

Louisiana Public Service Commission Staff
Technical Conference
Regarding ESI's Renewable RFP

Hilton Capital Center

Baton Rouge, Louisiana

August 18 – 10 a.m.

Staff Technical Conference – ESI's RFP Agenda

- Welcome, Introductions, Purpose of Meeting
- Staff's Prior RPS Investigation - 2005
- Creation of EGS-LA/ELL Geaux Green Program
- Staff's Recent RPS Investigation - 2009
- Commission's Decision to Implement the Louisiana Renewable Energy Pilot
- Renewable Energy Pilot Implementation Plan
- Entergy's Bidders Conference

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Staff's Prior RPS Investigation - 2005

- In early 2005, the LPSC first opened a docket to investigate a Louisiana RPS
- Staff evaluated the cost and opportunity for additional renewable resources to be sited in Louisiana
- At the time of Staff's 2005 report, 20 states had implemented an RPS
- Staff's final report in that docket concluded that:

The key question that the LPSC must now face with regard to an RPS, is the amount, if any, that the Commission may consider a reasonable rate premium in order for renewable resources to be included in LPSC jurisdictional utility portfolio mixes.

- Staff's final recommendation suggested the implementation of a Green Pricing Tariff, which the Commission ordered

Staff Technical Conference – ESI's RFP EGS-LA/ELL Geaux Green Program

- EGS-LA original Green Pricing Tariff Pilot began April 2007
- Pilot extended for 2 years and expanded to include ELL
- Primarily Agrilectric, but also Lacassine supplied renewable energy during the course of the pilot
- Customers paid \$2.25 per month for each 100 kWh block of renewable energy they requested
- Marketing efforts focused on mass advertising and grassroots campaigns
- Pilot ended in July 2010

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Staff's Recent RPS Investigation - 2009

- In early 2009, there was a considerable focus on RPS at the Federal level
- At that time, the LPSC decided to revisit the question of an RPS for Louisiana
- By 2009, 30 states in the US had implemented a mandatory RPS, and another 6 implemented voluntary goals
- During 2009, Staff held several technical conferences with interested parties to discuss the cost and opportunity for building renewable resources in Louisiana
- Staff conducted an economic evaluation of the ratepayer impact of a Louisiana RPS under a set of sensitivity cases
- In February 2010 Staff initially proposed a goals based RPS with a 12% target by 2020 for Louisiana

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Commission's Decision to Implement Pilot

- Over the period of February through June 2010, Staff, Commissioners, utilities, and other interested parties continued discussions focused on ways to obtain more information about the availability and cost of renewable resources specifically in Louisiana
- The Commissioners preferred to obtain more information prior to implementing a long-term RPS policy
- In June 2010, Staff made a final recommendation to the Commission to implement the Renewable Energy Pilot Program
- The Commission approved the Pilot at its June 23, 2010 open session and the Order was issued July 21, 2010

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Renewable Energy Pilot Implementation Plan

- The Commission authorized a 90 day implementation period
- REP includes a Research Component and an RFP Component for Larger Renewable Resources.
- Research Component has two options the utility may select. Option 1 – requires utilities to build 3 small (<300 kW) self build renewable projects for research purposes. Expected to be operational by end of 2012.
- Research Component Option 2 – requires utilities to offer a standard offer tariff for as-available renewable energy for up to 5 MW per contract (minimum 25 kW). Maximum a utility can acquire is 30 MW under this option.
- Projects expected to be operational by end of 2012.

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REP Implementation Plan – Standard Offer Continued

- Standard Offer Tariff to be in effect for up to 5 years.
- Contract payment – on a monthly basis, utility avoided cost plus \$30/mWh.
- Floor and ceiling of \$60/mWh and \$120/mWh.

Staff Technical Conference – ESI's RFP REP Implementation Plan – RFP Component

- RFP Component for Larger Renewable Resources allocates 350 MW to the four jurisdictional investor owned utilities and to jurisdictional Coops that have expiring contracts prior to 2014.
- Term up to 20 years and minimum size is 2 MW.
- An exception allows for an RFP for renewable fuel instead of capacity in the case a utility owns a generating unit specifically designed for co-firing.
- Certification required in accordance with the Commission's October 2008 MBM Orders.
- Eligible resources defined in Staff's Implementation Plan
- New resources as of January 1, 2008, though option for retooled renewable resources to participate

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- Entergy's allocation is to acquire 233 MW through its RFP process.
- ESI indicated its intent to issue an RFP in accordance with the Commission's Market Based Mechanism Order on June 4, 2010
- ESI sought and obtained a waiver of the requirement that it issue a "Draft" or Informational RFP prior to issuing the final RFP
- Term Sheets and other pertinent information are available on the RFP website
- ESI plans to issue its RFP in late September

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REP Implementation Plan – Additional Details

- Typical grid interconnection and transmission service requirements
- Utilities will have a reporting requirement as a means of providing the Commission the information that it is seeking in implementing this Pilot
- Utilities permitted cost recovery in accordance with already existing procedures
- In order to satisfy the requirement in the Pilot Program, the RFP must be in conformity with the Pilot Program Implementation Plan
- Discussions are ongoing in Docket No. R-28271 Subdocket B
- Staff issued a draft for comment August 13, 2010
- Comments are due August 27, 2010, for a potential vote at the Commission's September 15, 2010 B&E

Staff Technical Conference – ESI's RFP REP Implementation Plan – Additional Details

- Staff has received questions regarding the definition of renewable resources in the implementation plan
 - Staff has been contacted by out of state wind developers
 - Questions were submitted by Leukadia Power Partners, LLC regarding the inclusion of synthetic natural gas.
- Comments with regard to expansion/narrowing of definition should be submitted in Docket No. R-28271 Subdocket B and will not be resolved at this conference.
 - The current list of renewable resources was approved by the Commission in Order No. R-28271 Subdocket B; any change requires a vote of the Commission