategy. Because we think the only way to help y'all
21 maximize customer incentives based on our understanding of the Phase II Rules is
22 to streamline administration and program implementation. When we heard we
23 were the most expensive bid, we were a little surprised. That's not typical.

1 Typically, when we bid on a project, we're not the most expensive, so I don't think
2 that would be the reality, if y'all were to trust us and move forward with us in this
3 process. We don't think we would be the most expensive firm, and I'll explain to
4 you why, and if you have questions, please let me know. As we've said before, we
5 don't know what the final statewide budget will be, you know. As you can see on
6 this slide, in the RFP, the Commission Staff presented the low-end budget estimate
7 of about \$64 million, based on what you've seen in the past. The high-end budget
8 estimate of \$100 million is based on the cost caps y'all have put into the rule, very
9 wisely, right, so you can't just run this thing up and charge customers a ton of
10 money for the programs. Because we didn't know what it is and there's so many
11 uncertainties and the proposal asked us to, like, figure out how you're going to deal
12 with these uncertainties, we picked the middle of the road. So we don't know what
13 it's going to be, but let's pick right smack dab in the middle, so we can fulfil what
14 y'all asked for in the proposal. But really, our proposal is not this number. It's not
15 the numbers you see in that middle row. Our proposal is the percentage of spending
16 target. We're going to target 80 percent toward customer incentives and a total of
17 20 percent towards both admin and implementation, and I think that's an important
18 distinction to make with our proposal. We apologize for giving you something you
19 didn't ask for, but we thought it was the best and only way for y'all to actually
20 maximize customer incentives. So we are proposing to do both and that's, I do
21 think, a big difference between some of the bids that you've seen. Because if you
22 do choose to hire both an administrator and have them hire implementors, that's
23 where the layering comes in. It's not bad. It works well. They can be great

1 programs. It's just different, and we wanted to offer y'all a different option, with
2 that option being remove the layers, give more money back to the customers. So
3 with that being said, this chart tries to highlight that fact. Whether it's the high-
4 budget estimate, a mid-budget estimate, a low, or something totally different, the
5 bright blue color there, that's customer incentives. As you can see, it's a vast
6 majority of spending. So what we proposed, there's a part of the proposal that
7 asked for, you know, tell us the challenges that y'all are going to face with this and
8 how you would attack them. One of them was this budget setting process. You
9 know, it's really hard to come into this. Y'all are trying to do some really great
10 things in a short amount of time, and I applaud y'all for that. It's going to be tricky.
11 It's going to be hard. I'm not going to stand here and lie to you and say, oh, yeah,
12 we've got this, it's going to be really easy and streamlined. It's going to be tricky.
13 So what we recommended was let's get through the transition year, really get a
14 good understanding for what will work across all your Commission districts, what
15 the priorities within the priorities are, so that we can work together to set realistic
16 statewide budgets. Because we don't want to sit here and say, yeah, we can do all
17 this for all this money, and then either have to come back and ask for more or, you
18 know, ask for 10 times more than we actually need. So we are cognizant of the fact
19 that these are customer funded programs. We don't want to ask for a ton of money
20 coming out of their pockets every single month when we're not going to use it. And
21 we also don't want to ask for a lot of funding and then not do good work with it.
22 So that's why our proposal is based on a percentage of whatever we decide that
23 statewide budget should be, and working together to figure out what the total budget

1 is. So with that, I'm probably over my time. I appreciate y'all's patience. Just
2 want to highlight, our low-income expertise is near and dear to our heart. We run
3 almost all the Texas low-income programs, and have since the beginning, back in
4 1999, 2000, when they de-regulated. So we've learned a lot, we made a lot of
5 mistakes, and we've found a lot of good solutions. We'll be happy to answer some
6 questions on those. We're big data nerds, we're going to use a lot of data, you
7 know. Hopefully, if, as we start to roll out the programs, see what's working,
8 what's not working. Currently, I think we've done projects -- we haven't done
9 projects, our P3 tracking system that helps Cleco and SWEPCO, projects across
10 four or five Commission districts, as currently. So, you know, our goal is really
11 just to leverage that Quick Start success and help y'all roll these out statewide. So
12 sorry for rushing there towards the end, but we're here and happy to answer any
13 questions you have.

14 **CHAIRMAN FRANCIS:** Any questions? I have a couple.

15 **MS. MARTIN:** Yes, sir.

16 **CHAIRMAN FRANCIS:** Or a couple of comments, really. You know, my Staff
17 did a lot of work to investigate possible contracts, and I found that -- we found that
18 SWEPCO and Cleco, you did an excellent job. And what was really interesting
19 was 16 percent operations cost. And of course, on your quotes, you're talking about
20 you think you can do it for 20, you know. And you can't bid 20 percent to start up
21 on Day 1 as we grow this thing? When we look at these numbers of 20-something
22 million versus 40-something million, it's hard to get three votes for 40 million, you
23 know. So it's just -- that's the life as a Public Service Commissioner, you know.

1 **MS. MARTIN:** Yes, sir.

2 **CHAIRMAN FRANCIS:** I'm sure we'd love to have you have the program,
3 duplicate what you did at SWEPCO and I wish we could talk you into coming in
4 and just doing -- you're going to do it for 20 percent of whatever the budget is.
5 Right now, we don't know what the budget is, you know.

6 **MS. MARTIN:** Yes, sir. And we'll give credit to SWEPCO for all the good work
7 they've done on that. You know, that was a utility-led program and they put a lot
8 of effort into that and we were happy to help them through that, you know,
9 providing them the tools and some consulting services to help make it a success
10 because I know these programs are important to the utilities, their customers, you
11 know, and we feel very invested in these programs at this point.

12 **CHAIRMAN FRANCIS:** I just hate to see us spend a lot of money on the
13 administration where we could be insulating peoples' homes instead, you know.
14 And as for all the Commissioners, I'd like to -- once we go back and look at the
15 future of this program, I think if we can't get 20 percent administration fee, hold it
16 down to that, we've got a 30-day clause and we can terminate a contract and look
17 at another one. So I'll stop right there. Anybody else? Commissioner Lewis.

18 **VICE CHAIRMAN LEWIS:** Yes. Thank you, Mr. Chairman. I want to thank
19 you once again for your proposal. It was great having multiple conversations
20 throughout your interview, the RFQ bidders conference, and then our one-on-one
21 that we had yesterday. Francine was trying to make sure we didn't meet, but I'm
22 glad we were able to squeeze in a meeting. And so I have talked to a lot of the
23 programs that you implement and we've heard amazing things. And so no matter

1 what we choose, I hope you stay engaged in the system, but I really wanted to --
2 and I know you touched on it briefly, but the same question that I posed to APTIM
3 about your low-income programs, especially around that energy burden. And so
4 I'll just give you a few seconds, if there's anything else you wanted to highlight on
5 on that point because that's kind of my main focus, especially with this third-party
6 administrator, is how we reduce energy usage for Louisiana residents.

7 **MS. MARTIN:** Yeah. It's near and dear to our heart because we do so much of
8 it, and we do have a lot of experience in the area. I think the important things to
9 remember with the low-income programs is there's a lot of different designs, and
10 we like to say we have a lot of quivers -- what is it?

11 **MR. DEREK NEUMANN:** Arrows in our quivers.

12 **MS. MARTIN:** Arrows in our quivers, quivers in our arrows, whichever way you
13 say it. [INAUDIBLE] had it tackled. So you run single-family programs where
14 that customer does not pay a dime. They do not pay a dime, and you go in and you
15 do things that are really going to help them. You know, our goal with our programs
16 is we're not going and giving them a lot of LED light bulbs. LED light bulbs are
17 great, but we take more of a holistic approach because when the next hurricane
18 comes through and the lights are out for a little while, the LED bulb is not going to
19 do you a whole lot, but the ceiling insulation will, the new windows will, the air
20 sealing will, so that's kind of what the single-family programs are focused on. I
21 know in the past, me and you, there's been a lot of conversation about multi-family
22 programs and how you manage and control for those. So we do run programs where
23 the incentive will go to the building owner, because they -- we are asking them and

1 they have to pay into the program as well. So if we're using ratepayer funds to give
2 to a building owner, that building owner is also paying in. And there are also
3 situations where we'll have them sign a contract and say, okay, we're going to give
4 you these funds, it's going to help benefit the renters because they're going to have
5 more comfort and lower energy bills, but don't go run off and increase the rent. So
6 we'll put that in writing and say you cannot increase the rent as a result of these
7 programs. Now, it's not a perfect world. We can't control everything, but at least
8 we try because we recognize that's a potential issue and our goal is to make these
9 things, you know, as on the up and up as we possibly can from our position. But
10 yeah, so you said a few seconds, that's more than a few seconds. Did I miss
11 anything major?

12 **MR. NEUMANN:** Yeah, I just wanted to clarify maybe one thing on that multi-
13 family model. So obviously there's a lot of different types of programs you can
14 design for these low-income targeted programs: Direct install, single family. But
15 for these multi-family programs, we found that approximately 15 percent or so are
16 owned by not-for-profit owners, and then the other 85 percent are for-profit owners,
17 and so we kind of take a different approach for those two. Amy touched on it a
18 little bit. I want to just make it clear, the not-for-profit owners don't have to invest
19 any of their own capital. They operate very similarly to all the other -- the low-
20 income program designs. But one of the more innovative things we've done for
21 the for-profit owners is create a competitive bidding process where we have a
22 scorecard and they will submit an inventory of the different energy efficiency
23 measures they plan to do, it will automatically calculate the savings and benefits

1 associated with those measures. And then the other main difference is they'll have
2 to say how much of their own capital they're willing to invest, and that will lower
3 -- the more they're willing to invest, that will lower -- or, sorry, improve the cost
4 effectiveness, and then we rank all those bids against one another and we start from
5 the top of the list, and those most cost-effective projects get the program budget.
6 And so by having them invest into that project, that helps to disincentivize potential
7 turnaround and increase the rent, so that, combined with the language and the
8 agreements that they're asked to sign to not raise rents -- or not use the
9 improvements made through the program to justify raising rents for a certain period
10 of time, typically maybe five years, are ways we try to combat that.

11 **VICE CHAIRMAN LEWIS:** Great. Thank you. Thank you so much, Mr.
12 Chairman.

13 **CHAIRMAN FRANCIS:** Thank you. Commissioner Greene.

14 **COMMISSIONER GREENE:** Thank y'all very much.

15 **CHAIRMAN FRANCIS:** Okay. Do we have --

16 **COMMISSIONER GREENE:** I have a motion. I want to thank everyone for a
17 very --

18 **CHAIRMAN FRANCIS:** TRC.

19 **MS. BOWMAN:** Yeah, we have one more --

20 **CHAIRMAN FRANCIS:** Is there a TRC?

21 **MS. BOWMAN:** Yeah, we have one more company.

22 **CHAIRMAN FRANCIS:** Is TRC here?

23 **MS. BOWMAN:** Yes, sir. They are.

1 **CHAIRMAN FRANCIS:** TRC, y'all come forward.

2 **MS. MARTIN:** Thank y'all again for having us, we appreciate it.

3 **CHAIRMAN FRANCIS:** Thank y'all.

4 **MR. JOEL MCMANUS:** You ready for us? Go ahead?

5 **CHAIRMAN FRANCIS:** Yes, I'm sorry. Go ahead.

6 **MR. MCMANUS:** Thank you for allowing us this opportunity today to come talk
7 about ways to lower ratepayer money. We've had the opportunity to meet with a
8 number of you, Commissioners and Staff, and we tried to outline our vision for this
9 project for the future, and we want to continue to talk about that today, but we do
10 appreciate you taking the time to meet with us and talk to us about this. I'd also
11 like to give a shout out to Kathryn and her team for the great job that they've done
12 going through the RFP process. I'm Joel McManus, I'm one of the Senior
13 Managers of TRC from a business development and account management
14 standpoint. Colleague here, Ian, can introduce yourself.

15 **MR. IAN METZGER:** Yes. Hi, everyone. Ian Metzger, I'm a Senior Director
16 of Strategic Transition and Deployment. I am responsible for our program designs,
17 portfolio designs across the country. I'm also responsible for transition.

18 **MR. MCMANUS:** And Alison.

19 **MS. ALISON CANTRELL:** Hi. Alison Cantrell. I'm our Senior Director of
20 Sales Enablement within TRC, so I work really closely with Ian and Joel's team to
21 make sure that we are best serving our clients.

22 **MR. MCMANUS:** So just real quick, who is TRC? We're an international energy
23 and environmental management company. We have offices throughout the U.S.

1 and internationally. We have two offices here in Louisiana, one in Baton Rouge
2 and one in Alexandria. For Louisiana, we're not currently doing energy efficiency
3 programs, but we are working with the State Department of Transportation, we're
4 doing engineering for the Transportation Department. You can see our size here,
5 we have over 900-plus energy efficiency experts across 37 states, 50 plus years of
6 experience, a number of kWh that we've saved annually through TRC programs.
7 We actually have in Louisiana the 76 employees across the state. In addition, we
8 have TRC Salutes, which is a military veteran bring into the private sector program.
9 That is run by Robert Baggett, who is based out of Lake Charles. We'll be certainly
10 utilizing that program, if we were selected to work with you on this. So one of the
11 things I think we could all agree that all three companies here today are qualified
12 to do the work, we just have different ways to approach it. So we wanted to kind
13 of talk about our model through the way that we view going into this. You know,
14 Number 1, we are a national administrator, which gives us a unique insight into
15 how other states and other utilities have done programs similar to this throughout
16 the country. One of the things, and I think Frontier kind of hit on this and we agree,
17 we do want to use a local focus. We do want to encourage local contractors, local
18 Louisiana businesses to participate in the program. We want incentive dollars to
19 flow to those local contractors. In addition, one of our primary focuses in standing
20 up the program will be to hire local, so we'll do local hiring fairs. We do want to
21 try to get Louisianans on our team, so we'll have a really emphasis on hiring local.
22 We are statewide administration experts. We'll talk specifically about the program
23 that we've done for New Jersey, which is very similar to what you're trying to

1 accomplish here. We do have our own in-house data management system. The
2 luxury of having an in-house system is that you're not reliant on third party
3 outsourcing, so you can control the schedule and you can control the cost. And we
4 also have an internal program design expert, and that would be Ian's team, that
5 would be working with you and your team in terms of kind of after the
6 implementation, what does the programs look like, what are the design of the
7 programs, etcetera. And, Alison, I'm going to turn it over to you.

8 **MS. CANTRELL:** Yeah. So Joel just mentioned our work with the New Jersey
9 Board of Public Utilities. We actually went through the exact same process with
10 them that you all have. Our staff helped them move from utility-led programs into
11 Commission-led programs, and we have since supported them in evaluating the
12 complete portfolio across the state and identifying which programs ran most
13 efficiently through utility-led services versus Commission-led services, and helped
14 them coordinate kind of breaking the portfolio in half so that there was a mix
15 between Commission and utility-led programs. From that experience, we
16 understand how important this transition is. It's a lot of collaboration, not just with
17 utilities, although that's a huge part of it. We also have to be incredibly engaged
18 with you and your Staff, and have a very detailed understanding of what your
19 priorities are and where we need to focus these programs, as well as all of the
20 community organizations like Together Louisiana and other stakeholders that you
21 all work with, you know, all the time. We want to make sure that during this
22 transition, the result is a portfolio of programs that's going to best serve all
23 Louisianans. So, you know, the way that we work with New Jersey is not just as

1 an administrator, we really try to be partners to the Commissioners, help them as
2 their priorities evolve. We have tools where we can evaluate what-if scenarios.
3 You know, if you feel that we need to support additional high-burden energy
4 customers, we can run what-if scenarios on how's that going to affect the cost-
5 effectiveness of the overall portfolio. So our goal is to give you the information
6 that you all need to make the right decisions for your constituents. And I'll go
7 really quickly through this. You know, I was already talking about several of these
8 things on the last slide, but, you know, our experience in New Jersey has really
9 helped us focus on four separate items. So I talked about stakeholder engagement.
10 That's a huge priority for us during the transition and throughout the delivery
11 period. We meet regularly with community organizations in New Jersey and we
12 would apply the same approach here. And then incorporating community focus
13 programs. Joel talked about TRC Salutes, that our National Guard -- retired
14 National Guard led program. Robert Baggett, he lives in Lake Charles. We actually
15 hired our first veteran through the program in Louisiana and we've since hired
16 hundreds throughout the United States. But he is very excited and committed to
17 working with us to hire veterans for this program. And then we have an
18 apprenticeship program where we bring in, you know, people who are looking for
19 their second chances or big breaks into energy efficiency, and we use 90 days to
20 train them up on how to work through an energy efficiency program. So they're
21 both really cool programs that we're very proud of and we'd love to apply here in
22 Louisiana. Ian's going to talk more about our ability to integrate other funds with
23 these programs, so that we can maximize the benefit to all of your constituents, and

1 also how we transition from the utility-led programs into Commission-led
2 programs.

3 **MR. METZGER:** All right. Thank you. So during the transition, there's a lot of
4 things that happen. I'm not going to hit on all of them, but I'm going to hit a couple
5 key points for you. One is understanding your priorities, the priorities of each
6 district. Understanding that, setting that up in a data management system, so that
7 we can track the goals in each district as well. So this data management system
8 sets up the workflows and the quality assurance protocol that the program will
9 follow, and so that is extremely important. It also provides visibility into the
10 performance of that program in real time to all of the Commissioners and
11 stakeholders. We've also developed some additional services, and I encourage you
12 to look at our annual component summary in our bid. It shows that we are providing
13 the administrative functions that are asked and additional typical support services
14 beyond what is asked. And so I encourage you to look at that, the cost
15 competitiveness and value for the bid that we've provided. And today we're talking
16 about transition, and our transition cost and the value we're providing above and
17 beyond administrative services, I think, could encourage you to pick us. So one
18 other additional thing I want to highlight is the braiding. There's a lot of federal
19 funds that are flowing into the state of Louisiana. What we want to do is set up in
20 our system workflows and integrations that go directly to the DOE funded
21 programs, so that we can collaborate and braid funds that are also targeted at energy
22 burdened communities. So that is extremely important, and our bid includes
23 additional integrations for that to happen. So next, touching quickly on program

1 design. We have a program design tool that offers transparency, collaboration,
2 continuous improvement, the what-if scenarios. It's been reviewed independently
3 by evaluators in industry, it has been included in testimony in states across the
4 country, and it calculates the cost-effectiveness that ensures that it puts downward
5 pressure on rates for all people in Louisiana, so that's the most important part of
6 that. That's the cost control structure, using the standard practice manual that
7 would be needed to prove that is happening. So one thing we do, and I'll move
8 quickly through this, but very data driven approach to our program designs. We
9 look at all the different customer classes, we'll look at all the different districts for
10 the demographics and the priorities of each district, and we'll design the program
11 with the unique needs for all the Commissioners. With that in mind, we'll
12 overcome specific barriers, we'll design incentive rates that are beneficial to the
13 energy burdened customers, as well as other customers. And we'll target
14 geographically, we'll target neighborhood, community. We'll incorporate pilots
15 and we'll reach the entire state rather than just the major cities and major IOU
16 territories.

17 **MS. CANTRELL:** Yeah. So in addition to using data to design our programs, we
18 also use them to keep them up to date with your priorities. It's the backbone of
19 everything that we do, and we use data visualization tools to make sure that we can
20 clearly communicate how the programs are going with you, your Staff, and the
21 public. In New Jersey, for example, we put together detailed quarterly reports that
22 are posted online so that all of the state has access to them and can see how things
23 are progressing with the program and make sure that, you know, there's the

1 transparency to see how the funds are being used, which I think is really important
2 in these programs. And then, you know, Ian's team takes that real time data,
3 combined with feedback from the market, and continues to tweak designs to make
4 sure that we can deliver the best programs for the state. We can skip this one
5 because I already talked about all of it. And then we also have a tool called Analyze
6 EJ, Analyze Environmental Justice. It's a proprietary tool for TRC, and we use it
7 to best target local communities based on their different characteristics, whether
8 it's, you know, what percentage of the community speaks non-English as a first
9 language. We can also integrate utility data into this tool, so we can target those
10 customers with the highest energy burden. But we use this tool as well as other
11 available data to make sure that we will serve all of Louisiana, and that we do it in
12 a way that will align with their needs. You know, it's not a one size fits all approach
13 and we know that we have to tailor our engagement based on their unique
14 characteristics.

15 **MR. MCMANUS:** Yeah. So in, kind of, closing, I know price has come up a lot.
16 Our understanding was that the transition year was really the price that was going
17 to be locked in and that, with a lot of unknowns about after the transition year, we
18 provide a budget guidance. We probably over-guided, but we wanted to make sure
19 that we gave you the cap, the maximum amount of money. And we certainly are,
20 and our leadership has already indicated that we're willing to negotiate price, based
21 on further discussions around scope and definition, et cetera. So wanted to let you
22 be aware of that. We also had proposed in our pricing the IT integrations for
23 braiding funds. I think that combining your program funds with DOE funds is

1 going to be critical to be able to maximize all of the dollars that will go back out to
2 the Louisiana ratepayers. So we've already accounted for that in our systems and
3 so that won't be an additional cost for you. We've already touched that we have
4 done this before, so we have a lot of experience in how it works. We have our in-
5 house data management system and we have our internal program design experts.
6 So with that, we're certainly open to questions, and again, we appreciate the
7 opportunity to come and speak to you today.

8 **CHAIRMAN FRANCIS:** Okay. Commissioner Lewis.

9 **VICE CHAIRMAN LEWIS:** Thank you. Thank you so much. And you've
10 already answered the question that I've asked the other two, so I'm not going to
11 belabor the point, but I wanted to thank you for also meeting with me and engaging
12 with me. I talked with my dear friend, Commissioner Christodoulou, in New
13 Jersey, who had nothing but wonderful comments to say other than hopefully we
14 don't steal his staff from New Jersey to come here. But I wanted to thank you and
15 just a general comment while I have the microphone before I give it to my other
16 colleagues. I first want to thank and praise our Staff, especially Kathryn, who has
17 led us through this serious process. It's been multi-months of soliciting bids,
18 multiple conversations. I know I have probably bothered her every single day with
19 a random energy efficiency question and we got down to these three finalists and I
20 want to: 1) Really highlight Kathryn's involvement in this process. I do not think
21 we would be here at this moment without you, Kathryn, so I wanted to thank you.
22 I also want to thank Phil and Leah, who have been our consultants who have really
23 gone -- and I know that I've been very much in the weeds in this process since I got

1 here on the Commission. I've sat through all of the proposals, the nine bids, the
2 RFP bidders conference, the three interviews. I think I've read over 1,000 pages. I
3 know my Staff has gotten multiple questions from me through this and I will just
4 say for you, TRC, Frontier, and Aptim, I am extremely pleased with the three bids
5 that we have. I do not think we will make a bad decision today. It's a tough
6 decision, but I am confident, no matter what me and my colleagues decide to do,
7 we will have a premier program because all three of you have submitted, I think,
8 excellent proposals that will lead us into the future on energy efficiency. So before
9 I finish, I just wanted to say that no matter what decision we make, I want all three
10 companies to know this has been a very thorough process and I don't think we'll
11 make a bad choice today. Thank you, Mr. Chairman.

12 **CHAIRMAN FRANCIS:** Commissioner Greene.

13 **COMMISSIONER GREENE:** Yeah. I just want to thank everybody. This has
14 been my baby, and as I wind down my time here, I'm just very grateful for all the
15 hard work. You know, each year, according to E.I.C. I think, between residential
16 and commercial, we spend about \$7 billion a year in electricity and so if we had 1
17 percent savings, that's 70 million. And so the savings alone are going to pay for
18 whichever one we choose. And, you know, something that Commissioner
19 Campbell harps on a lot is we need more bidders, we need very qualified bidders.
20 I am so impressed with the thoroughness of these bids and so this is an exciting
21 time for Louisiana, for the ratepayers, and for the future. And so I agree with
22 Commissioner Lewis that this is all great work. Thank y'all, by the way. And with
23 that, I want to go ahead and make a motion to accept low bid of Aptim.

1 **CHAIRMAN FRANCIS:** I still have some more discussion before we go to --
2 move on to that.

3 **MS. BOWMAN:** And I would like to clarify, Commissioner --

4 **CHAIRMAN FRANCIS:** Hold up a minute. Wait, I'm not -- I got a question for
5 you.

6 **MS. BOWMAN:** Oh, I'm sorry. You can finish questions. Mine's procedural, so
7 you can finish your questions, Chair.

8 **CHAIRMAN FRANCIS:** How long have y'all been in New Jersey?

9 **MS. CANTRELL:** Since 2009.

10 **CHAIRMAN FRANCIS:** What's that?

11 **MS. CANTRELL:** '09.

12 **CHAIRMAN FRANCIS:** What kind of percentage of operating cost do you have
13 on your budget there?

14 **MS. CANTRELL:** Our administrative costs are capped at 10 percent there.

15 **CHAIRMAN FRANCIS:** How much?

16 **MS. CANTRELL:** Ten percent.

17 **CHAIRMAN FRANCIS:** Ten percent?

18 **MS. CANTRELL:** Yes.

19 **CHAIRMAN FRANCIS:** Wow. And so you got operation and you got
20 management. What about the other figure; is it about 10 percent also?

21 **MS. CANTRELL:** That covers all of our administrative costs. There are programs
22 that we implement on behalf of the state that would be separate from that. So when
23 we were looking at our cost year, the typical administrator role that we play in New

1 Jersey is a slightly smaller scope than what it is here. We do other roles but under
2 the implementation.

3 **CHAIRMAN FRANCIS:** Are you doing any states in the southeastern United
4 States? Y'all working with any states in the South?

5 **MS. CANTRELL:** We work in Texas and we also work in South Carolina and
6 North Carolina with Duke Energy, and we work across Tennessee with the
7 Tennessee Valley Authority.

8 **CHAIRMAN FRANCIS:** All right.

9 **MR. METZGER:** And Tennessee -- TVA covers several states that do include
10 some states in the Southeast as well and Oklahoma.

11 **CHAIRMAN FRANCIS:** All right. Okay. Thank y'all. Kathryn, you had
12 something?

13 **MS. BOWMAN:** Yes, sir. I just wanted to clarify, Commissioner Skrmetta, was
14 that a motion that you made or just a request?

15 **COMMISSIONER SKRMETTA:** No, no, it wasn't a motion.

16 **MS. BOWMAN:** Okay. I just wanted to make sure because we need to --

17 **COMMISSIONER SKRMETTA:** Are you sure now?

18 **MS. BOWMAN:** -- resolve of that. Yes, sir. Thank you.

19 **COMMISSIONER CAMPBELL:** Mr. Greene made a motion?

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

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

22 **MS. BOWMAN:** Okay.

1 **CHAIRMAN FRANCIS:** Okay. Commissioner Greene made a motion to accept
2 the low bid of Aptim.

3 **COMMISSIONER SKRMETTA:** Request roll call vote.

4 **CHAIRMAN FRANCIS:** And second by Commissioner Campbell. Roll call
5 vote. Commissioner Skrmetta?

6 **COMMISSIONER SKRMETTA:** I'm going to vote yes for the low bid of Aptim,
7 reserving my rights to bring this matter up at a future date.

8 **CHAIRMAN FRANCIS:** Commissioner Lewis?

9 **VICE CHAIRMAN LEWIS:** Yes.

10 **CHAIRMAN FRANCIS:** Commissioner Campbell?

11 **COMMISSIONER CAMPBELL:** Yes.

12 **CHAIRMAN FRANCIS:** Commissioner Greene?

13 **COMMISSIONER GREENE:** Yes.

14 **CHAIRMAN FRANCIS:** Commissioner Francis says yes. Okay. So let's move
15 on. I'm going to -- Commissioner Greene has asked us to bring up Exhibit Number
16 10. If there's no objection, we'd go ahead and move on to Exhibit 10.

17 **MS. BOWMAN:** Yes, sir. So Exhibit Number 10 is a Docket To Be Determined.
18 It is Dixie Electric Membership Corporation's request for approval of a formula
19 rate plan, modifications to the cooperative's terms and conditions, and an interim
20 rate relief. It's a discussion and possible vote to retain Resolved Energy Consulting.
21 DEMCO submitted a notice filing to the Commission indicating its plan to file an
22 application seeking a new formula rate plan as well as modifications to its terms
23 and conditions. At the Commission's September 2019 B&E, Resolved Energy

1 Consulting was retained to assist Staff in the analysis of DEMCO's request for its
2 current FRP as well as the three test years. Resolved was also retained to conduct
3 an investigative audit on DEMCO and review the cooperative's request for
4 emergency rate relief pursuant to extraordinary cost provision within its FRP.
5 Given Resolved's knowledge and experience with not only DEMCO's FRP, the
6 test years, but also the managerial and financial activities of the cooperative, Staff
7 solicited Resolved to continue assisting the Commission by reviewing DEMCO's
8 upcoming request. Resolved responded to Staff solicitation with a proposed budget
9 of 80,000 in fees and 4,000 in expenses for a total budget not to exceed of \$84,000.
10 Staff recommends that the Commission retain Resolved Energy in the amount of
11 80,000 in fees and 4,000 in expenses for a total not to exceed budget of \$84,000.

12 **COMMISSIONER GREENE:** Motion to accept.

13 **COMMISSIONER SKRMETTA:** Second.

14 **CHAIRMAN FRANCIS:** Motion is made and a second. Is there any discussion?
15 [NONE HEARD] Hearing none, any objection? [NONE HEARD] So Number 10
16 is passed. And let's move on to Number 9 if that's okay with the rest of the crew.

17 **MS. BOWMAN:** Exhibit Number 9 is also another To Be Determined Docket.
18 It's Entergy Louisiana's request for proposals for long term developmental
19 combined cycle combustion turbine resources. It's a discussion and possible vote
20 to retain an outside consultant. Staff issued an RFP seeking a consultant to help us
21 with this upcoming docket and received four qualifying bids. The first is London
22 Economics International of \$96,225 in fees and \$3,608 in expenses for a total
23 budget not to exceed of \$99,833. The second is United Professionals Company of

1 132,500 in fees and 1,500 in expenses for a total budget not to exceed of \$134,000.
2 Third was Mitsubishi Electric Power Products of 157,500 in fees and 2,500 in
3 expenses for a total budget not to exceed of \$160,000. And the fourth was Critical
4 Technology Consulting of \$288,070 in fees and 8,000 in expenses for a total budget
5 not to exceed of \$296,070. Staff makes no recommendation as all bids are
6 qualified.

7 **COMMISSIONER SKRMETTA:** Mr. Chairman, I move to accept the bid of
8 United Professionals as prior experience in combined cycle issues for the stated bid
9 amount.

10 **COMMISSIONER GREENE:** Second.

11 **CHAIRMAN FRANCIS:** Move by Commissioner Skrmetta to accept UPC,
12 Number 2, seconded by Commissioner Greene. Is there any discussion or any
13 objection? [NONE HEARD] Hearing none, United Professionals is approved for
14 Exhibit Number 9. And let's move on to Exhibit 4.

15 **MS. BOWMAN:** Yes, sir. Exhibit Number 4 is Docket Number R-34247. This
16 is the Commission's rulemaking to consider changes to the Commission's General
17 Order dated October 29, 2008, which was Docket Number R-26172, Sub Docket
18 C, which is known as the Commission's Market Based Mechanisms Order to
19 incorporate formal complaint procedures. It's a discussion and possible vote on a
20 final proposed rule. Staff Report and Recommendation addresses issues raised in
21 three separate Commission proceedings, all proposing amendments to the
22 Commission's MBM Order. In lieu of three separate proceedings moving forward
23 simultaneously, Staff combined all proposed amendments into one rule so that

1 forward-looking changes to the MBM Order were consistent, issued at the same
2 time, and that the rules attached to any final Commission order were available in
3 one location. The three initial dockets were Docket R-34003, which was to
4 consider how to account for intermittent resources within the MBM process;
5 Docket Number R-34247, which was to address whether certain issues should be
6 waived if not raised prior to a final RFP for generating resources; and Docket
7 Number R-35462, which was initiated to investigate a number of issues related to
8 customer center options in the docket where Staff proposed modifications intended
9 to ensure that RFPs issued included a broad spectrum of supply-side options. On
10 March 1, 2024, Staff issued a report in Docket Number R-34247, which explained
11 and included a Proposed Modified MBM Rule that addressed the issues from all
12 three dockets and sought comments from intervenors. Staff filed its Final Report
13 and Recommendation on August 22, 2024, wherein Staff's recommendations are
14 summarized as follows: The new proposed rule would exempt conventional
15 resources with less than a 50-megawatt summer nameplate rating and intermittent
16 resources with less than a 50-megawatt nameplate rating; the proposed changes to
17 the MBM Rule would now require any objections to the type, location, or size of
18 generation resources solicited in RFP to occur during the initial RFP process, and
19 failure to provide the notice will preclude that party from raising those issues during
20 the certification phase; and then finally, Staff's proposed rules would require the
21 RFP process to be as broad as possible and to solicit all available market options
22 including conventional, intermittent, hybrid, and storage resources. In response to
23 utilities' concerns that there needs to be some flexibility in that process because it

1 could be inefficient to always solicit all resources, the proposed rules allow for
2 some flexibility for utilities to limit the options solicited if the limitation is
3 supported by the utility's IRP and supported by sworn testimony. However, in no
4 event will the utility be authorized to limit the RFP solicitation to self-build or
5 utility-owned resources. It is Staff's intention that the Commission's adoption of
6 any of these rules would only apply prospectively after the issuance of an order in
7 this proceeding. Staff recommends that the Commission accept the Final Proposed
8 Rule filed into the record on August 22, 2024.

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

10 **COMMISSIONER GREENE:** Second.

11 **CHAIRMAN FRANCIS:** Moved by Commissioner Skrmetta and seconded by
12 Commissioner Greene. Is there any discussion or opposition? [NONE HEARD]
13 Hearing none, Exhibit 4 is in the books. Number 5.

14 **MS. BOWMAN:** Exhibit Number 5 is Docket Numbers U-29203, U-30981, U-
15 32764, U-35991, and U-36350. This is Legacy Entergy Gulf States and Legacy
16 Entergy Louisiana as well as Entergy Louisiana's applications for recovery of rates
17 and costs related to Hurricanes Katrina, Rita, Gustav, Ike, Isaac, Laura, Delta, Zeta,
18 Winter Storm Uri, and Ida. This is a discussion and possible vote to accept and
19 approve the annual report of the Louisiana Utilities Restoration Corporation to the
20 Louisiana Public Service Commission for the Fiscal Year 2024, including the
21 annual operating budget for fiscal year '25 and the interim and annual compiled
22 financial statements for fiscal year '24. As required by Orders Number U-29203,
23 U-30981, U-32764, U-35991, and U-36350, as well as the Restoration Law, the

1 Board of Directors of the Louisiana Utilities Restoration Corporation submitted its
2 fiscal year '24 annual report to the Commission on August 29, 2024. Therein the
3 LURC Board reported on the following topics: Status of and ongoing compliance
4 activities related to Entergy Louisiana, Entergy Gulf States' Katrina, Rita, Gustav,
5 Ike, Isaac, and Entergy Louisiana's Laura, Delta, Zeta, and Winter Storm Uri bond
6 securitizations; status of Entergy New Orleans' storm reserve fund securitization;
7 status of Entergy Louisiana's Hurricane Ida securitization; status of reports from
8 and submissions to the Legislative Auditor and Division of Administration's Office
9 of Statewide Reporting and Accounting Policy; ongoing activities required to
10 maintain LURC's corporate status; and matters reported to the LURC Board of
11 Directors during the fiscal year. Staff recommends acceptance and approval of the
12 Fiscal Year 2024 Annual Report of LURC to the Commission, including the annual
13 operating budget for the fiscal year ending June 30, 2025, and interim and compiled
14 annual financial statements for the fiscal year ending June 30, 2024.

15 **COMMISSIONER SKRMETTA:** I move to approve the LURC report.

16 **VICE CHAIRMAN LEWIS:** Second.

17 **CHAIRMAN FRANCIS:** Approval by Commissioner Skrmetta, seconded by
18 Commissioner Lewis. Any discussion or objection? [NONE HEARD] Hearing
19 none, it passed.

20 **MS. BOWMAN:** Exhibit Number 6 is Docket Number U-36190. This is Entergy
21 Louisiana's application for certification and approval of a 2021 solar portfolio,
22 Rider Geaux Green Option, cost recovery, related relief. It's a discussion and
23 possible vote on Staff's Report and Recommendation. In Order Number U-36190,

1 the Commission approved Entergy’s proposal of a portfolio of four solar resources
2 and the Geaux Green Option Tariff to allow Entergy customers to participate in
3 solar resources to satisfy sustainable energy demands. Entergy filed a report on
4 July 1, 2024, pursuant to Clauses 18 and 19 of the order, requesting Commission
5 approval of updating pricing for the GGO Tariff to include the cost of an additional
6 resource, the Sterlington Facility, which is a 49-megawatt solar resource that the
7 Commission approved in February of this year in Order Number U-36685. Staff
8 reviewed the updated GGO Tariff pricing information included with Entergy’s
9 request, analyzed follow-up data supplied, and identified some concerns that was
10 discussed with Entergy. Those concerns were addressed, however, to coordinate
11 the commercial start date of the resource with the timing of the resource's inclusion
12 in the GGO subscriptions and calculations of the updated GGO Tariff subscription
13 of fee prices. On August 30, 2024, Staff filed its Report and Recommendation,
14 wherein Staff described its review of Entergy’s filings and recommended that the
15 Commission approve the inclusion of the Sterlington Facility in the initial GGO
16 Tariff pricing calculation, as corrected and revised by Entergy in response to Staff’s
17 inquiries. Staff recommends that the Commission accept Staff’s Report and
18 Recommendation filed into the record on August 30, 2024.

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

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

21 **CHAIRMAN FRANCIS:** A move to accept this by Commissioner Skrmetta,
22 seconded by Commissioner Lewis. Any objection? [NONE HEARD] Hearing
23 none, passed. Number 7.

1 **MS. BOWMAN:** Exhibit Number 7 is Docket Number U-36502. This is Cleco
2 Power's application for a certificate of public convenience and necessity for Cleco
3 to enter into a proposed power purchase agreement between Dolet Hills Solar and
4 Cleco Power and an authorization to recover associated charges and rates. It's a
5 discussion and possible vote on an Uncontested Stipulated Settlement. On August
6 3, 2022, Cleco filed its application, which was published in the Commission's
7 Official Bulletin with timely interventions by Packaging Corporation of America
8 and International Paper Company, Cabot Corporation, and Alliance for Affordable
9 Energy. On March 28, 2024, Cleco filed a supplemental application, which was
10 also published in the Commission's Official Bulletin and no additional
11 interventions were received. After extensive negotiations, Cleco, Staff, and the
12 intervenors were able to enter into an Uncontested Stipulated Settlement, which
13 was filed into the record on August 23, 2024. The major terms of that settlement
14 are as follows: The Commission should authorize the Amended and Restated Solar
15 PPA as in the public interest; the Commission should authorize Cleco Power's Tie
16 Line Project and find that Cleco Power's supplemental application meets the
17 requirements of the Transmission Siting Order; Cleco will construct, own, operate,
18 and maintain the Tie Line as a transmission owner and is responsible for the cost
19 of that construction; and the Commission should authorize Cleco Power's GO
20 CLECO Rider. As there are no unresolved issues, Staff recommends that the
21 Commission accept the Uncontested Stipulated Settlement filed into the record on
22 August 23, 2024.
23 **COMMISSIONER SKRMETTA:** Move to accept Staff recommendation.

1 **VICE CHAIRMAN LEWIS:** I'll second him, Mr. Chairman. I just want to
2 applaud Cleco for what they are doing here. As you know, projects located at
3 existing points of interconnections always have a leg up in economic viability, odds
4 of completion, and timely to operate. But I think this model adds a serious shift to
5 cleaner resources and I think this is a great way to get low cost, low carbon
6 generation online in a very good manner. And so I just want to give kudos to Cleco
7 for this endeavor and so I just wanted to put that with my second.

8 **VICE CHAIRMAN LEWIS:** Motion by Commissioner Skrmetta, seconded by
9 Commissioner Lewis to accept Exhibit Number 7, it's passed. Exhibit 8.

10 **MS. BOWMAN:** Exhibit Number 8 is Docket Number U-37154. This is
11 Claiborne Electric Cooperative's formula rate plan annual report filing for test year
12 2023. It's a discussion and possible vote on a Joint Report and Draft Order and this
13 was Exhibit 23 last month. On April 1, 2024, Claiborne filed its '23 FRP filing,
14 wherein it reported that its calculated modified debt service coverage ratio fell
15 below the 1.7 to 1.95 bandwidth provided in its FRP, therefore should receive an
16 increase in rates of approximately \$3.4 million in order to bring them back to the
17 midpoint MDSC of 1.85. Staff reviewed the filings submitted by Claiborne,
18 including a review of the company's application, documentation for the changes in
19 expenses and the rate base, and made adjustments, causing the MDSC for Claiborne
20 to be approximately 1.39, which still falls below the prescribed bandwidth, and
21 therefore reset to the midpoint of 1.85 as necessary. Staff recommend that the
22 cooperative be permitted to reset rates to the midpoint, which would be a revenue
23 increase of \$3,319,265 for the test year. Staff filed its report on June 24, 2024,

1 which was after the deadline prescribed in the FRP, but was filed without objection
2 of Claiborne. As such, Staff is requesting that the Commission recognize the late
3 filed report. On June 26th of this year, Claiborne filed correspondence into the
4 record indicating that it agreed with Staff's report. Staff recommends that the
5 Commission: 1) Recognize the late filed Staff report; and 2) Accept the Joint
6 Report and issue the Draft Order filed into the record on July 25, 2024.

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

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

9 **CHAIRMAN FRANCIS:** Move by Commissioner Skrmetta, seconded by
10 Commissioner Lewis. That's in Commissioner Campbell's District. I think -- see
11 if there's any discussion.

12 **COMMISSIONER CAMPBELL:** Yeah, I'll be right there.

13 **CHAIRMAN FRANCIS:** Okay. So we'll wait for Commissioner Campbell to
14 get up here, see if he has any questions for anybody. See Ms. Kantrow back there
15 in the back. She can't wait to get up here, give us the details. So, Commissioner
16 Campbell, you got any questions about Claiborne?

17 **COMMISSIONER CAMPBELL:** No, I'm for it.

18 **CHAIRMAN FRANCIS:** Okay. All right.

19 **COMMISSIONER CAMPBELL:** They do a good job up there.

20 **CHAIRMAN FRANCIS:** I know they're chomping at the bits to get up here and
21 give you the explanation, but we'll go ahead and pass this. It looks like it's
22 unanimous.

23 **COMMISSIONER CAMPBELL:** Well, that's good.

1 **CHAIRMAN FRANCIS:** So Number 8 is in the files. Number 9.

2 **MS. BOWMAN:** We've disposed of 9 and 10, so we're moving on to 11, which
3 is our reports, resolutions, discussions. Under this exhibit item, we only have two
4 ratifications. The first is a discussion and possible vote to ratify votes cast by
5 Chairman Francis acting as the Commission's representative on the Regional State
6 Committee of the Southwest Power Pool. This matter is on the agenda for
7 ratification of two votes cast on August 5, 2024 by Chairman Francis. Staff did
8 follow the protocols set forth in Special Order 17-2019 to consult with the Vice
9 Chair and the Secretary prior to the vote. The votes are as follows: The first voting
10 item approved an amendment to the SPP Tariff to implement a historical
11 performance metric for conventional resources during critical system periods and
12 the second voting item established separate planning reserve margins for the
13 summer and winter season. Commissioner Francis voted in favor of both of these
14 voting items. Staff recommends that the Commission ratify Chairman Francis'
15 votes cast on August 5, 2024 as the Commission's representative to the SPP RSC.

16 **COMMISSIONER SKRMETTA:** Move to ratify the votes of Chairman Francis.

17 **VICE CHAIRMAN LEWIS:** Second.

18 **CHAIRMAN FRANCIS:** And I'll have to abstain on the vote. Is there any
19 opposition to that vote? [NONE HEARD] I might say on this reserve margins for
20 electricity, we want to make sure the lights don't go out and we -- used to be a
21 reserve margin for the whole year, now it's a reserve margin for winter and summer
22 and we have gotten close to turning the lights out sometime because we didn't have
23 enough generation. So it's part of just making sure this is -- we keep the lights on.

1 We're raising our margins, that means we're going to have to build more power
2 stations, whether it be wind or solar or good old natural gas. So just wanted to give
3 y'all that explanation for that vote. So thank you. All right.

4 **MS. BOWMAN:** So we have one more vote ratification. It's a discussion and
5 possible vote to ratify interventions of the Commission in RTO-related or other
6 FERC proceedings. And this is done by Stone Pigman and UPC on the
7 Commission's behalf due to the short deadlines allowed for these interventions. If
8 advanced Commission approval is not possible, the Executive Secretary, on the
9 recommendation of either UPC or Stone Pigman or on his own determination, may
10 authorize these interventions, subject to Commission ratification. Staff
11 recommends that the Commission ratify two actions this month. The first is the
12 filing at the Supreme Court in Docket Number 24A95 et al., which is the
13 Commission's response in support of applications to stay the greenhouse gas
14 emissions appeal. And then the second is a petition for review of orders in FERC
15 Docket Number ER24-153 regarding Sunflower Highway/Byway cost allocations
16 and that was a petition to review filed in the DC Circuit Court of 24-1282. And
17 Vice Chairman Francis I know -- Lewis -- does oppose the Supreme Court stay, so
18 we will need a roll call vote on that one. We'll have to take them up separate.

19 **COMMISSIONER SKRMETTA:** Well, I'll put the motions on the floor to ratify
20 both, but we can do them independently. So first one I'll do is to ratify the Supreme
21 Court docket intervention.

22 **VICE CHAIRMAN LEWIS:** And I'll object to that.

23 **COMMISSIONER SKRMETTA:** So roll call requested.

1 **COMMISSIONER CAMPBELL:** Wait a minute. I want to know what the hell
2 we're doing. How about that? Talking about the Supreme Court this, that, and the
3 other. How about a little explanation before we just run through this? Okay.

4 **MS. BOWMAN:** Sure. I will give you a high level and if you have questions, I
5 know Stone Pigman is here.

6 **COMMISSIONER CAMPBELL:** Give me a common level, not a high level.
7 I'm not interested in the law school level, just tell me what's going on. Okay.

8 **MS. BOWMAN:** So the Environmental Protection Agency issued greenhouse gas
9 emission rules. Part of that is gas emission rules that are going to apply to our
10 generating units here in the state. It will cause them to either increase cost to
11 comply with those rules or have to retire early because they can't comply with those
12 rules. What the Commission intervened in is a stay at the United States Supreme
13 Court asking the United States Supreme Court to say, EPA, you cannot enforce
14 your rules yet until all of these appeals and objections to your rules are complete.

15 **COMMISSIONER SKRMETTA:** And plus, Chevron deference is now gone, so
16 it's a whole different story now.

17 **MS. BOWMAN:** Correct. So all we did was file -- we're saying we support the
18 stay of the greenhouse gas -- a pause on the greenhouse gas rules until all litigation
19 is over related to those rules, so our utilities don't incur costs or retire early based
20 on those rules, in case they get overturned.

21 **COMMISSIONER CAMPBELL:** How long could that be? Two hundred years
22 or three hundred years or something like that? I'm not for this.

23 **COMMISSIONER SKRMETTA:** No, it's a matter of just --

1 **COMMISSIONER CAMPBELL:** I'm for the rule.

2 **COMMISSIONER SKRMETTA:** Well, if we don't do it, we're in a position
3 where we could impact costs for Louisiana ratepayers and we could have some real
4 -- I'm sorry. Is that better? Okay.

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

6 **COMMISSIONER SKRMETTA:** If we don't ratify this, we've already done it,
7 we've already taken the legal action. And if we don't do it, we put our self at risk
8 of costing Louisiana ratepayers more money.

9 **MS. BOWMAN:** Correct.

10 **COMMISSIONER SKRMETTA:** And that's the real risk associated with this
11 because we would have increased fines associated on our power generation
12 resources brought on us by the federal government, that the idea behind this is that
13 we would get a stay on this enforcement until such time as all the rules are laid out
14 in a final procedure to where we really know what's going to happen and we're not
15 just going early to get these rules put on us. So it's important that we do ratify this.

16 **VICE CHAIRMAN LEWIS:** And thank you. And, Commissioner Campbell,
17 just the reason I have underline supported the EPA's greenhouse gas emissions, I
18 take a contrary view to the brief that we have filed. I have some disagreements
19 with our electric grid that relies primarily on natural gas and there are better paths
20 forward. I think prioritizing energy efficiency, working closely on flexible demand
21 planning, what large customer is building renewable and storage where possible; I
22 know these solutions are not easy, but I do urge our utility companies and their
23 partners to do the hard work of meeting these challenges creatively, rather than

1 fighting for the status quo. And I think we should not double down on the history
2 and so I'm just kind of being consistent where I've been on this procedure in
3 supporting the underlying rule of the EPA. And so my objection is because I've
4 objected to the lawsuit from the very beginning, so I support the rule and I would
5 like to see the rules go into effectively. So that's just [INAUDIBLE] where I stand.

6 **COMMISSIONER SKRMETTA:** And effectively, this is an attack on the natural
7 gas industry, it's an attack on the coal industry, it's attack on any type of generation
8 from either source. So I think I'd pause before I'd be in opposition to it.

9 **COMMISSIONER CAMPBELL:** Well, I hear what you're saying, and not to be
10 argumentative, but we put off a lot of things a long time in Louisiana, you know.
11 We just put it off and put it off and make excuses and this, that, and the other. And
12 we -- I remember so well, nobody believed in climate change. I mean, that was a
13 terrible thing to talk about as it was all Hoodoo and now we're asking people to
14 clean it up and now there's always objections to doing things that we need to do,
15 so.

16 **COMMISSIONER SKRMETTA:** Well, we've taken this --

17 **COMMISSIONER CAMPBELL:** Let me get through, please.

18 **COMMISSIONER SKRMETTA:** Okay.

19 **COMMISSIONER CAMPBELL:** Let me get through. Basically, we're going
20 against EPA, right? That's the deal?

21 **MS. BOWMAN:** Yes.

22 **COMMISSIONER CAMPBELL:** And telling them let's give us more time to
23 clean all this up, correct?

1 **MS. BOWMAN:** No.

2 **SECRETARY FREY:** Not necessarily. I think -- the way I appreciated it is
3 they've got rules out there that they want to enforce while they're being challenged.
4 There's people challenging those rules. So just like -- and, you know, it's one of
5 these things in the past where do we want them to be able to implement the rules
6 before the challenge process is done? So we and other states appealed it and the
7 appeal of their rules is going on right now. They want us to be able to implement
8 them. Well, so if a court -- this happened with Cleco with MATS I believe in the
9 past.

10 **COMMISSIONER CAMPBELL:** With who?

11 **SECRETARY FREY:** Where Cleco had to put in some [INAUDIBLE] --

12 **COMMISSIONER SKRMETTA:** It's basically saying --

13 **SECRETARY FREY:** -- to their system that ultimately were thrown out in court.
14 So they incurred the cost, we allowed them to recover it, but the ultimate rule the
15 EPA passed was thrown out as being not a valid rule.

16 **COMMISSIONER SKRMETTA:** Right. And if we're paying the federal
17 government fine money and we can then ask the federal government to give the
18 money back, which is good luck with that.

19 **SECRETARY FREY:** So I think what we're saying here is, look, while this
20 challenge of the rules is going on, let's just pause, let's not allow the EPA to start
21 enforcing those rules until we know whether those rules are going to be upheld or
22 not.

1 **COMMISSIONER CAMPBELL:** I'm glad you brought up Cleco. Cleco, we all
2 met up in Alexandria. A house full of people, every politician from the government
3 on down, had a great idea about carbon capture. Mr. Skrmetta might know about
4 that. And all of a sudden now, they're calling off the dogs saying it cost too much
5 money; you know what I mean? So there's two sides to every story. It was the best
6 thing we've ever done and I wasn't that excited about it because I don't think there's
7 any real proof of it. But anyway, how onerous is this rule? That's what I want to
8 know. How much, objectively, can you tell me, Brandon? How onerous is this
9 rule?

10 **SECRETARY FREY:** And that's -- I was going to defer.

11 **COMMISSIONER CAMPBELL:** Is it that bad or is it somewhat bad?

12 **MS. BOWMAN:** Dana is going to give you layman's terms.

13 **SECRETARY FREY:** Yes.

14 **COMMISSIONER CAMPBELL:** Yeah. Okay. You were at the meeting?

15 **MS. DANA SHELTON:** Good afternoon, Commissioners. The meeting with
16 Cleco?

17 **COMMISSIONER CAMPBELL:** No. Who do you represent?

18 **MS. SHELTON:** I represent Louisiana Public Service Commission Staff. My
19 name is Dana Shelton with the law firm of Stone Pigman and we worked on this
20 brief for the Commission. And I just wanted to point out to you, Commissioner
21 Francis, just so you're fully aware, this rule would have all Louisiana utilities
22 require them to install carbon capture technology on their fossil fuel plants. So
23 natural gas, to the extent we have any coal left, would have to install that very

1 technology that Cleco abandoned and had to write off millions of dollars because
2 they determined, you probably know better than I do, that it wasn't workable. So
3 one of the points that we make in the brief is that as of now, today, the carbon
4 capture and sequestration technology is not proven and it's very expensive. So if
5 these rules, which could well be overturned depending on what happens in the
6 election, if they go forward now, the utilities are going to have to spend money to
7 comply. They can't wait and see what happens with the rules. So the stay simply
8 asks that the status quo, the way things are, just keep that in place instead of
9 requiring all these utilities to go and spend millions and millions of dollars. And
10 of course, you know, that could be passed onto us [INAUDIBLE] very good
11 argument that it would be.

12 **COMMISSIONER SKRMETTA:** Not could.

13 **MS. SHELTON:** It would be. I mean, I hate to, you know, presume that, but if
14 it's a rule that's passed by the federal government, they would have a right to collect
15 it as part of their costs. So the ratepayers would be paying for that, so we're trying
16 to prevent economic harm to consumers in Louisiana as a result of these rules that
17 might not even be affirmed.

18 **COMMISSIONER CAMPBELL:** Well, you ought to go to work for utility
19 companies because they owe you a big deal. I'm not going to vote for this, now.
20 You saved them.

21 **MS. SHELTON:** Glad to hear it. Glad to hear I saved the ratepayers some money,
22 hopefully. That's what I meant to do.

1 **CHAIRMAN FRANCIS:** So let me ask a question. Our attorneys are
2 recommending we vote against this, right?

3 **MS. SHELTON:** No, vote for -- you vote for the stay.

4 **CHAIRMAN FRANCIS:** To oppose. Yeah. All right.

5 **MS. SHELTON:** And against the implementation of the rules at this time.

6 **CHAIRMAN FRANCIS:** All right. When I get my turn, I'll vote to support our
7 attorneys on this one. And, Campbell, you're against our attorneys on this one?

8 **COMMISSIONER CAMPBELL:** No, I'm for the stay.

9 **SECRETARY FREY:** Yeah, it's for it.

10 **COMMISSIONER SKRMETTA:** Okay.

11 **CHAIRMAN FRANCIS:** What?

12 **COMMISSIONER SKRMETTA:** Roll call then.

13 **CHAIRMAN FRANCIS:** Oh, I'm sorry. Okay. Roll call vote. Now, the motion
14 is to --

15 **SECRETARY FREY:** To affirm [INAUDIBLE].

16 **COMMISSIONER SKRMETTA:** Approve the stay.

17 **CHAIRMAN FRANCIS:** Approve the stay. All right. Okay.

18 **COMMISSIONER CAMPBELL:** And let me say something, Mr. Chairman, if
19 you don't --

20 **CHAIRMAN FRANCIS:** All right. Commissioner Campbell.

21 **COMMISSIONER CAMPBELL:** I appreciate you explaining this to me. I was
22 at the Cleco meeting, everybody up there was clapping and saying how great it was
23 going to be. There is doubts about carbon capture. In Mr. Davante's area of

1 southwest Louisiana, there's a lot of concern about where it's going to be, how
2 much it's going to cost, who's going to make all the money. But it's not a done
3 deal yet, you know, it's not a proven science yet. It's some real questions about it.
4 So before I ask utility companies to swallow it, we need to know more about it.
5 And I appreciate your explanation because you're very clear and I appreciate it very
6 much.

7 **MS. SHELTON:** You're welcome.

8 **CHAIRMAN FRANCIS:** Is that your motion, Commissioner Skrmetta?

9 **COMMISSIONER SKRMETTA:** It's a motion to approve.

10 **MS. BOWMAN:** Ratify the stay.

11 **COMMISSIONER SKRMETTA:** Ratify the intervention.

12 **CHAIRMAN FRANCIS:** Okay. Roll call vote.

13 **COMMISSIONER SKRMETTA:** Sorry. The motion to stay.

14 **CHAIRMAN FRANCIS:** Roll call vote. Commissioner Lewis, how do you vote?

15 **VICE CHAIRMAN LEWIS:** No.

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

17 **COMMISSIONER SKRMETTA:** Yes.

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

19 **COMMISSIONER CAMPBELL:** Yes.

20 **CHAIRMAN FRANCIS:** Chair votes yes, so it's passed.

21 **SECRETARY FREY:** And we have one more ratification too, right?

22 **MS. BOWMAN:** Yes.

23 **COMMISSIONER SKRMETTA:** Did you do this one too, Dana?

1 **SECRETARY FREY:** Yeah, we did. We bifurcated.

2 **MS. SHELTON:** I did.

3 **COMMISSIONER SKRMETTA:** You can explain this one too.

4 **MS. BOWMAN:** So the second one, and Commissioner Skrmetta's already made
5 the motion for, was a petition for review of the orders in FERC Docket Number
6 ER24-1583 regarding Sunflower's Highway/Byway cost allocation amendments
7 and that was a petition for review filed in DC Circuit Number 24-1282. And we'll
8 entertain a second on that.

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

10 **CHAIRMAN FRANCIS:** So a motion and a second. Dana, what's Sunflower?

11 **MS. SHELTON:** Okay. So Sunflower is an entity. This is an issue that
12 Commissioner Francis and Lane Sisung and I worked on together. Sunflower is a
13 stakeholder in the Southwest Power Pool footprint. They are located in a zone
14 where there is a tremendous amount of wind power and that wind power is being
15 generated in their zone, but exported out of the zone. They have made an argument
16 that, you know, that is not fair to them because they're having to pay a
17 disproportionate amount of the cost of the transmission buildout to export that wind
18 power. So that's what this issue is.

19 **COMMISSIONER CAMPBELL:** I got a question. Is that sort of like something
20 being generated in Mississippi, shipped over to Texas? Same thing isn't it?

21 **MS. SHELTON:** It is, yes.

22 **COMMISSIONER CAMPBELL:** How about that? So here we go again. It's
23 going to be -- let me see if I got this. I'm slow, but I think I'm catching on. So

1 they're going to have a line that goes all across Louisiana, generate the electricity
2 in Mississippi, send it to Texas.

3 **MS. BOWMAN:** Commissioner, I'm sorry. Can you use your microphone,
4 please?

5 **COMMISSIONER CAMPBELL:** Everybody knows what I'm saying. They've
6 got a Ph.D. in this. I appreciate you. I'm getting to like you better and better. So
7 you're telling me that -- is it a coincidence or is it the same thing that they're going
8 to generate this electricity, ship it to another state, they're worried about not getting
9 anything out of it; that's correct?

10 **MS. SHELTON:** That's right.

11 **COMMISSIONER CAMPBELL:** Oh, what a hell of a deal that is. How you like
12 that? They're going to do the same thing that we were talking about, send it over
13 to Mississippi, have it generated, send it back to Texas, you don't get anything, and
14 they're upset about it, right?

15 **MS. SHELTON:** Well, they're upset about it.

16 **COMMISSIONER CAMPBELL:** Really?

17 **MS. SHELTON:** Right.

18 **COMMISSIONER CAMPBELL:** They don't think that's fair, right?

19 **MS. SHELTON:** They do not think that's fair.

20 **COMMISSIONER CAMPBELL:** Oh, how about that? Same old seven, six;
21 isn't it? Thank you. No further questions.

22 **CHAIRMAN FRANCIS:** Does Sunflower -- is it DC electricity or AC electricity?

23 **MS. SHELTON:** Oh, gosh. Now, I wish I was -- Lane was here.

1 **COMMISSIONER SKRMETTA:** It's dangerous electricity.

2 **MS. SHELTON:** Yeah. But I will, just to make sure the record is complete,
3 because I started down this road, hope you still like me, but in this particular case,
4 Sunflower is making that complaint. But Louisiana Commission has taken the
5 position that, well, that's the way the cookie crumbles in the Southwest Power Pool
6 region. That the cost --

7 **COMMISSIONER CAMPBELL:** Well, that's not true. That's not true and I'm
8 not a lawyer, but I'm arguing that's not what our ALJ said. Our ALJ said it may be
9 good for Louisiana. There goes that word again. She never said it's good for --
10 what's the word we're looking for? Come on with it. What do you have to satisfy?

11 **MS. BOWMAN:** In the public interest?

12 **COMMISSIONER CAMPBELL:** Oh, yeah. They didn't -- she said it may be in
13 the public interest.

14 **COMMISSIONER SKRMETTA:** No, we overturned that.

15 **COMMISSIONER CAMPBELL:** No, you overturned it.

16 **COMMISSIONER SKRMETTA:** Well, the Commission did.

17 **COMMISSIONER CAMPBELL:** But we not through. I'm glad you said we
18 because we ain't through yet.

19 **COMMISSIONER SKRMETTA:** The Commission said it's not in the public
20 interest.

21 **COMMISSIONER CAMPBELL:** No, no, it didn't. You --

22 **COMMISSIONER SKRMETTA:** You said her analysis was not correct.

23 **COMMISSIONER CAMPBELL:** No, that's what you said.

1 **MS. BOWMAN:** Commissioner Skrmetta.

2 **COMMISSIONER SKRMETTA:** No, the Commission voted on that.

3 **COMMISSIONER CAMPBELL:** Yeah, right. Well, look, we not through

4 anyway, but I appreciate you coming up, bringing that because it's right on point,

5 right on point. Thank you.

6 **MS. SHELTON:** Good. You're welcome.

7 **COMMISSIONER SKRMETTA:** We've a motion and a second?

8 **MS. BOWMAN:** We have a motion and a second to ratify that intervention. Any

9 opposition?

10 **COMMISSIONER CAMPBELL:** I'm all for this.

11 **CHAIRMAN FRANCIS:** Do we need a roll call vote?

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

13 **COMMISSIONER SKRMETTA:** No, no roll call.

14 **CHAIRMAN FRANCIS:** All right. So we're good.

15 **COMMISSIONER SKRMETTA:** Move to adjourn.

16 **CHAIRMAN FRANCIS:** It's moved and we have a motion to adjourn. Is there

17 a second?

18 **VICE CHAIRMAN LEWIS:** Second.

19 **CHAIRMAN FRANCIS:** Thank y'all. We're adjourned.

20

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

22

1 I certify that the foregoing pages 1 through 73 are true and correct to the best
2 of my knowledge of the Open Session of the Business and Executive Meeting
3 held on September 17, 2024 in Baton Rouge, Louisiana.

4 *****

5 **Rough Draft prepared by:**

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7 Clarisa Findley, Date
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