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AUG 17 2021

LA Public Service Commission

August 17, 2021

Via Hand-Delivery

Ms. Terri Bordelon
Louisiana Public Service Commission
12th Floor, Galvez Building
602 N. Fifth Street
Baton Rouge, LA 70802

Re: Dixie Electric Membership Corporation, NextEra Energy Marketing, LLC, and Amite Solar, LLC's Joint Application for Approval of Power Supply Agreements

Dear Ms. Bordelon:

Enclosed for filing are an original and three (3) copies of Dixie Electric Membership Corporation, NextEra Energy Marketing, LLC, and Amite Solar, LLC's Joint Application for Approval of Power Supply Agreements. I request that Exhibits A and B to the Joint Application be filed under seal pursuant to Rule 12.1 and that a filed stamped copy of the Joint Application be returned to me.

With kind regards, I am

Very truly yours,

Thomas D. Gildersleeve

TDG:mab
Enclosures

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AUG 17 2021

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

LA Public Service Commission

DOCKET NO. U- _____

**DIXIE ELECTRIC MEMBERSHIP CORPORATION, NEXTERA ENERGY
MARKETING, LLC, AND AMITE SOLAR, LLC'S JOINT APPLICATION FOR
APPROVAL OF POWER SUPPLY AGREEMENTS**

Dixie Electric Membership Corporation (“DEMCO”), NextEra Energy Marketing, LLC (“NEM”), and Amite Solar, LLC (“Amite Solar”) respectfully submit this Joint Application seeking approval and certification of two long-term power supply agreements that will supply DEMCO’s members with power for the next 10 to 25 years after expiration of DEMCO’s current power supply contract on March 31, 2024. The Joint Applicants have entered into two companion power supply contracts for which they seek approval in this docket. This first contract is a Full Requirements Power Supply Agreement between DEMCO and NEM entered into on July 15, 2021 (“Full Requirements PSA”), a copy of which is attached hereto as Exhibit A.¹ The second contract is a Solar Power Purchase Agreement between DEMCO and Amite Solar (“Solar PPA”) entered into on July 15, 2021, attached hereto as Exhibit B.² NEM and Amite Solar are affiliated entities. The Full Requirements PSA and the Solar PPA are referred to herein collectively as the “NextEra Agreements.” The two contracts work in concert by allowing DEMCO to receive a portion of its power from the Solar PPA with the Full Requirements PSA providing the bulk of DEMCO’s power needs.³ The Full Requirements PSA is for a term of 10 years. The Solar PPA is for a term of 25

¹ Filed pursuant to Rule 12.1.

² Filed pursuant to Rule 12.1.

³ A small portion of DEMCO’s power will continue to be supplied pursuant to an agreement with Southwestern Power Administrator (SWPA).

years. DEMCO will begin receiving power under the NextEra Agreements on April 1, 2024 if this Joint Application is approved. This Joint Application is filed in accordance with the Louisiana Public Service Commission (“LPSC” or the “Commission”) General Order dated September 20, 1983 (“1983 General Order”),⁴ as supplemented by the Commission’s Market-Based Mechanisms General Order (“MBM Order”).⁵

INTRODUCTION

1.

DEMCO is an electric cooperative formed in 1938 and existing pursuant to the Louisiana Electric Cooperative Law, La. R.S. 12:401, *et seq.* DEMCO serves approximately 113,000 meters in the capital region of Louisiana, including the parishes of Ascension, East Baton Rouge, East Feliciana, Livingston, St. Helena, Tangipahoa, and West Feliciana.

2.

The Commission exercises regulatory jurisdiction over DEMCO pursuant to Article 4, Section 21, of the Louisiana Constitution, which includes the authority to approve and certify the NextEra Agreements.

3.

⁴ LPSC General Order dated September 20, 1983 (*In re: In the Matter of the Expansion of Utility Power Plant; Proposed Certification of New Plant by the LPSC*), as amended by General Order (Corrected) in Docket No. R- 30517 (*In re: Possible modifications to the September 20, 1983 General Order to allow (1) for more expeditious certifications of limited-term resource procurements and (2) an exception for annual and seasonal liquidated damages block energy purchases*) dated October 29, 2008.

⁵ General Order, Docket No. R-26172 Subdocket A, *In re: Development of Market-Based Mechanisms to Evaluate Proposals to Construct or Acquire Generating Capacity to Meeting Native Load*, Supplements the September 20, 1983 General Order, dated February 16 , 2004 (as amended by General Order, Docket No. R-26172 Subdocket B, dated November 3, 2006, and further amended by the April 26, 2007 General Order, and the amendments approved by the Commission at its October 15, 2008 Business and Executive Meeting and now in General Order, Docket No. R-26172, Subdocket C dated October 29, 2008).

DEMCO does not own any generating assets. DEMCO currently obtains substantially all of the power needed by its members pursuant to a January 30, 2012 Power Supply and Service Agreement with Cleco Power LLC, which will expire on March 31, 2024 (“Cleco PSA”).⁶ If approved by the Commission, the NextEra Agreements would take effect on April 1, 2024 and replace all of the power that DEMCO currently receives under the Cleco PSA.

4.

NEM is a direct, wholly-owned subsidiary of NextEra Energy Resources, LLC (“NEER”). NEM is the wholesale power marketing and trading arm of NEER. NEM manages a diverse portfolio exceeding 18 gigawatts nationwide, and is one of the largest suppliers of wholesale electricity and electricity related products to public power entities, including generation and transmission cooperatives, distribution cooperatives, municipal utility aggregations, and municipal utilities. NEM is the counter-party to the Full Requirements PSA. The PSA involves the provision of a wholesale service by NEM. NEM will not directly provide electricity to retail customers in Louisiana.

5.

Amite Solar is an indirect wholly-owned subsidiary of NEER.⁷ Amite Solar is the counter-party to the Solar PPA and is developing a 100 megawatt solar facility located in Tangipahoa Parish, Louisiana, with a projected commercial operations date of April 1, 2024. The PPA involves the provision of a wholesale service by Amite Solar. Amite Solar will not directly provide electricity to retail customers in Louisiana.

⁶ DEMCO is also party to an agreement with Southwestern Power Administrator (“SWPA”). Pursuant to the SWPA agreement, DEMCO purchases a portion of its requirements for capacity and energy from SWPA. This agreement would not be affected by the transition from the Cleco PSA to the NextEra Agreements.

⁷ NEER is the world’s largest operator of wind and solar projects, and has approximately 24 GW of total generation in operation, of which approximately 3.7 GW are solar projects in the United States.

6.

DEMCO chose to enter into the NextEra Agreements based on responses it received to a 2020 Request for Proposals (“RFP”) in Commission Docket No. X-35500. The NextEra Agreements provide DEMCO with the best option of providing safe and reliable power to its members at the lowest reasonable costs. DEMCO chose the NextEra Agreements from among numerous options offered by numerous parties in the highly sophisticated and competitive RFP bid process.

7.

In support of this Joint Application, DEMCO submits testimony from (i) Randall C. Pierce, attached hereto as Exhibit C; (ii) Michael R. Johnson, attached hereto as Exhibit D; (iii) Ronnie J. Donaldson, attached hereto as Exhibit E; and (iv) Ingmar E. Sterzing, attached hereto as Exhibit F, while NEM submits the testimony of Michael Toal, attached hereto as Exhibit G and Amite Solar submits the testimony of Robert Michalczak, attached hereto as Exhibit H. The purpose of their respective testimonies is as follows:

- (i) Mr. Pierce, DEMCO’s CEO and General Manger, provides an overview of DEMCO, explains why and how DEMCO decided to conduct the RFP, offers an overview of the Joint Application, and introduces testimony of other DEMCO witnesses supporting the Joint Application;
- (ii) Mr. Johnson, DEMCO’s Vice President of Finance, discusses the positive impact that the NextEra Agreements will have on DEMCO’s rates;
- (iii) Mr. Donaldson, who is a partner with EnerVision, Inc. (“EnerVision), provides a detailed overview of the RFP process, explains how the selection of the NextEra Agreements complies with the applicable LPSC General Orders, and addresses why

the NextEra Agreements are in the best interest of DEMCO's members and in the public interest;

- (iv) Mr. Sterzing, who is a Vice President, Power Supply with EnerVision, provides additional information regarding his work on the matters addressed in Mr. Donaldson's testimony;
- (v) Michael Toal, who is Vice President of Power Origination for NEM, provides an overview of (i) NEM and its capabilities; (2) the services to be provided by NEM under the Full Requirements PSA; (3) how NEM has successfully performed similar services for public power entities; and (4) additional benefits provided to DEMCO under the Full Requirements PSA; and
- (vi) Robert Michalczak, who is Vice President – Renewable Origination and Development for NEER, provides an overview of (1) NEER and its capabilities to construct, operate, and maintain the Amite Solar project; (2) the services Amite Solar will provide under the Solar PPA; and (3) how such services are safe and reliable.

OVERVIEW OF NEXTERA AGREEMENTS

8.

DEMCO chose to enter into the Full Requirements PSA and the Solar PPA with the NextEra affiliates after a highly competitive bid process because the NextEra Agreements give DEMCO the best option for providing safe and reliable power to its members at the lowest reasonable cost.

9.

DEMCO hired EnerVision, a highly experienced and qualified consultant, to assist it in conducting the RFP and evaluating bids from various potential suppliers.

RFP AND EVALUATION PROCESS

10.

Following a public comment period to seek input and feedback on the RFP process, the final RFP was issued on July 8, 2020. The RFP sought competitive proposals from a wide range of wholesale power suppliers to supply all or a portion of DEMCO's long-term wholesale electric requirements for electric capacity, energy, ancillary services, and other energy services to serve DEMCO's load. The RFP process enabled DEMCO to engage a broad set of suppliers and assess a wide range of potentially viable supply options. Through a two-part process included in the RFP, DEMCO was able to consider and evaluate the various options and to select the best option that satisfies the needs and requirements of DEMCO as defined in the RFP and consistent with the MBM Order.

11.

The RFP evaluation was conducted in two parts. The primary purpose of Part One was to collect and identify proposals that met certain minimum threshold requirements to identify the top proposals for each product type. After confirming that the proposals met these threshold requirements, DEMCO with the aid of EnerVision, evaluated the proposals based on pre-established criteria set forth in the RFP to identify a shortlist of proposals that merited further evaluation in Part Two.

12.

In September 2020, during Part One of the RFP process, DEMCO received approximately 95 proposals from 13 unique suppliers. DEMCO evaluated and assessed the proposals according to the evaluation process described in the RFP and selected 6 of the original 13 suppliers to move forward to participate in Part Two of the RFP process. All suppliers were notified

on November 20, 2020 of their status, and the Part Two suppliers were invited to participate in the Part Two process.

13.

During the Part Two RFP process, DEMCO engaged in competitive negotiations with all of the Part Two suppliers in an effort to secure the best deal possible for its members. As described in the RFP, the final selection and decision of supply options by DEMCO was based on a combination of technical, commercial, and economic factors that are further detailed in the attached testimony. At the conclusion of the Part Two process, DEMCO determined that the NextEra Agreements were in the best interest of DEMCO's members.

14.

An independent monitor was not engaged because no affiliate bids or self-supply options were allowed to participate in the RFP. DEMCO did, however, update LPSC Staff and Staff's outside consultant regularly during the RFP process, which afforded Commission representatives an opportunity to monitor the RFP process.

COMPLIANCE WITH APPLICABLE COMMISSION RULES AND ORDERS

15.

Two LPSC Orders are implicated by the proposed certification of the NextEra Agreements. The first is the Commission's 1983 General Order. The second is the MBM Order. The NextEra Agreements are consistent with these orders and in the public interest. As Mr. Pierce explains in his testimony, the RFP process was conducted in a fair and transparent way with objective analyses guiding DEMCO's decisions during the process. As Mr. Donaldson discusses in his testimony, the pricing provisions of the NextEra Agreements resulted from a formal RFP, and the resulting price is fair and reasonable and in the best interest of DEMCO's members. DEMCO also seeks

approval pursuant to the Commission's November 13, 1996 General Order to provide security for its obligations under the NextEra Agreements according to the terms of those agreements.

REQUEST FOR TIMELY TREATMENT

16.

The Joint Applicants are requesting that the Commission direct or establish a procedural schedule in accordance with the 120-day certification period set forth in the 1983 General Order. The 120-day requirement in the Commission's 1983 General Order recognizes the importance of timely feedback from the Commission because, if the Commission determines that a proposed option does not serve the public interest, DEMCO must then pursue other options. Additionally, due to the timing of the LPSC process, the final pricing of the baseload supply component of the Full Requirements PSA will not be finalized until a final LPSC order is issued. As a result, DEMCO's pricing may be subject to increases if the forward market price of energy increases during the LPSC certification process.

RATE IMPACT

17.

As explained by Mr. Johnson's testimony, DEMCO's rates are currently prescribed by a Formula Rate Plan in which wholesale power cost are a large component of the rates paid by DEMCO's members. The NextEra Agreements will result in significant decreases in DEMCO's wholesale power cost which will translate directly into significant decreases in the rates paid by DEMCO members. Certification of the NextEra Agreements is in the public interest because certification will directly benefit DEMCO members and the public in general.

18.

If the Commission grants the instant certification of the NextEra Agreements, the future rate structure of DEMCO's rates will be addressed in a separate Commission filing made by DEMCO.

REQUEST FOR CONFIDENTIAL TREATMENT

19.

The NextEra Agreements are considered by the Joint Applicants to be proprietary and confidential and are being filed under seal pursuant to Rule 12.1. The Joint Applicants anticipate that parties to this proceeding may seek discovery of matters that are confidential. Attached hereto as Exhibit I is a draft Confidentially Agreement that may be used to facilitate the exchange of confidential information while still protecting information from disclosure to an appropriate extent.

PRAYER FOR RELIEF

WHEREFORE, for the reasons set forth above and in the supporting testimony of this Joint Application, the Joint Applicants pray that the Commission grant the following relief and issue an Order:

1. Finding that the NextEra Agreements serve the public convenience and necessity and are in the public interest, and therefore prudent, in accordance with the Commission's 1983 General Order;
2. Finding that the NextEra Agreements meet the requirements of the MBM Order;
3. Approving the terms, conditions, rights, remedies, and limitations set forth in the NextEra Agreements;

4. Directing that the period for interventions and protests be shortened to *fifteen (15) days* and that a scheduling conference be held the week following the close of the intervention period;
5. Developing and implementing appropriate procedures to facilitate a Commission decision on the Joint Application consistent with the *120-day requirement* in the Commission's 1983 General Order; and
6. Ordering such other general and equitable relief to which the Commission has authority to grant pursuant to the Louisiana State Constitution and the laws of this state to which the Joint Applicants may be so entitled in this proceeding.

[SIGNATURES ON FOLLOWING PAGE]

Respectfully submitted,

**TAYLOR, PORTER, BROOKS & PHILLIPS,
LLP**



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**Counsel for Dixie Electric Membership
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Respectfully submitted,

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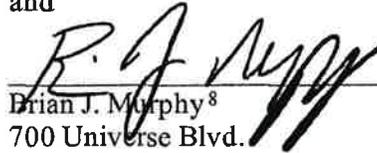
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**Counsel for NextEra Energy
Marketing, LLC and Amite Solar,
LLC**

⁸ Appearing pursuant to Rule 11.

CONFIDENTIAL
FILED UNDER SEAL – RULE 12.1

EXHIBIT A

CONFIDENTIAL
FILED UNDER SEAL – RULE 12.1

EXHIBIT B

TESTIMONY

of

RANDALL C. PIERCE

on behalf of

DIXIE ELECTRIC MEMBERSHIP CORPORATION

AUGUST 12, 2021

EXHIBIT C

1 **I. INTRODUCTION**

2 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION AT DIXIE
3 ELECTRIC MEMBERSHIP CORPORATION (DEMCO).

4 A. Randall C. Pierce, 16262 Wax Road, Greenwell Springs, Louisiana, 70739. My
5 position is CEO and General Manager.

6 Q. HOW LONG HAVE YOU HELD THE POSITION OF CEO and GENERAL
7 MANAGER AT DEMCO?

8 A. I began my employment with DEMCO as the CEO and General Manager in late
9 August of 2018.

10 Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL
11 EXPERIENCE.

12 A. I earned a bachelor's degree from Northwestern State University in Natchitoches
13 in Mass Communications with a minor in Business Administration. I have over 35
14 years of experience working with and for electric cooperatives, 22 of those years
15 were spent as the CEO of the Association of Louisiana Electric Cooperatives
16 (ALEC). ALEC provides joint services for the majority of the electric cooperatives
17 in the state in the areas of federal and state governmental affairs, regulatory affairs,
18 risk management and safety, marketing and publications, emergency
19 preparedness and response, and credit union services.

20 **II. PURPOSE AND SUMMARY OF DIRECT TESTIMONY**

21 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS
22 PROCEEDING?

1 A. The purpose of my testimony is to explain the process by which DEMCO decided
2 to enter into two companion power supply contracts to supply its long-term power
3 needs and how this decision will benefit DEMCO's members for years to come.
4 The first and primary contract is a Full Requirements Power Supply Agreement
5 between NextEra Energy Marketing, LLC ("NEM"), a direct wholly-owned
6 subsidiary of NextEra Energy Resources, LLC ("NextEra"), and DEMCO ("Full
7 Requirements PSA"). The second and related contract is a solar Power Purchase
8 Agreement between Amite Solar, LLC, a direct wholly-owned subsidiary of
9 NextEra, and DEMCO ("Solar PPA"). I sometimes refer to the Full Requirements
10 PSA and the Solar PPA as the "NextEra Agreements" during the remainder of my
11 testimony. The NextEra Agreements work in concert by ensuring that DEMCO will
12 receive all of its power needs under the Full Requirements PSA while also allowing
13 DEMCO to receive a portion of its power from the Solar PPA. The Full
14 Requirements PSA is for a term of 10 years. The Solar PPA is for a term of 25
15 years. DEMCO decided to enter into the NextEra Agreements after evaluating
16 numerous bids it received in a highly competitive bidding process for the
17 cooperative's future power supply conducted in accordance with the rules,
18 regulations, and general orders of the Louisiana Public Service Commission. I
19 refer to this bid process as the RFP process.

20 Q. WILL YOU PLEASE SUMMARIZE YOUR TESTIMONY.

21 A. I first discuss, in general terms, the background of DEMCO and its current power
22 supply contract. I then provide a high-level summary of the competitive bid
23 process that occurred during the RFP, as well as the process DEMCO undertook

1 for the purpose of procuring a future power supply contract. Finally, I will comment
2 on the benefits to DEMCO members and the public interest in general that will
3 result from DEMCO's decision to move forward in seeking certification of the
4 NextEra Agreements.

5 **III. OVERVIEW OF DEMCO**

6 Q. PLEASE PROVIDE A GENERAL OVERVIEW OF DEMCO.

7 A. DEMCO is a not-for-profit electric cooperative formed in 1938 and existing
8 pursuant to the Louisiana Electric Cooperative Law. DEMCO is owned by the
9 people who receive its services. DEMCO is focused on enhancing the lives of
10 members by providing safe, reliable, and competitively priced energy services.
11 DEMCO purchases wholesale power and then distributes that power to its
12 members. DEMCO's integrated electric distribution system includes 10 metering
13 points for wholesale power, 44 substations for system reliability, and 8,887 miles
14 of line. DEMCO powers in excess of 113,000 meters that serve approximately a
15 half million people in seven parishes: Ascension, East Baton Rouge, East
16 Feliciana, Livingston, St. Helena, West Feliciana, and Tangipahoa.

17 **IV. OVERVIEW OF THE RFP PROCESS**

18 Q. WHY DID DEMCO ENGAGE IN THE RFP PROCESS?

19 A. DEMCO is currently under a full requirements power supply contract with Cleco
20 Power, LLP that will expire on March 31, 2024. DEMCO's management team and
21 I were aware that there were many innovative options available in the wholesale
22 power supply market and we wanted to make sure that DEMCO fully explored all
23 of those options in a transparent and objective way. My goal in engaging in the

1 RFP Process was driven by the same objective that I and DEMCO's management
2 team work toward every day, which is making sure that DEMCO's members are
3 getting safe and reliable power at the best price possible.

4 Q. DID YOU HIRE A CONSULTANT TO HELP YOU WITH THE RFP?

5 A. Yes.

6 Q. WHY DID YOU HIRE A CONSULTANT?

7 A. There are several reasons. DEMCO does not routinely negotiate terms for its
8 power supply contracts on a regular basis because these tend to be long term
9 contracts. DEMCO's current power supply contract was executed in 2012. There
10 have been many changes in the wholesale power supply market since then. We
11 needed someone that possessed up-to-date expertise in this area to assist us.
12 Second, and of critical importance, I realized that DEMCO was likely to receive
13 many proposals that not only varied in terms of duration and price but that also
14 varied in terms of other factors such as energy source, full versus partial
15 requirements, variable versus fixed cost, and many other factors. I knew that
16 DEMCO needed an experienced consultant that could compare all of the proposals
17 on an apples-to-apples basis so that DEMCO's management team and the Board
18 of Directors could make informed decisions about what was best for the members.
19 We hired EnerVision, Inc. to assist us with this process.

20 Q. PLEASE GIVE A GENERAL OVERVIEW OF THE PROCESS UNDERTAKEN AS
21 IT RELATES TO THE RFP.

22 A. DEMCO partnered with Jefferson Davis Electric Cooperative, Inc. (JDEC) to
23 conduct the RFP. DEMCO chose to work together with JDEC to share the cost of

1 the RFP, but each cooperative made its own decisions as to which bidders and
2 proposals were best for its members. DEMCO and JDEC conducted the RFP
3 pursuant to the Commission's Market Based Mechanism General Order, which I
4 refer to as the MBM Order. As required by the MBM Order, DEMCO provided
5 notice on February 27, 2020 to the Executive Secretary of the LPSC that it intended
6 to conduct an RFP to solicit competitive bids for long-term power supply. A draft
7 of the RFP was filed with the Commission on July 3, 2020. Shortly thereafter, the
8 Commission hired an outside consultant to assist Commission Staff with the review
9 and analysis of the RFP. DEMCO then consulted with LPSC Staff, including Staff's
10 outside consultant, before finalizing the draft of its RFP. DEMCO and JDEC held
11 a technical conference for all interested parties on July 10, 2020. After
12 consideration of the comments received from the technical conference, the final
13 version of the RFP was filed with the Commission on July 28, 2020 and published
14 on the EnerVision website.

15 Q. WHAT STEPS WERE TAKEN TO ENCOURAGE BROAD MARKET
16 PARTICIPATION IN THE RFP?

17 A. DEMCO sought maximum distribution and awareness of its RFP for market
18 participants. The RFP was widely publicized, and potential bidders were given
19 ample notice and opportunity to participate. The RFP was filed with the
20 Commission and notice of the filing was published in the LPSC Bulletin. The RFP
21 was published on EnerVision's website. Based on the broad participation in the
22 technical conference held for potential bidders and large number of bids DEMCO
23 ultimately received, I am confident that these efforts to encourage participation

1 were successful.

2 Q. WHAT OPPORTUNITIES DID DEMCO PROVIDE TO MAKE INFORMATION
3 AVAILABLE TO POTENTIAL BIDDERS RELATED TO THE RFP?

4 A. In addition to the information provided on the EnerVision RFP website, DEMCO
5 provided many opportunities for parties to obtain information, seek clarification,
6 and have questions answered throughout the RFP process. DEMCO held a
7 Technical and Bidders' Conference on July 10, 2020, where DEMCO, through its
8 officials, counsel, and consultant, provided a comprehensive presentation,
9 answered questions, and addressed various comments submitted by any and all
10 interested parties. Additionally, throughout the entire RFP process, potential
11 bidders were provided opportunities to submit anonymous written questions and
12 comments through the RFP webpage maintained by EnerVision and engage in
13 email communications directly with EnerVision.

14 Q. DID YOU HAVE ANY PRECONCEIVED IDEAS ABOUT WHO YOU WANTED TO
15 BE SELECTED IN THE RFP?

16 A. No, I and DEMCO's management team went into the process with an open mind
17 and instructed EnerVision to assess all proposals in an objective way. Of course,
18 I insisted that whoever was selected be able to provide safe and reliable power.
19 Beyond that threshold requirement, DEMCO was also willing to consider any
20 proposal or a combination of different proposals that offered the best option for
21 DEMCO's members in terms of providing safe and reliable power at the lowest
22 cost regardless of whether those proposals were from parties that DEMCO had
23 dealt with in the past or new parties interested in competing to serve DEMCO's

1 power needs. DEMCO was also willing to consider combinations of energy
2 sources and suppliers if that was what offered the greatest benefit to DEMCO's
3 members.

4 Q. WAS AN INDEPENDENT MONITOR INVOLVED IN THE RFP?

5 A. No. An independent monitor was not engaged because no affiliate bids or self-
6 supply options participated in the RFP. LPSC Staff and its outside consultant,
7 however, were involved in the process and were advised as to the steps DEMCO
8 was taking at all key points during the RFP process.

9 Q. WHAT SAFEGUARDS WERE ESTABLISHED TO ENSURE THAT THE RFP
10 WAS CONDUCTED IN AN OBJECTIVE AND IMPARTIAL MANNER?

11 A. DEMCO instructed EnerVision to deal with all bidders on an equal basis. As much
12 information as possible that could be published without compromising the
13 competitive nature of the bid process was published to all bidders. DEMCO strictly
14 applied any deadlines in the RFP process equally to all bidders. DEMCO
15 instructed EnerVision to evaluate all bids on an objective basis using robust
16 modeling. The model inputs used by EnerVision to compare proposals came
17 directly from the bidders' proposals or widely accepted third party data. DEMCO
18 did not know how the bidders would be ranked until EnerVision had performed its
19 analytics to assess each proposal.

20 Q. WHAT TYPE OF RESPONSE DID DEMCO RECEIVE FROM THE RFP?

21 A. The responses were robust and varied. I was very pleased to see such interest
22 and to know that interest would serve to benefit DEMCO's members by helping
23 DEMCO achieve the best deal possible through market competition. A total of 13

1 bidders submitted approximately 95 distinct proposals. These proposals included
2 new and existing generating facilities utilizing many different energy sources,
3 including coal, natural gas, wind, solar, and battery storage.

4 Q. HOW DID DEMCO EVALUATE THE PROPOSALS IT RECEIVED?

5 A. DEMCO ranked the proposals with the assistance of EnerVision using the pre-
6 established criteria set forth in the RFP so that the best proposals would advance
7 to Part Two. DEMCO and EnerVision reviewed all proposals, screened the
8 responses to ensure they conformed with all of the bid requirements, conducted
9 follow-up conference calls, meetings, and/or targeted email outreach to clarify
10 specific issues regarding the information provided in the bids, evaluated all
11 conforming proposals according to the RFP criteria, and chose the preferred
12 proposals to advance to Part Two of the RFP process. Negotiations with bidders
13 on contract terms continued comprehensively and regularly over the next two
14 months and, at DEMCO's February 2021 Board Meeting, the DEMCO Board
15 unanimously approved selection of 6 of the original 13 suppliers to participate in
16 Part Two RFP activities. The recommended Part Two plan was to pursue full and
17 partial power supply options with a term of 5 to 10 years through negotiations with
18 the Part Two suppliers. DEMCO, with the assistance of EnerVision and legal
19 counsel, then engaged in more direct discussions and negotiations with the
20 preferred bidders to secure the best deal possible. DEMCO requested a best and
21 final offer from all bidders by April 2, 2021. After evaluating the best and final offers
22 received from the preferred bidders, DEMCO decided to move forward with
23 NextEra Agreements.

1 Q. HOW WERE YOU AND THE DEMCO BOARD INVOLVED IN THE RFP
2 PROCESS?

3 A. The DEMCO Board of Directors and DEMCO's management team have been fully
4 involved and engaged throughout each phase of the RFP process. The DEMCO
5 Board of Directors took their roles and duties seriously and carefully considered
6 the options. The Board and I were briefed regularly by EnerVision throughout the
7 RFP process. I and other members of DEMCO's management team participated
8 in comprehensive conferences on a regular basis throughout the RFP process
9 during which we directed the process.

10 Q. WAS LPSC STAFF INVOLVED IN THE VARIOUS EVALUATION PROCESSES?

11 A. Yes. Throughout the RFP process DEMCO held conferences with LPSC Staff and
12 Staff's outside consultant to review the evaluation and elimination processes. The
13 ultimate decision as to who was selected to be DEMCO's power provider was
14 made by DEMCO based on application of the criteria set forth in the RFP.

15 **V. GENERAL OVERVIEW OF NEXTERA AGREEMENTS**

16 Q. PLEASE IDENTIFY THE SELECTIONS MADE BY DEMCO AS A RESULT OF
17 THE RFP PROCESS.

18 A. DEMCO decided to enter into two power purchase agreements, the Full
19 Requirement PSA and the Solar PPA, to collectively supply all of DEMCO's power
20 needs. I should also add that DEMCO has an existing power supply agreement
21 with the Southwestern Power Administration (SWPA) which currently provides and
22 will continue to supply a small portion of DEMCO's power needs. Power provided
23 by the SWPA agreement will be incorporated into the Full Requirements PSA and

1 managed by NEM.

2 Q. WHY DID DEMCO SELECT TWO POWER SUPPLY CONTRACTS?

3 A. Technically, DEMCO is entering into two separate power supply contracts. The
4 two contracts will effectively function as one full requirements contract for at least
5 for the next 10 years. The Solar PPA offered DEMCO the opportunity to lock-in a
6 portion of its power needs at a very attractive fixed price for 25 years. This contract
7 will provide an immediate benefit to DEMCO's members in terms of reduced cost
8 and price stability over the next 25 years as rates potentially fluctuate and prices
9 increase over time in the market. The Solar PPA is for all capacity, energy, and
10 other attributes from the proposed NextEra 100 MW Amite Solar facility located in
11 Tangipahoa parish. This is a huge benefit. DEMCO must be able to serve its full
12 and growing load at all times in a safe and reliable way. Because the power from
13 the Solar PPA comes from a single source that is subject to variation based on
14 weather conditions and mechanical operation, it was important to DEMCO to have
15 a robust full requirements source. The Full Requirements PSA will provide the
16 bulk of DEMCO's power, including all power not supplied by the Solar PPA or
17 DEMCO's existing SWPA contract. In other words, where there are fluctuations in
18 the power provided by the Solar PPA or DEMCO's SWPA agreement, the Full
19 Requirements PSA will adjust to fill gaps and ensure that DEMCO has full access
20 to all of the power needed to serve its load.

21 Q. GENERALLY SPEAKING, HOW DOES THE FULL REQUIREMENTS PSA
22 OPERATE?

23 A. The Full Requirements PSA requires NEM, one of the largest and most

1 sophisticated power supplying entities in the country, to secure at least two quotes
2 for DEMCO's power needs on a rolling basis, which NEM has the option to match.
3 The details regarding operation of the Full Requirements PSA are addressed in
4 the direct testimony of Ronnie J. Donaldson, which is supported by the testimony
5 of Ingmar Sterzing. Broadly speaking, a significant portion of DEMCO's power
6 needs will be locked in from day one. The Full Requirements PSA gives DEMCO
7 the ability to lock in additional portions of its power supply on a rolling basis. The
8 net result of this structure is that DEMCO will have the opportunity to lock in the
9 price on greater portions of its power supply when market conditions are favorable.

10 Q. HOW WILL ANY PRICE FLUCTUATIONS UNDER NEXTERA AGREEMENTS
11 COMPARE TO THOSE EXPERIENCED BY DEMCO UNDER ITS CURRENT
12 CONTRACT WITH CLECO POWER?

13 A. I expect the Full Requirements PSA with NEM to offer rates to DEMCO's members
14 that are not only lower than rates they pay with the Cleco Power contract in place,
15 but that are much more consistent from month to month and year to year. The fuel
16 cost adjustment in the current Cleco Power contract results in significant and
17 unpredictable fluctuations in DEMCO's power cost. Because of this I cannot tell
18 you what DEMCO's power cost will be from month to month. With DEMCO's
19 current power supply contract, events such as the recent winter storms can cause
20 spikes in fuel cost which in turn cause an immediate and unpredictable increase in
21 DEMCO's power cost that is passed on to the members in the rates they pay.
22 These fluctuations are not likely to occur under the Full Requirements PSA with
23 NEM several reasons. First, a significant portion of the cost will be fixed from day

1 one. Second, costs that are not fixed from day one will be fixed ahead of any given
2 calendar year on a rolling basis. So, for example, a spike in fuel cost in February
3 would not generally impact pricing under the NEM Full Requirements PSA
4 because almost all of the annual power costs are set for the entire calendar year
5 before the year begins. Third, DEMCO has the ability to meet with NextEra and
6 instruct NextEra to hedge against price fluctuations in the market. Fourth, as
7 DEMCO locks in greater portions of its power supply price over time when market
8 conditions are favorable, an increasingly smaller portion of its power supply costs
9 have the potential to fluctuate.

10 Q. WILL DEMCO'S RETAIL RATES SUBSTANTIALLY DECREASE AS A DIRECT
11 RESULT OF NEXTERA PPAS?

12 A. Yes. Michael R. Johnson addresses this topic in detail in his direct testimony. As
13 Mr. Johnson has stated, the NextEra Agreements will provide DEMCO with
14 significantly lower wholesale rates. Because wholesale power costs represent
15 over half of the cost paid by DEMCO's members in rates, a substantial decrease
16 in the retail rates for DEMCO members is almost certain to result.

17 Q. IS IT YOUR OPINION THAT THE SELECTION OF NEXTERA AGREEMENTS IS
18 IN THE BEST INTERESTS OF DEMCO AND ITS MEMBERS?

19 A. Yes. DEMCO has engaged in a prudent and transparent process in full
20 compliance with the MBM Order, and it has made power supply decisions that will
21 ensure that the electric cooperative member-customers receive reliable, low-cost
22 power on a long-term basis.

23 Q. DO YOU REQUEST LPSC APPROVAL OF THE NEXTERA PPAS?

1 A. Yes. The NextEra Agreements entered into by DEMCO are in the best interest of
2 DEMCO and its member owners. Additionally, DEMCO's selection was the
3 product of a fair, reasonable, and correctly followed RFP process.

4 **VI. CONCLUSION**

5 Q. DO YOU HAVE ANY CONCLUDING REMARKS?

6 A. Yes.

7 Q. PLEASE PROVIDE YOUR REMARKS.

8 A. DEMCO has worked diligently with all parties involved in the RFP process to
9 negotiate and complete the agreements necessary to provide benefits to DEMCO
10 and its members. While my first job as CEO and General Manager of DEMCO is
11 to achieve benefits for DEMCO members, which the NextEra Agreements
12 undoubtedly do, the state and region will benefit as well from the NextEra
13 Agreements. I am proud to have negotiated agreements with NextEra that will
14 result in lower power cost than any of the alternatives. Lower power cost in
15 DEMCO's service area will serve to attract new businesses, especially businesses
16 that are large consumers of power. DEMCO's lower power cost will also serve to
17 incentivize other electric utilities in the state to find ways to lower their power costs,
18 which ultimately benefits all residents and businesses in the state.

19 Q. DOES THIS CONCLUDE YOUR PREFILED WRITTEN TESTIMONY?

20 A. Yes.

21

22

23

BEFORE THE

LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NO. U-

JOINT APPLICATION FOR APPROVAL OF
POWER SUPPLY AGREEMENTS

AFFIDAVIT OF WITNESS

I, Randall C. Pierce, being duly sworn, depose and state that the Direct Testimony in the above referenced matter on behalf of Dixie Electric Membership Corporation is true and correct to the best of my knowledge, information, and belief.

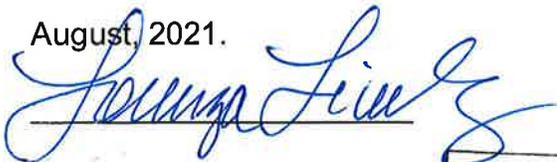


Randall C. Pierce

Subscribed and sworn before

me this 12th day of

August, 2021.



My Commission expires: _____



TESTIMONY

of

MICHAEL R. JOHNSON

on behalf of

DIXIE ELECTRIC MEMBERSHIP CORPORATION

AUGUST 12, 2021

EXHIBIT D

1 Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION AT DIXIE
2 ELECTRIC MEMBERSHIP CORPORATION (DEMCO).

3 A. Michael R. Johnson, 16262 Wax Road, Greenwell Springs, Louisiana, 70739. My
4 position is Vice President, Finance.

5 Q. HOW LONG HAVE YOU HELD THE POSITION OF VICE PRESIDENT, FINANCE
6 AT DEMCO?

7 A. I began my employment with DEMCO as the Vice President of Finance in July of
8 2017.

9 Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL
10 EXPERIENCE.

11 A. In 1979, I received a BA in Economics from Loras College, which is located in
12 Dubuque, IA. I also fulfilled the requirements for a BA in Accounting from Loras
13 College during the early 1980's and earned my MBA from the University of
14 Dubuque, also located in Dubuque, IA, in 1989. I worked in the Investor Owned
15 Utilities (IOU) arena for almost 20 years at a combination of Interstate Power
16 Company and Alliant Energy. I held various financial positions within those
17 companies, mainly working on budgets and utility rates.

18 I left the IOU environment and began my electric cooperative career working as a
19 CFO for three electric cooperatives. In July of 2009 I accepted the position of
20 President/COO at Clinton County Electric Cooperative, Inc., located in Breese, IL.
21 As Vice President, Finance at DEMCO I am responsible for the direction and
22 control of the Accounting/Finance functions as well as Billing, Customer Service,
23 Information Technology, Fleet, Purchasing and Warehousing functions.

1 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

2 A. I will discuss my involvement with the power supply procurement process as well
3 as explain the anticipated rate impact to DEMCO's members when the new power
4 purchase agreements between DEMCO and NextEra are implemented.

5 Q. HOW DOES DEMCO CURRENTLY PURCHASE ITS POWER SUPPLY?

6 A. DEMCO has two sources of power supply: the U.S. Department of Energy
7 Southwestern Power Administration and Cleco Power, LLC. DEMCO's Power
8 Supply and Service Agreement with Cleco Power, LLC (Cleco PSA) will expire on
9 March 31, 2024. DEMCO's agreement with Southwestern Power Administration
10 will remain in place, although it supplies only a small percentage of DEMCO's
11 power needs.

12 Q. HOW DOES DEMCO PLAN ON REPLACING THE POWER SUPPLY VOID THAT
13 WILL BE LEFT UPON EXPIRATION OF THE CLECO PSA?

14 A. After solicitation of competitive bids via a Request for Proposals process, DEMCO
15 has entered into two power supply contracts with subsidiaries of NextEra Energy
16 Resources, LLC. This first and primary contract is a Full Requirements Power
17 Supply Agreement between NextEra Energy Marketing, LLC and DEMCO ("Full
18 Requirements PSA"). The second and related contract is a Solar Power Purchase
19 Agreement between Amite Solar, LLC and DEMCO ("Solar PPA"). I sometimes
20 refer to the Full Requirements PSA and the Solar PPA as the "NextEra
21 Agreements" during the remainder of my testimony. Subject to approval by the
22 LPSC, DEMCO will begin to receive power on April 1, 2024 under the NextEra
23 Agreements.

1 Q. WERE YOU INVOLVED IN DEMCO'S POWER SUPPLY PROCUREMENT
2 PROCESS, WHICH ULTIMATELY RESULTED IN CONTRACT NEGOTIATIONS
3 AND EXECUTION WITH THE NEXTERA ENTITIES?

4 A. Yes, I was a member of the DEMCO management team that assisted in the
5 evaluation of bids and the overall decision making process which ultimately
6 resulted in the decision to execute the NextEra Agreements.

7 Q. HAVE YOU REVIEWED THE NEXTERA AGREEMENTS?

8 A. Yes, I have reviewed these contracts in their entirety. I was also directly involved
9 in negotiating the terms of these agreement, especially the terms relating to
10 financial matters. It is my professional opinion that the NextEra Agreements will
11 provide DEMCO members with a reliable source of power at the lowest reasonable
12 cost available in the market.

13 Q. DID DEMCO ENGAGE A THIRD-PARTY CONSULTANT TO ASSIST IT IN
14 FORECASTING THE POWER COST DEMCO WILL LIKELY INCUR ONCE THE
15 FULL REQUIREMENTS PSA AND SOLAR PPA TAKE EFFECT?

16 A. Yes, DEMCO contracted with EnerVision, Inc. to assist it in the process of
17 projecting future power costs based on the terms of the NextEra Agreements,
18 along with DEMCO's existing contract with Southwestern Power Administration. I
19 believe EnerVision has the industry knowledge and expertise to assist with this
20 process and render meaningful cost forecast.

21

22

23

1 Q. DID YOU REVIEW AND DISCUSS THE FORECAST AND COST PROJECTIONS
2 PROVIDED TO DEMCO BY ENERVISION PERSONNEL?

3 A. Yes, throughout the entire RFP process leading up to execution of the NextEra
4 Agreements, myself and other DEMCO personnel were presented with various
5 forecasts that were continually refined. I am familiar with the modeling inputs and
6 manner in which the forecasts were prepared by EnerVision. I believe the
7 modeling inputs and forecast produced results that represent very reasonable
8 projections of the cost that DEMCO can expect to incur under the NextEra
9 Agreements going forward.

10 Q. CAN YOU EXPLAIN THE ROLE THAT DEMCO'S WHOLESALE POWER COSTS
11 PLAY IN THE RATES THAT MEMBERS PAY?

12 A. Yes. DEMCO's Power Cost Adjustment Clause on file with the LPSC
13 (Rider PCA - DE) provides for DEMCO to recover its monthly power supply cost
14 from its members in rates. This rider states, "There shall be added to each monthly
15 bill for service an adjustment per kilowatt-hour (KWH) based upon the cost of
16 power of its power supplier." Therefore, any change in DEMCO's wholesale cost
17 of power directly translates to a change in the amount per kilowatt-hour billed to
18 DEMCO's members.

19 Q. APPROXIMATELY WHAT PERCENTAGE OF RATES PAID BY THE DEMCO
20 MEMBERSHIP ARE ATTRIBUTABLE TO THE WHOLESALE COST OF
21 POWER?

22 A. In 2020, DEMCO billed members \$198,351,953 of rate related revenues while
23 experiencing \$114,822,308 in wholesale power costs. Therefore the percentage

1 of wholesale power costs to total rate revenues was 58%. The remaining 42% of
2 rate related revenues fund employee costs, contractor costs, utility material costs,
3 depreciation, various taxes, etc.

4 Q. UPON IMPLEMENTATION OF NEXTERA AGREEMENTS, WHAT CHANGE
5 WOULD YOU EXPECT TO SEE IN THE RATES PAID BY DEMCO'S MEMBERS?

6 A. DEMCO will start to purchase energy from NextEra on April 1, 2024. Those costs
7 will go into DEMCO's PCA calculation and will be reflected in DEMCO's June 2024
8 PCA factor billed to its members. Based on historical data of the cost per kilowatt-
9 hour purchased, DEMCO would expect the new PCA factor, on average, to be
10 significantly less than it has been in recent years. The exact amount of the
11 difference will depend upon which calendar year is being used for comparison.
12 DEMCO's FRP is currently in place for test years 2021, 2022, and 2023.
13 Wholesale power supply cost have always been the dominant cost driving the rates
14 paid by DEMCO members. Regardless of exactly which method is used to
15 incorporate power supply cost into DEMCO's FRP going forward, a significant
16 decrease in DEMCO's wholesale power cost will result in a significant decrease in
17 member rates because the wholesale power cost is such a large portion of
18 DEMCO's overall cost of service.

19 Q. HOW DO YOU EXPECT THE NEXTERA AGREEMENTS TO IMPACT DEMCO'S
20 RETAIL RATES OVER THE NEXT SEVERAL YEARS?

21 A. DEMCO expects the membership to experience a decrease in rates paid by
22 members. The precise amount of savings the members are expected to see will
23 vary based upon the point in time for which they are comparing. A comparison of

1 rates after the NextEra Agreements are in place to years in which the cost/kWh
2 purchased by DEMCO from Cleco Power LLC were higher will result in members
3 seeing a greater differential, whereas a lower cost/kWh purchased by DEMCO will
4 result in a lower, but still very meaningful differential in terms of lower rates.

5 Q. DO THE NEXTERA AGREEMENTS PROVIDE DEMCO MORE ABILITY TO
6 TAKE ADVANTAGE OF FAVORABLE MARKET CONDITIONS?

7 A. Yes, this is where I believe DEMCO's members will see the greatest benefit from
8 these two contracts. Between the ability to "hedge" up to a year ahead of time
9 coupled with the flexibility to take advantage of favorable conditions in the energy
10 market, DEMCO's members should receive very favorably priced energy over 10-
11 year term of the Full Requirements PSA.

12 Q. WHAT IS YOUR UNDERSTANDING OF THE ASSUMPTIONS USED BY
13 ENERVISION TO MODEL POWER COST UNDER THE NEXTERA PSA?

14 A. I am of the opinion that EnerVision used conservative assumptions to develop the
15 cost projections and that actual power supply cost DEMCO will experience under
16 the NextEra Agreements, which, in turn, means the cost projections and the actual
17 power cost DEMCO will experience have a high likelihood of being lower than
18 projected. Therefore, the savings to members under the NextEra Agreements that
19 I estimated above are also very conservative. It is reasonable to assume that the
20 NextEra Agreements will likely lead to even greater savings for members as
21 DEMCO is able to lock in greater portions of its power supply when market
22 conditions are favorable.

1 Q. DOES DEMCO KNOW WHAT ITS COST WILL BE MONTH-TO-MONTH UNDER
2 THE CURRENT CLECO PSA?

3 A. No, some costs are fixed but a large component of the price that DEMCO pays
4 Cleco Power comes from a Power Cost Adjustment over which DEMCO has no
5 control. As a result, I am not able to determine ahead of time what DEMCO's
6 power cost will be from month-to-month. Additionally, there are other costs in the
7 Cleco PSA, such as an environmental compliance cost, that are charged to
8 DEMCO and then passed along to our members through DEMCO's PCA without
9 any DEMCO control.

10 Q. WHAT HAPPENS TO DEMCO'S CURRENT RATES WHEN AN EXTREME
11 WEATHER EVENT SUCH AS AN ICE STORM CAUSES FUEL COST TO RISE
12 RAPIDLY?

13 A. The cost that DEMCO pays under its current power supply agreement with Cleco
14 Power are closely tied to the cost of fuel and the cost of market priced supply.
15 Instances in which the fuel cost/market costs rise rapidly result in a steep Power
16 Cost Adjustment that is passed along dollar for dollar to the membership by
17 operation of the PCA.

18 Q. IN THE EVENT OF AN EXTREME WEATHER EVENT, HOW WOULD THE
19 MEMBER'S RATE IMPACT DIFFER UNDER THE NEXTERA AGREEMENTS?

20 A. Any impact on rates would be minimal compared to the current impact felt under
21 the Cleco PSA for two reasons. First, the Solar PPA has a fixed price for the
22 entirety of its term that does not fluctuate based on fuel cost at all. Second, under
23 the Full Requirements PSA, DEMCO's power cost are generally fixed for an entire

1 year prior to the beginning of each year such that a mid-year weather event or
2 even something unusual in the market would have a much more muted impact on
3 DEMCO's rates. In the event of an unusual weather occurrence, prices may spike
4 and DEMCO could feel the effect of some of that price spike as to small portions
5 of its power supply that are not fixed, but this would be far less than the impact
6 DEMCO experiences now under the Cleco PSA.

7 Q. ARE YOU SAYING THERE WILL BE NO FLUCTUATION IN DEMCO'S RATES
8 FOR THE NEXT TEN YEARS IF THE NEXTERA AGREEMENTS ARE
9 APPROVED AND CERTIFIED?

10 A. No, there could still be some minor fluctuations in rates that are passed along to
11 members. For example, if the solar output is less than expected or if DEMCO's
12 load is higher than expected there could be additional cost to members. But the
13 point I want to make is that a large portion of DEMCO's cost will be set in advance
14 such that even if there are some fluctuations in the total cost, the overall
15 fluctuations will be minor compared to those experienced by DEMCO members
16 now.

17 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

18 A. Yes, it does.

19

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BEFORE THE

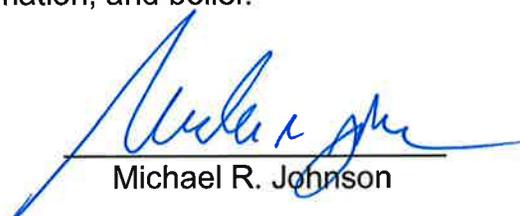
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NO. U-

JOINT APPLICATION FOR APPROVAL OF
POWER SUPPLY AGREEMENTS

AFFIDAVIT OF WITNESS

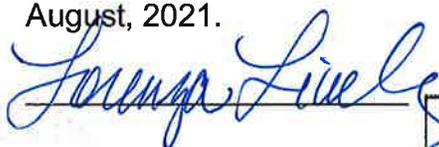
I, Michael R. Johnson, being duly sworn, depose and state that the Direct Testimony in the above referenced matter on behalf of Dixie Electric Membership Corporation is true and correct to the best of my knowledge, information, and belief.


Michael R. Johnson

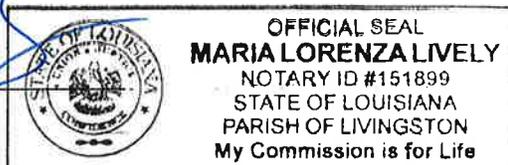
Subscribed and sworn before

me this 12th day of

August, 2021.



My Commission expires:



TESTIMONY

of

RONNIE J. DONALDSON

on behalf of

Dixie Electric Membership Corporation

AUGUST 11, 2021

EXHIBIT E

1 Additionally, I am involved in the facilitation process of Strategic Planning in the
2 Management Consulting Practice area of EnerVision.

3 Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

4 A. I received a Bachelor of Science in Industrial Engineering from the Georgia
5 Institute of Technology and Master of Business Administration from the University
6 of North Carolina Kenan Flagler Business School with a concentration in Data
7 Analytics and Decision Making.

8 Q. DESCRIBE YOUR PROFESSIONAL WORK EXPERIENCE.

9 A. I have worked in the electric utility industry, primarily with electric cooperatives, for
10 11+ years. My experience includes determining power supply needs, identifying
11 resource options, soliciting the market for proposals, understanding and evaluating
12 proposal economics and presenting the analyses to the Board of Directors and
13 Public Service Commissions. I've performed these services to utilities in multiple
14 states across the country, some of which are within the Midcontinent Independent
15 System Operator ("MISO") territory.

16 Q. HAVE YOU PREVIOUSLY OFFERED TESTIMONY BEFORE ANY PUBLIC
17 UTILITY REGULATORY COMMISSION?

18 A. No, I have not directly testified before any public utility regulatory commission, but
19 I have been indirectly involved with providing supplemental information for
20 testimonies given before the Federal Energy Regulatory Commission ("FERC"),
21 the Georgia Public Service Commission, and the North Carolina Utilities
22 Commission.

23

1 **II. Purpose and Summary of Testimony**

2 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

3 A. The purpose of my testimony is to discuss the process undertaken by DEMCO in
4 seeking and evaluating options for wholesale power requirements for DEMCO and
5 negotiating power purchase agreements. I will also discuss the objectives from
6 the RFP process which DEMCO desired to accomplish with the power supply
7 options selected and how the proposed options address each objective and
8 resulted in what I, the DEMCO Management Team, and the DEMCO Board of
9 Directors feel is the best option for DEMCO in fulfilling its power supply
10 requirements for 2024 and beyond, particularly meeting the objective of providing
11 reliable service at the lowest reasonable cost.

12 **II. COMMISSION’S MBM ORDER, DEMCO’S COMMISSION**
13 **INFORMATIONAL FILING, AND THE 2020 RFP**

14 Q. WHAT DID DEMCO HIRE ENERVISION TO DO?

15 A. EnerVision was hired to provide power supply consultant services to plan, develop,
16 and manage DEMCO’s wholesale power supply RFP process (i.e., the 2020 RFP)
17 as well as the associated Commission processes (which include the Commission’s
18 MBM General Order). The purpose of the 2020 RFP process was to evaluate,
19 consider, and select a new wholesale power supply to replace DEMCO’s existing
20 contract that is set to expire at the end of March 2024.

21 Q. WHO SPECIFICALLY AT ENERVISION LED THIS PROCESS?

22 A. I, along with Ingmar Sterzing, was directly involved in managing the RFP process
23 at DEMCO’s direction. Mr. Sterzing and I worked together to manage the process

1 and perform all the modeling and analyses necessary to support evaluation of the
2 various proposals DEMCO received. Mr. Sterzing is submitting testimony in this
3 matter as well. Unless otherwise indicated, when I refer to the work of EnerVision
4 during the remainder of my testimony, I am referring to work that I performed jointly
5 with Mr. Sterzing. Mr. Sterzing and I worked together very closely throughout the
6 entire RFP process to ensure that the analyses performed by EnerVision were
7 thorough and that recommendations made by EnerVision to DEMCO were soundly
8 supported.

9 Q. HOW DID ENERVISION GO ABOUT PREPARING THE 2020 RFP?

10 A. The RFP process was formally initiated on or around June 1, 2020, with an
11 informational filing with the Commission. Once the initial notice filing was made
12 and published, the Commission established LPSC Docket No. X-35500. An
13 outside consultant was hired by the Commission to assist Commission Staff.
14 DEMCO advised the LPSC Staff and the LPSC Consultant regarding its draft RFP
15 and steps it planned to take in the RFP process. A draft RFP was issued through
16 an informational filing on or around June 10, 2020, for the purpose of allowing
17 potential suppliers and stakeholders an opportunity to review, comment, and
18 provide feedback on the process. A public, virtual technical meeting was held on
19 or around July 10, 2020 to present the draft RFP and further allow potential
20 suppliers and stakeholders an opportunity to engage and provide feedback to the
21 2020 RFP associated process. After modifying the RFP based on supplier and
22 stakeholder feedback, the final 2020 RFP was issued on July 28, 2020.

1 Q. DID YOU CONSIDER THE LPSC MBM ORDER IN PREPARING THE
2 INFORMATIONAL FILING AND RFP FOR DEMCO?

3 A. Yes. The applicable MBM requirements were included in the 2020 RFP process.
4 DEMCO issued the RFP and solicited long-term power supply proposals as
5 described further in this testimony with the purpose and intent to comply and follow
6 LPSC General Order No. 9/20/83, In re: *In the Matter of the Expansion of Utility*
7 *Power Plant; Proposed Certification of New Plant by the Louisiana Public Service*
8 *Commission* (the “1983 General Order”) and associated MBM Order. DEMCO’s
9 objective for the RFP is aligned with the stated purpose of the MBM Order that the
10 LPSC has recognized to provide reliable service at the lowest reasonable cost,
11 while allowing for the use of other public interest project selection criteria.

12 Q. WHAT WAS YOUR ROLE IN PREPARING DEMCO’S COMMISSION
13 INFORMATIONAL FILING AND 2020 RFP?

14 A. EnerVision provided consulting services to assist DEMCO with the Informational
15 Filing and associated 2020 RFP process and related filings. EnerVision drafted
16 and prepared DEMCO’s Informational Filing and 2020 RFP. As I stated above,
17 EnerVision has experience supplying consulting services for power supply
18 planning and acquisition for electric cooperatives and conducts Wholesale Power
19 Supply RFP processes on a regular basis. EnerVision relied on its experience and
20 expertise combined with the inputs and requirements of the MBM Order to prepare
21 the RFP process and document.

22 DEMCO and EnerVision worked hand in hand throughout the entire process of the
23 2020 RFP.

1 Q. WHAT WAS THE PRINCIPAL OBJECTIVE OF THE 2020 RFP?

2 A. The principal objective of the 2020 RFP was to solicit, evaluate, refine, and select
3 a new wholesale power supply plan and supplier or suppliers to provide reliable
4 service at the lowest reasonable cost when DEMCO's current wholesale power
5 supply contract expires in March 2024. Through the RFP, DEMCO planned to
6 seek out and evaluate viable wholesale power supply options and to establish a
7 wholesale power supply plan likely to meet the wholesale power supply
8 requirements of their members in a competitive, stable, flexible, low-cost, and
9 economically advantageous manner. The RFP was designed to solicit a wide
10 range of viable wholesale power supply options from potential suppliers and to
11 provide a fair and equitable process of evaluation of the proposals and supply
12 options. A range of technical, commercial, and economic factors were used to
13 evaluate potential options. Overall DEMCO's management and Board of Directors
14 identified Low Cost, Competitiveness, Stability, Flexibility, Economic Value, and
15 Robustness as the guiding principles for evaluating wholesale power supply
16 options and formulating a wholesale power supply plan. These guiding principles,
17 the evaluation process, and the resulting scorecard were described in the RFP.

18 Q. DESCRIBE THE 2020 RFP AND HOW IT WAS PREPARED.

19 A. EnerVision and DEMCO established DEMCO's goals and objectives for the RFP
20 and for the resulting future wholesale power supply. Using these goals and
21 objectives along with the requirements of the MBM Order, EnerVision prepared an
22 RFP process to be conducted in two primary stages referred to in the RFP as Part
23 One and Part Two. Consistent with the MBM Order, DEMCO desired for the RFP

1 process to be managed with an open, fair, and equitable process that enabled as
2 many potential wholesale power suppliers as possible to provide a broad range of
3 wholesale power supply options. This approach helped ensure that DEMCO was
4 able to consider multiple structures, approaches, plans, and alternative methods
5 for their wholesale power supply and to select the option(s) mostly likely to meet
6 the DEMCO's wholesale power supply requirements in a manner consistent with
7 DEMCO's objectives and the requirements of the MBM Order.

8 Moreover, the 2020 RFP was designed to engage wholesale electric suppliers to
9 offer competitive proposals to supply all or a portion of DEMCO's requirements for
10 wholesale electric capacity, energy, ancillary services, and other energy services.
11 For purposes of responding to the RFP, DEMCO requested proposals including at
12 least one of five different product categories defined as full requirements, partial
13 requirements, standard products, unit-contingent asset-based products, and
14 innovative products. Suppliers were given the opportunity to respond with multiple
15 proposals that included some or all combinations of the various products and were
16 encouraged to respond with viable proposals from multiple products in the event
17 DEMCO chose multiple products and suppliers. Through this RFP approach,
18 DEMCO was able to assess a broad range of potential alternatives and select the
19 best option that satisfies the needs and requirements of DEMCO in a manner
20 consistent with the MBM Order and other applicable rules and regulations.

21 Finally, the RFP provided information as specified in the MBM Order including
22 supporting information and documentation justifying the amount of capacity
23 needed and the proposed resources to be acquired, the type of resources which

1 DEMCO proposes or expects to acquire, the proposed schedule for conducting
2 and completing the RFP process and resource acquisition process, a description
3 of the methods and criteria used to evaluate RFP bid responses, a description of
4 transmission arrangements and deliverability of the power supply to DEMCO's
5 customers, a description of the methods and safeguards used to protect
6 confidential information, a description of key contract elements, and a
7 confidentiality agreement.

8 Q. DID THE RFP INCLUDE A DESCRIPTION OF THE METHODS AND CRITERIA
9 USED TO EVALUATE SUPPLIERS?

10 A. Yes, as stated in the 2020 RFP, the final selection and decision of supply options
11 was to be based on a combination of technical, commercial, and economic factors
12 that are likely to meet the requirements of DEMCO's members in a competitive,
13 stable, flexible, low-cost, and economically advantageous manner. These
14 objectives were consistent with the MBM Order's purpose to provide reliable
15 service at the lowest reasonable cost, while allowing for the use of other public
16 interest project selection criteria. The objectives were translated into a scoring
17 process using a weighted score card system with four primary evaluation
18 categories defined as "Value and Economic Attractiveness," "Supplier/Bidder
19 Qualifications," "Commercial and Legal," and "Product." Each category and its
20 associated evaluation and scoring process was described in the RFP. DEMCO
21 responded to questions from suppliers and stakeholders regarding the evaluation
22 criteria and explained the evaluation criteria and scoring process in the Technical
23 Conference on July 10, 2020. As a result of the input and feedback from suppliers

1 and stakeholders, clarifications and additions to the evaluation criteria and content
2 of the RFP were performed.

3 Q. DID DEMCO HOLD A TECHNICAL CONFERENCE TO DISCUSS THE 2020
4 RFP?

5 A. Yes, a public, virtual technical conference was held on July 10, 2020, in which the
6 draft 2020 RFP was discussed. This technical conference allowed suppliers,
7 potential bidders, and stakeholders an opportunity to engage, provide feedback,
8 ask questions, and/or seek clarification with regard to 2020 RFP. Over fifty (50)
9 participants attended and participated in the two (2) hour long technical meeting.
10 LPSC Staff and the LPSC's Consultant were in attendance and participated in the
11 meeting.

12 Q. WERE POTENTIAL SUPPLIERS GIVEN AN OPPORTUNITY TO ASK
13 QUESTIONS AT THE JULY 10, 2020 TECHNICAL CONFERENCE?

14 A. Yes, as I stated above, potential bidders, along with suppliers and stakeholders
15 were given an opportunity to ask questions at the technical conference as well as
16 provide feedback. In addition, the public and potential suppliers were able to
17 provide comments and questions through a written process via email to the RFP
18 email address. DEMCO provided responses to questions through a public
19 Question and Answer response log that was posted to the EnerVision RFP
20 website. EnerVision allowed suppliers to submit questions anonymously to help
21 ensure that an equitable forum for discussion was provided.

22

23

1 Q. WERE ANY CHANGES MADE TO THE RFP AS A RESULT OF ISSUES RAISED
2 BY SUPPLIERS AT THE TECHNICAL CONFERENCE?

3 A. Yes, the RFP was revised and refined based on the questions provided to DEMCO
4 through the technical conference and the written question submission process.

5 Examples of changes and modifications to the RFP made as a result of supplier
6 and stakeholder input and feedback include the following: (i) DEMCO clarified the
7 MISO and Transmission Section to explain that DEMCO was seeking capacity
8 and/or energy from physical resources that were currently registered or would be
9 registered to participate in and supply capacity and energy into the MISO market;
10 (ii) the Part One evaluation section was expanded to include further detail on how
11 the proposals and products would be evaluated, product by product, on a fair and
12 equitable basis and expanded on potential reasonable adjustment factors that may
13 be applied to the technical and commercial evaluation of proposals; and (iii) the
14 Scope of Supply Section was expanded to include additional clarification on each
15 product type and the required information to be included with potential bids. After
16 modifying the RFP based on supplier and stakeholder feedback, the RFP was
17 finalized and posted on the EnerVision RFP website.

18 **III. Evaluation of Proposals**

19 **A) Part One of DEMCO's 2020 RFP**

20 Q. HOW MANY PROPOSALS DID DEMCO RECEIVE?

21 A. DEMCO received approximately ninety-five (95) various product proposals from
22 thirteen (13) suppliers. Four (4) registered suppliers declined to submit proposals.

1 None of the proposals received were deemed non-conforming with the
2 requirements specified in the RFP. Part One proposals were originally due to
3 DEMCO on September 10, 2020. However, due to the impacts of a hurricane,
4 potential suppliers requested additional time to respond. EnerVision extended
5 the response date to September 24, 2020 and notified the LPSC Staff and
6 suppliers. A filing at the LPSC for Docket X-35500 was made to update the
7 schedule. The initial, Part One, proposals were received from suppliers on
8 September 24, 2020.

9 Q HOW WERE THE PART ONE PROPOSALS STRUCTURED?

10 A. Thirteen (13) suppliers responded on September 24, 2020, providing
11 approximately ninety-five (95) various product proposals. EnerVision categorized
12 the suppliers' proposals as follows: twenty (20) full requirements proposals; six (6)
13 partial requirements proposals; forty-three (43) asset-based proposals; twenty-five
14 (25) standard products proposals; and one (1) innovative full requirement proposal.

15 Q. HOW DID ENERVISION COMPARE THE VARIOUS PROPOSALS RECEIVED
16 IN PART ONE?

17 A. The intent of the RFP Part One process was to screen and limit the number of
18 suppliers (or bidders) and their associated proposals to a subset of suppliers and
19 proposals that were most likely to meet the needs and requirements of DEMCO
20 based upon the pre-determined screening and scoring criteria defined in the 2020
21 RFP. To that end, the scoring for Part One was designed to assist with the decision
22 on which suppliers, proposals, and products were most likely to meet the needs

1 and requirements of DEMCO with the desired value and economic attractiveness.
2 As I stated in my earlier testimony, the scoring was determined by weighted
3 ranking of four categories defined as "Value and Economic Attractiveness,"
4 "Supplier/Bidder Qualifications," "Commercial and Legal," and "Product."

5 Value and Economic Attractiveness was weighted at 50%. The Economic
6 Attractiveness category was performed with a levelized economic cost analysis
7 and a net present value calculation. Results were compared among similar
8 product types. This category was described to bidders as the ability and likelihood
9 of the proposed product or products to result in the desired value and lowest
10 reasonable cost of power required by DEMCO.

11 Supplier/Bidder Qualifications was weighted at 30%. This was defined as history
12 and experience of the supplier/bidder along with their financial and legal ability to
13 satisfy the requirements of the intended supply option and wholesale power supply
14 contract. Suppliers/bidders with a strong financial standing and creditworthiness,
15 combined with experience and depth providing the proposed products without legal
16 issues and with positive experience received the most points in this category and
17 were considered more reliable in their ability to supply the proposed products.

18 Commercial and Legal was weighted at 10%. Proposals that included terms and
19 conditions that provided confidence DEMCO would reliably receive the product
20 proposed without exceptions and/or exposure to unacceptable or unknown risks,
21 provided DEMCO flexibility to respond to changing market conditions and changes
22 in DEMCO's energy requirements, accommodated DEMCO's desires to enhance

1 economic development, provided certainty in price and risk allocation, were not
2 overly complex and burdensome on DEMCO, and were reasonably well-defined
3 would receive a high score. Suppliers were encouraged to thoroughly complete
4 the Product Term and Pricing Sheet found in Exhibit C of the RFP by listing key
5 terms and conditions that were necessary and required for the validity of proposal
6 and pricing. Suppliers were requested to clearly, and to the best extent possible,
7 characterize the terms and conditions, noting any exceptions or assumptions
8 required for the proposal and pricing.

9 Finally, Product was weighted at 10%. Ability of the proposed product or products
10 to reliably provide capacity and energy to meet the requirements of DEMCO in
11 terms of size, shape, duration, availability, capacity factor, deliverability, reliability,
12 and operating capability. Products that can be utilized effectively by DEMCO to
13 meet their capacity and energy requirements in part or whole with beneficial
14 characteristics and capabilities received a high score. Products that were subject
15 to changes due to unacceptable or unidentified risks such as environmental costs,
16 transmission congestion, market risk, supplier risk, resource availability due to
17 location or unplanned conditions, economic or financial risks, changes in law or
18 regulation, etc. were less desirable and received lower scores.

19 Each proposal was evaluated based on the evaluation criteria described in the
20 RFP and given a score of 0, 1, 3, or 5 for each category. The category score was
21 multiplied by the category weighting and the sum of the scores were determined
22 for each product. The scores and ranking of each proposal were evaluated by

1 product (full requirements, partial requirements, etc.). A winning or high score by
2 a single product within the product type did not guarantee or assure selection of a
3 proposal for Part Two as DEMCO reserved the right to pursue a wholesale power
4 supply plan that may not rely on that particular or specific product type.

5 Q. DID YOU HAVE FOLLOW-UP QUESTIONS AND/OR SEEK CLARIFICATIONS
6 FROM SUPPLIERS AS NEEDED?

7 A. Yes, EnerVision conducted an initial review of the submittals and associated
8 proposals. Based on this review EnerVision provided questions to Part One
9 suppliers, as needed, requesting clarification to their respective submittals. The
10 questions were provided to the suppliers for the purpose of clarifying and
11 understanding the submittals and associated proposals. Suppliers responded as
12 requested and provided clarification in response to EnerVision's questions.

13 Q. DID SUPPLIERS HAVE FOLLOW-UP QUESTIONS AND/OR SEEK
14 CLARIFICATIONS FROM ENERVISION REGARDING THE RFP?

15 A. Yes. During the Part One process, a request was made to extend the Part One
16 submittal date due to the impact of the 2020 Atlantic hurricane season. In
17 response therefore, the Part One submittal due date was extended. All suppliers
18 were notified of the extension and new due date. Other questions received were
19 regarding the Non-Disclosure Agreements ("NDAs") and the "data package"
20 requests (data package discussed below). All suppliers were required to execute
21 an NDA prior to receiving the data package for the purposes of the Part One
22 proposal submittal. EnerVision responded with the appropriate clarifications. All

1 2020 RFP questions and clarifications were received prior to the issuance of the
2 Final 2020 RFP. Suppliers providing questions or seeking clarification from
3 EnerVision were provided a written response and said response was added to the
4 Q&A log which was posted to the RFP website.

5 Q. WHAT IS THE DATA PACKAGE THAT WAS PROVIDED TO BIDDERS?

6 A. The registered suppliers received an excel spreadsheet data package following
7 completion of the NDA which helped to define and support the required capacity
8 needs of DEMCO. The data package contained historic information about
9 DEMCO's wholesale power supply requirements including five (5) years of hourly
10 energy data, a four (4) year history of DEMCO's Southwest Power Administration
11 (SWPA) hydro energy supply, DEMCO's delivery points, and a forecast of
12 DEMCO's load and demand forecast. The same data package was provided to all
13 Part One suppliers.

14 Q. WERE SUPPLIERS EVALUATED BASED ON THE CRITERIA SET FORTH IN
15 THE RFP?

16 A. Yes. All proposals and associated products were evaluated based on the criteria
17 set forth in the publicly available 2020 RFP. Each product provided by a supplier
18 was scored and compared to similarly situated products in the same category. The
19 purpose of Part One scoring was to enable DEMCO to categorize and evaluate
20 the proposals in an organized fashion as defined by the 2020 RFP objectives,
21 guiding principles, and evaluation criteria. The results from the Part One
22 evaluation resulted in a listing of suppliers that moved forward to the Part Two

1 process of the 2020 RFP. In addition to selecting a set of suppliers for Part Two,
2 DEMCO also used the results of Part One to determine the wholesale power
3 supply plan that would be pursued during the 2020 RFP Part Two processes.

4 More specifically, Part One of the 2020 RFP was completed on or around
5 November 20, 2020, when six (6) of the original thirteen (13) suppliers were
6 notified and invited to participate in Part Two of the RFP process. Suppliers not
7 selected from Part One were notified and were requested to hold their proposal
8 open for consideration should something change during Part Two that resulted in
9 an opening for a new supplier. Part One suppliers not selected for Part Two that
10 responded to the 2020 RFP were given an opportunity for a Part One feedback
11 call wherein such suppliers were given a chance to ask any further questions.

12 Q. HOW MANY SUPPLIERS WERE SELECTED TO MOVE FORWARD TO PART
13 TWO?

14 A. Based on the 2020 RFP Part One evaluation process and power supply planning
15 decisions conducted during the RFP Part One processes, DEMCO selected six (6)
16 of the original thirteen (13) suppliers to participate in Part Two of the 2020 RFP
17 process.

18 Q. WHAT TYPE OF PRODUCT OR PRODUCTS DID DEMCO FOCUS ON IN PART
19 TWO?

20 Based on the results of Part One, DEMCO chose to select their primary wholesale
21 power supply plan on full requirements and partial requirements product types and
22 to include a limited number of high ranked potential standard products and asset-
23 based products to be included with the primary full or partial requirements supply.

1 The suppliers selected for Part Two were the suppliers that proposed the high-
2 ranking products for full requirements and partial requirements and suppliers that
3 proposed high ranking products for potential standard products or asset-based
4 products that could be incorporated and used with a full requirements or partial
5 requirements supply option.

6 Q. DESCRIBE THE SELECTION PROCESS USED BY ENERVISION TO
7 RECOMMEND TO DEMCO WHICH SUPPLIERS MOVED FORWARD TO PART
8 TWO.

9 A. DEMCO received competitive proposals that included a wide range of product
10 types. During Part One, DEMCO considered a broad range of power supply
11 options, methods, and approaches based on the proposals and associated
12 products that were submitted by qualified wholesale power suppliers. Based on
13 the information received and evaluated during Part One, DEMCO decided to
14 pursue a full requirements or partial requirements wholesale power supply plan
15 and the term of the full or partial requirements agreement would be targeted at
16 approximately ten (10) years. This approach was determined to be the best
17 alternative when evaluated against the commercial, technical, and economic
18 factors included in the Part One evaluation process and criteria and the stated
19 goals and objectives of 2020 RFP, the MBM Order, and the overall best interests
20 of DEMCO and its member-owners. Standard products and asset-based products
21 that received the highest score for their product category that could be used with
22 full requirements or partial requirements supply approach were included in Part
23 Two.

1 Q. GENERALLY SPEAKING, WHAT CAUSED SOME SUPPLIERS TO BE
2 ELIMINATED DURING THE PART ONE PROCESS?

3 A. Some suppliers were eliminated during Part One because the product(s) submitted
4 by such suppliers did not fit within the desired wholesale power supply plan to
5 pursue a full requirements or partial requirements approach through Part Two, and
6 thus, standard products or asset-based products that received a low score when
7 ranked and compared with other products in the same category were not selected
8 to participate in Part Two. Similarly, standard products or asset-based products
9 that did not fit with or could not be combined with the full requirements or partial
10 requirements products were also not selected to participate in Part Two.
11 Additionally, a low-ranking full requirements proposal was not selected for the Part
12 Two RFP process.

13 Q. DID SUPPLIERS FROM PART ONE NOT SELECTED FOR PART TWO
14 RECEIVE FEEDBACK?

15 A. Yes. As I stated earlier, EnerVision offered Part One feedback
16 meeting/conference calls to all of the Part One suppliers that did not move forward
17 to Part Two. This was an opportunity for EnerVision (on behalf of DEMCO) to be
18 transparent about the process and address any questions or concerns of suppliers
19 that were not selected for Part Two of the 2020 RFP. In or around December 2020,
20 Part One feedback meetings were held with four (4) out of the seven (7) Part One
21 suppliers not selected for Part Two in December 2020.

22

23

1 **B) Part Two of DEMCO's 2020 RFP**

2 Q. DESCRIBE ENERVISION'S INTERACTION WITH SUPPLIERS SELECTED TO
3 MOVE FORWARD TO PART TWO OF THE 2020 RFP.

4 A. Each Part Two supplier was requested to participate in Part Two processes and
5 activities to engage with DEMCO in direct bilateral negotiations with regard to their
6 respective proposals. An initial virtual/telephonic meeting between DEMCO,
7 EnerVision, and each individual Part Two supplier was held on
8 December 9 and 10, 2020 to allow for introductions and provide an opportunity for
9 the parties to discuss the specific proposal. After such discussions, each Part Two
10 supplier was asked to provide any updates to their submittal and proposal by
11 January 8, 2021. Following receipt of the updated proposals, DEMCO conducted
12 further evaluation and engaged with suppliers to clarify and refine the proposals (if
13 necessary). Additional clarification calls were requested and five (5) out of the six
14 (6) Part Two suppliers participated.

15 Q. WERE YOU ABLE TO PROVIDE MORE SPECIFIC FEEDBACK TO THE PART
16 TWO SUPPLIERS DURING THE PROCESS?

17 A. Yes, in early December 2020, EnerVision held Part Two initial meetings with each
18 Part Two supplier selected. During these meetings, EnerVision provided feedback
19 to each supplier on their proposal's respective advantages and disadvantages
20 relative to the RFP evaluation and selection criteria. In addition, EnerVision
21 provided the basis of the intended wholesale power supply plan that would be
22 pursued by DEMCO during Part Two based on the results of Part One of the RFP.

1 EnerVision communicated that DEMCO would be pursuing an approximately ten
2 (10) year full requirements or partial requirements primary wholesale power supply
3 plan and would consider incorporating an asset-based product or standard product
4 to be incorporated with the full or partial requirements contract. Suppliers were
5 given the opportunity to ask questions and EnerVision provided further
6 clarifications. Following each meeting, the supplier was provided with an email with
7 specific feedback areas for their consideration to use when considering revisions,
8 clarifications, and updates to their Part Two proposals, which were due on
9 January 8, 2021.

10 Q. HOW WERE THE 2020 RFP REVISED PART TWO PROPOSALS REVIEWED
11 AND EVALUATED?

12 A. The 2020 RFP revised Part Two proposals were received on or around
13 January 8, 2021 and were carefully reviewed by EnerVision and DEMCO.
14 EnerVision continued to review and provide analysis on the initial Part Two
15 proposals. The February 2021 winter storm impacted some suppliers and DEMCO
16 modified the schedule accordingly.

17 Q. WAS ENERVISION ABLE TO FAIRLY COMPARE THE PART TWO BIDS OF THE
18 VARIOUS PART TWO SUPPLIERS DESPITE CERTAIN TERMS DIFFERING
19 FROM ONE SUPPLIER TO THE OTHER?

20 A. Full and partial requirements proposals were evaluated on a ten (10) year basis by
21 evaluating the resulting total wholesale power supply costs and the total wholesale
22 power effective rate. In addition, the asset-based products and standard-products

1 were incorporated into the full or partial requirements models to evaluate the
2 impact of such products on the full and partial requirements approach. Models
3 were established using the same set of input assumptions and forecasts to
4 evaluate the Total Wholesale Power Supply costs and Total Wholesale Power
5 Effective Rate. In this manner, the various proposals and products were evaluated
6 on a consistent basis in a fair and equitable manner. Each proposal was assessed
7 and evaluated against a wide range of input assumptions and forecasts to evaluate
8 the impact of different conditions on the Total Wholesale Power Costs and Total
9 Wholesale Power Effective Rate. Doing so allowed EnerVision to evaluate each
10 proposal evenly against the predetermined 2020 RFP evaluation criteria, decision
11 principles, and 2020 RFP objectives.

12 Q. WAS ENERVISION ABLE TO EVALUATE THE POTENTIAL TERMS AND
13 CONDITIONS OF THE PART TWO PROPOSALS?

14 A. Suppliers provided a term sheet for each product consistent with the requirement
15 described in the 2020 RFP. This term sheet was initially used to evaluate the
16 commercial and legal aspects of the proposals and the related products. Following
17 the receipt of the Part Two proposals and initial evaluation and clarification period,
18 the suppliers were requested to provide draft Power Purchase Agreements
19 (“PPAs”) for their respective proposals and products. The request for PPAs was
20 made on February 11, 2020, and suppliers were asked to provide a response by
21 February 26, 2020. Some suppliers were not able to make the required date and
22 requested additional time to supply the PPA. By March 5, 2021, all draft PPAs

1 were received by DEMCO. EnerVision and DEMCO reviewed each PPA and
2 identified areas for clarification and questions.

3 Q. DID ENERVISION AND DEMCO MEET WITH PART TWO SUPPLIERS IN
4 PERSON?

5 A. Yes, meetings were held March 10-11, 2021, for all RFP 2020 Part Two suppliers.
6 Five (5) of the six (6) suppliers were able to attend the in-person meetings. A
7 virtual meeting was scheduled with the supplier that was unable to make the in-
8 person meeting. Each supplier meeting was of similar format and duration. All
9 suppliers were invited to present their proposals, seek clarification from DEMCO,
10 and ask any questions they desired at the end of the meeting as well as during the
11 course of discussions. As part of the final evaluation and decision process, Part
12 Two suppliers were requested to submit their Best and Final Offer to EnerVision
13 per the RFP process by April 2, 2021. The information and response that the
14 suppliers submitted per this request was treated and considered as a formal
15 proposal submission consistent with the RFP process. Suppliers were aware that
16 the Best and Final Offer combined with the provided PPA would constitute the final
17 offer upon which DEMCO would perform its final evaluation to rank supplier and
18 select suppliers for further negotiation.

19 Q. WHAT SORT OF MODELING DID ENERVISION USE TO COMPARE
20 PROPOSALS AND FORECAST THE IMPACTS OF THE PROPOSALS GOING
21 FORWARD?

22 A. Full and partial requirements proposals were evaluated on an approximately ten
23 (10) year basis by evaluating the resulting Total Wholesale Power Supply Costs

1 and the Total Wholesale Power Effective Rate. In addition, the asset-based
2 products and standard products were incorporated into the full or partial
3 requirements models to evaluate the impact of such products on the full and partial
4 requirements approach. Each model was assessed and evaluated against a wide
5 range of input assumptions and forecasts to evaluate the overall impact of different
6 conditions and risks on the Total Wholesale Power Costs and Total Wholesale
7 Power Effective Rate. In this manner each proposal could be evaluated against
8 the RFP evaluation criteria, decision principles, and RFP objective for the stated
9 purpose to identify the wholesale power supply plan that is mostly likely to result
10 in the lowest reasonable cost.

11 The economic and financial modeling included a set of primary inputs and
12 forecasts for load, market energy pricing, market capacity pricing, and natural gas
13 pricing.

14 The load forecast was developed with DEMCO's management team and
15 distributed to each supplier during the RFP process. DEMCO's load forecast for
16 energy and demand which defines DEMCO's wholesale power supply
17 requirements for capacity, energy and other services is a critical component for
18 pricing by the bidders and for the economic analysis. EnerVision used the load
19 forecast provided to suppliers as its Base Case and created a Low Scenario with
20 little to no load growth and a High Scenario with accelerated load growth when
21 compared to the Base Case. The load forecasts were used consistently across
22 the evaluation models.

23

1 EnerVision relied on third party sources for forecasts of MISO power forecasts. PA
2 Consulting, an independent third party whose forecasts are used in the industry,
3 provided a long-term MISO pricing forecast for use in the evaluation and modeling.
4 PA Consulting used a fundamental electricity market simulation model to develop
5 a twenty (20) year fundamental market forecast for MISO's Zone 9. The forecast
6 included: (i) annual and monthly capacity compensation and energy prices through
7 2038; (ii) the underlying market assumptions (e.g. natural gas and coal prices,
8 capacity additions and retirements, load growth, etc.); and (iii) hourly heat rate for
9 MISO pricing was provided. As with load, low and high energy price scenarios
10 were developed around the PA Consulting forecasts which included high and low
11 power prices. The energy price forecast scenarios were used in models where
12 proposals included pricing that was indexed to market pricing or included supply
13 that was subject to market-based pricing. The energy price forecasts were used
14 consistently across the evaluation models.

15 Natural gas, which is the primary driver of the MISO energy rates, was forecasted
16 using the US EIA 2021 Outlook of Henry Hub Pricing using EIA's Reference Case,
17 Low Scenario (high oil and gas supply) and High Scenario (low oil and gas supply).
18 The Louisiana MISO Energy Price, based on the fundamental market price heat
19 rates provided by PA Consulting, scenarios were calculated using the natural gas
20 price scenarios. In addition, the natural gas price forecast scenarios were used in
21 models where proposals included pricing that was indexed to natural gas pricing.
22 The natural gas price forecasts were used consistently across the evaluation
23 models.

1 For the Louisiana Capacity Price forecasts, EnerVision used Annual Planning
2 Reserve Auction (PRA) capacity price history and a Fundamental Capacity Pricing
3 forecast from PA Consulting. The High Scenario was based on the Fundamental
4 Capacity Price forecast from PA Consulting that represents the marginal cost of
5 new capacity. The Low Scenario was based on historic actual results from MISO
6 PRA auction results over the last five (5) years and escalated through the forecast
7 period. The Capacity Price Base Case forecast was the average of the Low and
8 High forecasts. The capacity price forecast scenarios were used in models where
9 proposals included pricing that was indexed to market pricing or included supply
10 that was subject to market-based pricing. The capacity price forecasts were used
11 consistently across the evaluation models.

12 Other input assumptions and cost forecasts included costs for Ancillary Services
13 and MISO Tariff costs typically associated with transmission. These cost forecasts
14 were based on historic values and applied consistently across all proposals. In
15 some instances, DEMCO included values for transmission congestion or basis to
16 account for the price difference between an energy delivery point and DEMCO's
17 load pricing point.

18 Each model was consistently based on monthly determination of the total
19 wholesale power costs based on the consistent application of billing units across
20 the evaluate proposals. Each model calculated total costs for capacity/demand,
21 energy, transmission/MISO tariff charges, and other costs such as ancillary
22 services and fees. The inputs assumptions and forecasts described above were
23 consistently applied in each model. In certain cases, a typical month, hourly load

1 and hourly pricing model was included to capture the potential costs and/or
2 benefits associated with shaping and timing aspects of the proposals.

3 Q. DID SOME BIDS INCLUDE UNKNOWN COSTS THAT WOULD BE PASSED
4 THROUGH TO DEMCO? IF SO, HOW DID YOU ACCOUNT FOR THESE
5 COSTS?

6 A. Per the RFP, DEMCO recognized that not all proposals or products would include
7 all costs or cost factors and further could not be directly compared to each other
8 without including reasonable assumptions for such costs or cost factors within the
9 models. As required DEMCO applied a reasonable cost or cost adjustment factor
10 to the model to account for costs not included in the supplier's proposal.
11 EnerVision used its best judgment and good practices to apply requirements and
12 cost adjustment factors in a fair and consistent manner. Several potential cost
13 areas were defined as pass-through costs by the different proposals. To the extent
14 possible such pass-through costs were estimated and consistently applied across
15 the models. Some of the more material applications of pass-through costs are
16 MISO Transmission Tariffs costs, MISO Ancillary Services, non-firm pricing, index-
17 based pricing, energy settlement costs, and basis costs. In addition, certain
18 supplier's rates were proposed as non-firm or index based and had to be estimated
19 based on information provided by the supplier and the application of market price
20 forecasts.

21

22

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1 Q. DID SOME BIDS INCLUDE DEMAND CHARGES? HOW DID YOU COMPARE
2 BIDS WITH DEMAND CHARGES TO THOSE THAT DID NOT INCLUDE A
3 DEMAND CHARGE?

4 A. Some proposals included demand charges and some proposals did not include
5 demand charges. In general demand charges are sometimes used by wholesale
6 power suppliers to recover the fixed costs associated with providing capacity
7 supply to meet expected demand. DEMCO is required through the MISO rules
8 and regulations to demonstrate adequate capacity supply through the MISO
9 annual planning reserve process. A wide range of pricing options were presented
10 by suppliers. EnerVision translated the proposed pricing for each proposal and
11 product along with the associated billing unit into the specific product proposal
12 model or plan. If the pricing proposal included a demand charge then the demand
13 charge was applied against the applicable billing unit included in the load forecast
14 assumptions. If the pricing proposal included an energy charge then the energy
15 charge was applied against the applicable energy billing units included in the load
16 forecast assumptions. Each model or plan was uniquely defined and constructed
17 based on the specific pricing proposals and associated terms and conditions
18 included in the proposed PPA. Each model calculated the total cost of wholesale
19 power by hour (as needed), month, and year to determine the total wholesale cost
20 of power for DEMCO during the planning period. Since each unique model or plan
21 included the total DEMCO requirements and associated costs each plan could be
22 compared to one another on a comparative basis.

1 Q. WERE YOU ABLE TO LEVERAGE THE PROPOSALS FROM COMPETING
2 BIDDERS TO ACHIEVE THE LOWEST COST FOR DEMCO?

3 A. Throughout the RFP process DEMCO was presented with new and advantageous
4 information when requested from the suppliers during the Part Two proposal
5 submittal on January 8, 2021, and the Best and Final Offer proposals received on
6 April 8, 2021. A thorough analysis and evaluation of the proposals, the proposed
7 terms and conditions included in the PPA, and the proposed pricing allowed
8 DEMCO to identify advantages and disadvantages factors associated with each
9 supplier's proposal. During established communications with suppliers, the
10 suppliers were informed which factors of their proposals were advantageous or
11 disadvantages. Suppliers were given opportunities to respond and revise their
12 proposals based on the information provided. In certain instances, specific
13 meetings were held with suppliers to allow suppliers to clarify or revise for their
14 proposals.

15 Q. DID YOUR EVALUATION OF BIDDERS INCLUDE AN EVALUATION AS TO
16 WHETHER THE BIDDERS COULD PROVIDE RELIABLE SERVICE IN
17 ADDITION TO LOW COST? EXPLAIN HOW YOU DID THIS?

18 A. In addition to cost, the supplier's complete proposal was continually assessed
19 throughout the RFP process based on the technical, commercial, and legal factors
20 of the proposal and products to provide reliable service. Reliable service is viewed
21 as an extremely high likelihood that the proposed service will deliver the intended
22 results throughout the term given the various conditions and risks anticipated in
23 the electric energy industry. This view of reliable service was incorporated into the

1 RFP through the principles and decision factors defined for low cost,
2 competitiveness, stability, flexibility, economic value, and robustness. In addition,
3 the evaluation and scorecard methodology provided descriptions within each
4 category of the criteria that would be used to evaluate reliable service. During Part
5 Two of the 2020 RFP process DEMCO focused on the specific terms and
6 conditions of the proposed contracts and performed a thorough analysis of each
7 contract to evaluate the ability of the contract to provide reliable service as defined
8 by the RFP requirements.

9 Relative to value and economic attractiveness, the RFP stated that proposals
10 providing products that provide the desired energy and capacity characteristics
11 with the lowest expected cost and lowest expected exposure to unacceptable risk
12 will receive the most points. The RFP provided descriptions of how cost and the
13 range of cost would be measured against different scenarios as well as described
14 what risks would be acceptable and unacceptable. The RFP provided further
15 indications of what proposals or products would receive a high score such as fixed
16 or firm pricing that reliably delivers the desired value at the lowest cost and
17 exposure to unacceptable risk will receive a high score, indexed or variable pricing
18 is acceptable and may be desirable if the index or variable pricing is well-defined
19 and is widely used by the industry, products or pricing that are subject to increase
20 or changes due to unacceptable or unidentified risks such as environmental costs,
21 transmission congestion, market risk, supplier risk, resource availability or location,
22 economic or financial risks, changes in law or regulation, etc. are less desirable
23 will receive lower scores, and the proposals and products will be evaluated for their

1 potential exposure to environmental costs and future environmental cost pass-
2 throughs.

3 Supplier qualifications evaluation was described as history and experience of the
4 supplier along with their financial and legal ability to satisfy the requirements of the
5 intended PPA. Suppliers with a strong financial standing and creditworthiness,
6 combined with direct experience (including delivering in MISO) and depth providing
7 the proposed products without legal issues and with positive customer references
8 will achieve the most points in this category.

9 Commercial and legal evaluation was focused on evaluating proposals relative to
10 their terms and conditions to assess that confidence or likelihood DEMCO will
11 receive the product proposed without exceptions and/or exposure to unacceptable
12 or unknown risks, provides the Cooperative flexibility to respond to changing
13 market conditions and changes in the Cooperative's energy requirements,
14 accommodates the Cooperative's desires to enhance economic development,
15 provides certainty in price and risk allocation, are not overly complex and
16 burdensome on the Cooperative, and are reasonably well-defined.

17 Product evaluation was focused on the ability of the proposed product or products
18 to provide capacity and energy to meet the requirements of DEMCO in terms of
19 size, shape, duration, availability, capacity factor, deliverability, reliability, and
20 operating capability. Products that can be utilized effectively by DEMCO to meet
21 their capacity and energy requirements in part or whole with beneficial
22 characteristics and capabilities will receive a high score. Products that are subject
23 to changes due to unacceptable or unidentified risks such as environmental costs,

1 transmission congestion, market risk, supplier risk, resource availability due to
2 location or unplanned conditions, economic or financial risks, changes in law or
3 regulation, etc. are less desirable and will receive lower scores.

4 Q. DISCUSS MISO'S ROLE IN PROVIDING RELIABLE ELECTRIC SERVICE.

5 A. MISO is the Independent System Operator (MISO) and is responsible for the day-
6 to-day operation and reliability of the bulk power system surrounding DEMCO's
7 distribution system. MISO plays a central role in the planning and operation of the
8 bulk power system including the economic dispatch of generation facilities through
9 a centralized market-based system to serve load. As a load serving entity ("LSE"),
10 DEMCO has certain wholesale power supply requirements that it must provide to
11 MISO. To satisfy DEMCO's wholesale power supply requirements as an LSE
12 MISO looks to DEMCO's designed Market Participant. By pursuing a full or partial
13 requirements wholesale power supply plan DEMCO is seeking a wholesale power
14 supply to provide DEMCO's MISO Market Participant services on their behalf.
15 Therefore, the full or partial requirements supplier is responsible for DEMCO's
16 wholesale power requirements as a MISO LSE. As DEMCO's LSE Market
17 Participants the wholesale power supplier will be responsible for satisfying
18 DEMCO's requirements including but not limited to capacity supply, energy supply,
19 ancillary services, and other services defined by MISO.

20 Q. WHAT CHANGES IN THE MARKET HAVE OCCURRED IN THE LAST FEW
21 YEARS THAT ALLOWED SUPPLIERS TO SUBMIT INNOVATIVE PROPOSALS?

22 A. The primary changes that allowed suppliers to submit innovative proposals are (i)
23 the inclusion of Louisiana into the MISO market, (ii) the low cost of natural gas

1 pricing driven by advances in oil and gas extraction, and (iii) the declining cost of
2 renewable energy particularly from photovoltaic solar projects. These three factors
3 have enabled competition between suppliers, produced an energy price signal for
4 competition and investment, established a low cost of available and potentially
5 available supply, and enabled new structures and supply options for consumers.
6 More specifically, the inclusion of Louisiana into MISO has provided a market with
7 established rules allowing competition between suppliers and the reliable, efficient
8 use and operation of the bulk power system. As the market currently functions the
9 price of energy is determined by MISO on a continuous basis as determined by
10 the marginal cost of supply to meet the required demand or load. MISO is
11 essentially responsible for the centralized, reliable, cost-effective operation of the
12 grid. In this structure MISO purchases energy from generators who offer their
13 supply into the market and sells energy to load that purchases their energy from
14 the market. More often than not, based on current market conditions, natural gas
15 generation is the marginal energy supply and therefore MISO market pricing is
16 highly correlated to natural gas pricing.

17 Natural gas generation is the current low-cost conventional, dispatchable
18 generation driven by historic low natural gas pricing and has resulted in energy
19 pricing that is historically low. These conditions are expected to continue. The EIA
20 2021 Outlook predicts ample natural gas supply with stable and low gas prices for
21 the next five (5) to fifteen (15) years. Therefore, natural gas is likely to remain the
22 conventional, dispatchable technology of choice and will continue to drive market
23 pricing. While natural gas prices are on average historically low, natural gas prices

1 and the associated electric energy pricing can be volatile during times of supply
2 scarcity.

3 Coal generation is not as competitive as natural gas fired generation at this time
4 and numerous coal generation plant retirements are announced and planned. The
5 utilities with a heavy resource mix of coal are struggling to stay competitive based
6 on the economics of maintaining the plants and the associated economics of
7 running the facilities with decreasing capacity factors. According to the U.S.
8 Department of Energy EIA 2021 Outlook roughly 18 gigawatts (GW) of coal
9 generation is not able to recover adequate revenue for operations. By 2039,
10 approximately 29 GW of coal generation will retire according the 2021 EIA Outlook.
11 Finally, renewable energy costs continue to decline which has allowed even more
12 innovative proposals and supply options. All-In renewable production costs are
13 comparable to the variable cost of conventional generation and are typically
14 offered at a long-term fixed rate. Renewables are offered into the markets at \$0
15 per MWh or less which has the effect at times of reducing market prices.
16 Renewables can effectively be added in incremental amounts rather than single
17 large facilities associated with conventional, fossil fired generation. The fixed price
18 nature of solar supply can help reduce exposure to market price volatility and high
19 market prices. Declining prices in renewables along with the price of battery
20 storage options continue to improve and may allow for dispatchable renewable
21 energy to approach price parity with conventional alternatives.

22 These factors and developments will allow for market prices to likely remain
23 relatively low over the next five (5) to ten (10) years with moments of volatility. Due

1 to the reliance on low-cost natural gas for generation, a significant generation
2 capacity shift underway and new, technological innovations driving the cost of
3 renewable energy down, flexibility and optionality were favorable aspects in the
4 innovative proposals given DEMCO's 2024-2033 timeframe.

5 Q. EXPLAIN HOW MISO CREATES COMPETITION AMONG THE SUPPLIERS.

6 A. MISO uses market-based processes to dispatch generation in an efficient manner
7 to serve load while maintaining system reliability. The market-based processes
8 include the establishment of energy and energy related services pricing that in
9 general wholesale generators or suppliers are paid and that load pays for the
10 energy and services they receive. This standard set of rules, centralized operation
11 of resources, and liquid market enables market participants, including DEMCO as
12 a load serving entity, to access wholesale power supply through an open
13 transmission infrastructure and the ability to enter bilateral transactions based on
14 the MISO rules and processes. In addition, liquid capacity and energy markets
15 allow for suppliers to manage wholesale power supply in many different forms such
16 as purchasing energy from generation resources that may have a lower cost than
17 their own generation. In essence, and as stated early, the MISO market enables
18 competition between suppliers by reducing barriers to entry, ensuring reliability is
19 maintained, providing standard rules for market participants to follow, and
20 providing a standard system infrastructure upon which market participants can buy
21 and sell capacity and energy.

22 Q. DID ANY OF THE PART TWO SUPPLIERS GUARANTEE THAT DEMCO'S
23 POWER WOULD COME FROM A SPECIFIC GENERATING UNIT?

1 A. None of the full or partial requirements proposals and associated contracts
2 considered and evaluated in Part Two included unit contingent, with limited
3 exception of a proposal including a unit contingent solar PPA resource
4 requirements, with limited exception of proposals that included either a unit
5 contingent solar PPA or some form of direct solar pass-through price for a portion
6 of energy. Each of the proposed full and partial requirements contracts commit
7 the supplier to deliver the capacity and energy requirements associated with
8 DEMCO's wholesale power supply requirements but the proposed supply
9 contracts do so without any requirement that such supply comes from a specific
10 generating unit. Under the proposed full and partial requirements proposals and
11 contracts, the suppliers have no obligation to develop, construct, operate, or
12 maintain any specific generating unit. As described above, MISO is principally
13 responsible for the provision of energy to serve DEMCO's energy and therefore
14 the suppliers are not obligated to directly dispatch specific generation units to meet
15 the energy requirements of DEMCO. NextEra, as part of their full requirements
16 proposal, included the option to incorporate an asset based, unit contingent supply
17 from a NextEra solar project to be constructed within the state of Louisiana. Under
18 the NextEra proposal DEMCO would contract directly for the solar power and the
19 capacity, energy and other attributes of the solar would be managed by NextEra
20 under the full requirements wholesale power agreement. This proposed approach
21 is similar to the current arrangement where DEMCO contracts for hydroelectric
22 power from SWPA and DEMCO's current power supplier manages the SWPA
23 energy on DEMCO's behalf.

1 Q. WAS THE RFP PROCESS YOU CONDUCTED ON BEHALF OF DEMCO
2 SUCCESSFUL IN ACHIEVING A WHOLESALE SUPPLY OPTION CAPABLE OF
3 PROVIDING RELIABLE SERVICE AT THE LOWEST COST?

4 A. Yes. The RFP process was conducted in a fair process that was open to qualified
5 wholesale power suppliers. During Part Two, DEMCO was able to work directly
6 with six (6) of the selected top rank suppliers from Part One to further revise and
7 refine the proposals. During Part Two, the proposals provided by suppliers were
8 compared and evaluated. Several of the Part Two proposals were considered
9 viable options and capable of providing reliable service at a cost and rate expected
10 to be better than DEMCO's current wholesale PSA. Based on the evaluation and
11 analysis the NextEra full requirements PSA combined with the NextEra Solar PPA
12 provided the overall lowest cost.

13 Q. DESCRIBE THE RESULTS OF THE PART TWO PROCESS.

14 A. The results of the Part Two process was concluded following the receipt of the
15 draft PPAs and the revised proposals submitted through the Best and Final Offer
16 process on April 2, 2021. An evaluation, consistent with the process described in
17 the RFP and this testimony, was performed on the Best and Final Offer proposals
18 and associated terms and conditions. As a result of the analysis and evaluation
19 during Part Two, the NextEra full requirements PSA combined with the NextEra
20 Solar PPA was ranked highest among the proposals for providing the best overall
21 value and determined most likely to achieve the desired objective to establish a
22 wholesale power supply plan likely to meet the wholesale power supply

1 requirements of their members in a competitive, stable, flexible, low-cost, and
2 economically advantageous manner.

3 Q. DESCRIBE EVALUATION RESULTS OF PLANS AND MODELS.

4 A. The net present value for each proposal along with the associated levelized
5 effective rate for DEMCO's full requirements needs over approximately a ten (10)
6 year period was calculated for each of the Best and Final Offers provided by the
7 Part Two suppliers. In addition, the minimum and maximum net present value and
8 levelized effective rate were calculated based on all the scenarios and risk
9 assessment conducted with the modeling of the proposals. The scenarios and risk
10 assessment provides a range of possible outcomes for each of the supplier's full
11 requirements proposal. In addition, the categories for Supplier/Bidder
12 Qualifications, Commercial and Legal, and Product were evaluated and scored
13 consistent with the process described in the RFP. As indicated, the RFP scoring
14 methodology was used as a process to assist with decision making and to help
15 provide a fair and equitable evaluation based on the decision criteria and
16 objectives in the RFP. The ranking scores assist in identifying the top ranked
17 proposal that provided the overall best value in consideration of the primary factors
18 defined in the RFP and the MBM process.

19 Q. DESCRIBE THE NEXTERA PROPOSAL.

20 A. The NextEra full requirements proposal (inclusive of the NextEra Solar PPA)
21 ("NextEra Proposal") was the top ranked proposal resulted in the least cost option
22 in the analysis of the Part Two proposals. In addition, the scenario and risk analysis
23 indicated that the NextEra Proposal would provide the lowest cost over a range of

1 possible future scenarios associated with changes or variations in load, market
2 energy prices, capacity prices, and fuel prices. Further, the NextEra PSA included
3 terms that were deemed to be favorable and advantageous to DEMCO by allowing
4 DEMCO routine participation and involvement in supply and pricing processes, a
5 pricing approach that includes a fixed energy price for firm energy for the operating
6 year such that DEMCO will have a stable wholesale power rate throughout the
7 operating year, pricing that is not subject to any one-time peak demand resulting
8 in a twelve (12) month cost increase, including favorable pricing provisions that will
9 start with an initial fixed price firm supply and then fixed additional supply on an
10 incremental, three (3) year rolling basis, little to no limitation on DEMCO's ability
11 to pursue distributed energy resources or other distribution programs and services
12 that may be beneficial to DEMCO's member customers, provisions for economic
13 development, and provisions for required transparency and information sharing.
14 The initial fixed price baseload supply and subsequent systematic fixed pricing
15 process provides for incremental fixed pricing up for up to approximately 100% of
16 DEMCO's energy and capacity requirements on a rolling three (3) year basis. This
17 proven energy risk management approach provides competitive cost basis while
18 minimizing exposure over time and volume to energy, fuel, environmental, and
19 resource specific risks. This approach provides an overall fixed priced for the
20 majority of DEMCO's requirements and reduces the likelihood that high fuel,
21 electric market prices, or unit contingent risks and costs will impact DEMCO's costs
22 and member-owner rates. The pricing provisions included in the PSA provide for
23 a fair and equitable allocation of costs that translate directly to the underlying costs

1 and cost causation driven by DEMCO. DEMCO's members are not charged for
2 services or commodities that are not required by DEMCO. DEMCO and DEMCO
3 members will benefit directly from investment or the application of technologies,
4 services, or programs that reduce exposure to market supply or reduce demand
5 during peak demand periods. In addition to providing the most likely lowest
6 reasonable cost, the product and contract terms and conditions provide for reliable
7 service by eliminating and minimizing DEMCO's direct exposure to cost increases
8 or changes due to risks such as environmental factors, transmission congestion,
9 market risk, supplier risk, unit contingent risk, resource availability or location,
10 economic or financial risks, and changes in law or regulation. The overall product
11 and terms and conditions of the PSA allow for DEMCO routine involvement and
12 participation in decision making regarding power supply activities, provides for a
13 high level of transparency and customer engagement, provides diversity of supply
14 options that can be exercised at DEMCO's direction, support for member services
15 and economic development, and little to no limitation on DEMCO's pursuit of
16 distributed energy resources. An example of a supply option included in the PSA
17 is that DEMCO can direct NextEra to provide a portion of their annual capacity
18 requirement at cost through the MISO Planning Reserve Auction. The results of
19 the PY 21-22 PRA provided Zone 9 capacity at a price of \$0.01 per MW-day. Had
20 DEMCO participated in this auction then this price would have provided DEMCO
21 access to the lowest cost capacity option available for that portion of their
22 requirement. The incorporation of the NextEra Solar PPA resulted in a lower
23 overall expected cost outcome as the twenty-five (25) year fixed price of the solar

1 energy provides approximately ten percent (10%) of DEMCO's near term forecast
2 energy at competitive rate that is not subject to change due to fuel or environmental
3 costs. The NextEra Solar PPA was advantages in providing a diverse resource
4 that produces energy during times of high demand during peak hours of the day
5 thus helping DEMCO avoid and reduce exposure to market priced energy during
6 periods that are typically higher priced and subject to high price risk. The separate
7 and longer term of the NextEra Solar PPA was determined to be advantages by
8 providing a long-term fixed price source of energy, similar to DEMCO's existing
9 SWPA supply contract, that would provide supply diversity and long-term reliability
10 and price stability.

11 Q. WHAT WERE THE PRIMARY FACTORS THAT RESULTED IN DEMCO
12 EXECUTING THE "FULL REQUIREMENTS POWER SUPPLY AGREEMENT"
13 (HEREINAFTER REFERRED TO AS THE "NEXTERA PSA")?

14 A. The NextEra PSA combined with the Amite Solar PPA was evaluated to provide
15 the highest reliable service at the lowest reasonable cost. The NextEra PSA
16 combined with the Amite Solar PPA provides an initial fixed priced, firm energy
17 supply that significantly reduces DEMCO's exposure to energy, fuel,
18 environmental, and unit contingent risks. The systematic fixed pricing process that
19 provides for incremental fixed pricing up for up to approximately one hundred
20 percent (100%) of DEMCO's energy and capacity requirements on a rolling three
21 (3) year basis provides a proven process for achieving a competitive cost basis
22 while minimizing exposure over time and volume to energy, fuel, environmental,
23 and resource specific risks. This approach provides an overall fixed priced for the

1 majority of DEMCO's requirements and reduces the likelihood that high fuel,
2 electric market prices, or unit-contingent risks and costs will impact DEMCO's
3 costs and member-owner rates. The pricing provisions included in the PSA
4 provide for a fair and equitable allocation of costs that translate directly to the
5 underlying costs and cost causation driven by DEMCO. DEMCO and DEMCO
6 members will benefit directly from investment or the application of technologies,
7 services, or programs that reduce exposure to market supply or reduce demand
8 during peak demand periods. The overall product and terms and conditions of the
9 PSA allow for DEMCO's routine involvement and participation in decision making
10 regarding power supply activities, provides for a high level of transparency and
11 customer engagement, provides diversity of supply options that can be exercised
12 at DEMCO's direction, support for member services and economic development,
13 and little to no limitation on DEMCO's pursuit of distributed energy resources.

14 Q. WHY DID DEMCO SELECT TWO POWER SUPPLY CONTRACTS?

15 A. Technically, DEMCO is entering into two separate power supply contracts. The
16 two contracts will effectively function as one full requirements contract for the first
17 ten (10) years. The NextEra Solar PPA offered DEMCO the opportunity to lock-in
18 a portion of its power needs at a fixed price for twenty-five (25) years. This contract
19 will provide an immediate benefit to DEMCO's members in terms of reduced cost
20 and price stability over the next twenty-five (25) years as rates potentially fluctuate
21 and prices increase over time in the market. The NextEra Solar PPA is for all
22 capacity, energy, and other attributes from the proposed NextEra 100 MW Amite
23 Solar facility located in Tangipahoa Parish. Because the power from the Solar

1 PPA comes from a single source that is subject to variation based on weather
2 conditions and mechanical operation, it was important to DEMCO to have a robust
3 full requirements source. The full requirements PSA will provide the bulk of
4 DEMCO's power, including all power not supplied by the Solar PPA or DEMCO's
5 existing SWPA contract. In other words, where there are fluctuations in the power
6 provided by the Solar PPA or DEMCO's SWPA agreement, the full requirements
7 PPA will adjust to fill gaps and ensure that DEMCO has full access to all of the
8 power needed to serve its load. The NextEra Solar Proposal was evaluated as the
9 highest ranked solar proposal during Part One among the asset-based proposals
10 due to its cost, status of development, size, and location.

11 **IV. NextEra**

12 Q. WHAT DOES YOUR MARKET KNOWLEDGE AND RESEARCH INDICATE
13 ABOUT NEXTERA?

14 A. Measured by market capitalization, NextEra is the largest utility company in the
15 world with a market capitalization of approximately \$152 billion as of April 1, 2021.
16 NextEra has long-term issuer credit ratings A- / A / Baa by S&P Global Ratings,
17 FitchRatings, and Moody's Investors Service (Moody's), respectively, the three
18 leading credit rating agencies globally. NextEra is one of the largest suppliers of
19 wholesale electricity and electricity related products to public power entities,
20 including generation and transmission cooperatives, distribution cooperatives,
21 municipal utility aggregations and municipal utilities. NextEra serves more than 18
22 million MWh to more than seventy (70) public power entities, including more than
23 5,000 MW of full requirements energy supply in all major markets and Independent

1 System Operators (ISO). Additional wholesale energy services include the
2 management, hedging, and scheduling of its own load obligations and those of
3 other entities seeking assistance in these functions. NextEra's full requirements
4 service infrastructure includes a twenty-four (24) hour desk, regulatory and
5 compliance services, load forecasting and scheduling, ISO settlements and billing,
6 and renewable energy credit (REC) procurement and compliance. NextEra's
7 superb credit ratings, wholesale electricity market experience, and significant
8 balance sheet were all positive indicators that NextEra will be able to fulfill its
9 obligations under the NextEra PSA.

10 Q. WHAT ARE THE WHOLESALE POWER SUPPLY ARRANGEMENTS THAT
11 HAVE BEEN NEGOTIATED WITH NEXTERA?

12 A. DEMCO has negotiated and executed two agreements to satisfy its wholesale
13 power supply requirements starting April 1, 2024. This first and primary contract,
14 the NextEra PSA will provide full requirements wholesale power services and all
15 of DEMCO's capacity and energy supply requirements (with the exception of the
16 capacity and energy supplied from DEMCO's buyer's resource from SWPA
17 described below and the NextEra Solar PPA) for 9 years and 9 months. The PSA
18 includes a portion of fixed price capacity and energy for the term of the agreement
19 and an incremental pricing methodology that will fix portions of DEMCO's capacity
20 and energy supply pricing on a rolling three (3) year basis. The second and related
21 contract is a NextEra Solar PPA between Amite Solar, LLC and DEMCO ("NextEra
22 Solar PPA"). Amite Solar is affiliated with NextEra. The NextEra Solar PPA is a
23 fixed price, unit contingent, twenty-five (25) year, full off-take agreement for all

1 capacity, energy and other attributes from the 100 MW Amite Solar project located
2 in Tangipahoa Parish.

3 Q. WHAT ARE THE KEY PROVISIONS OF THE PSA NEGOTIATED BETWEEN
4 NEXTERA AND DEMCO?

5 A. The PSA is a full requirements wholesale PSA where NextEra provides all of
6 DEMCO's capacity and energy requirements and other associated services.
7 Under the PSA, NextEra will serve as DEMCO's MISO Market Participant and
8 manage all of DEMCO's wholesale power requirements. Under the PSA, NextEra
9 will supply capacity and energy to DEMCO. The PSA includes a baseload supply
10 that provides an initial fixed price for an established volume of capacity and energy
11 to be supplied through the PSA. The fixed price baseload supply provides
12 approximately 80% of DEMCO's capacity and energy requirements in the balance
13 of 2024, 60% of DEMCO's capacity and energy requirements in year 2025, 40%
14 of DEMCO's capacity and energy requirements in year 2026, and 20% of
15 DEMCO's capacity and energy requirements in years 2027 through 2033. The
16 Solar PPA contributes an additional fixed price supply throughout the term of
17 approximately 10% of energy requirements. The balance of capacity and energy
18 not included in the baseload supply will be systematically and incrementally fixed
19 according to a default plan that fix prices of a portion of DEMCO's remaining
20 capacity and energy supply requirement on a rolling three (3) year basis. Under
21 the default plan DEMCO will achieve a fixed price capacity and energy supply no
22 later than September of the year prior to any operating year. This approach will
23 substantially reduce DEMCO's exposure to market supply and price risk during

1 any operating period. The pricing for DEMCO's remaining future capacity and
2 energy requirements that are not fixed will be exposed to changes in the market
3 pricing until such time as the capacity and energy is fixed priced according to the
4 default plan. The fixed baseload supply along with the incremental fixed price
5 default plan is intended to provide DEMCO with a competitive wholesale power
6 cost that will track with market-based conditions and will not overly expose
7 DEMCO supply requirements to excess swings in cost or risk associated with fuel,
8 electric market pricing, capacity pricing, unit contingent operations, or
9 environmental factors.

10 Under the NextEra PSA, DEMCO will be charged a Full Requirements Power
11 Supply Price ("FRPSR"). The FRPSR will be established in September of each
12 year and will be effective for the following calendar year. The FRPSR is
13 determined by the sum of the Energy Charge, Capacity Charge, MISO Products,
14 and Wholesale Cost Adjustment planned and expected for the following year and
15 divided by the forecast annual energy units for the following calendar year.

16 Q. DOES THE NEXTERA PSA HAVE A FUEL COST ADJUSTMENT SIMILAR TO
17 THE CURRENT DEMCO POWER SUPPLY CONTRACT WITH LAGEN?

18 A. There is no fuel cost adjustment in the NextEra PSA. The majority of the capacity
19 and energy costs are fixed during any operating year resulting in a little to no
20 variability during a fixed-price operating period. Certain costs are passed through
21 at cost including load following costs, basis, auction revenue rights, and MISO
22 products. These pass-through charges may result in either an over or under
23 collection of revenue during the operating year. To recover or refund the over or

1 under collection, a wholesale cost adjustment charge is applied to the rate for the
2 following year. Since the capacity and energy supply is fixed on an incremental
3 rolling three (3) year basis, the average and final fixed cost supply is not expected
4 to vary greatly.

5 Q. EXPLAIN HOW DEMCO WILL INTERACT WITH NEXTERA DURING THE TERM
6 OF THE PSA TO MITIGATE RISK.

7 A. The primary interaction between NextEra and DEMCO will be the bi-annual
8 process performed by NextEra to fix price the incremental supply volumes
9 prescribed by the PSA on a rolling three (3) year basis. In addition, NextEra is
10 contractually obligated to provide DEMCO with quarterly or semi-annual meetings
11 to discuss their procurement approach and the established Default Plan. DEMCO
12 also has the option to notify NextEra of the right to participate in the annual MISO
13 PRA to secure up to 10% of DEMCO's requirement.

14 Q. WHAT ARE KEY PROVISIONS OF THE PPA NEGOTIATED BETWEEN AMITE
15 SOLAR AND DEMCO?

16 A. The NextEra Solar PPA between Amite Solar, LLC and DEMCO. Amite Solar is
17 affiliated with NextEra. The NextEra Solar PPA is a fixed-price, unit-contingent,
18 25-year, full off-take agreement for all capacity, energy and other attributes from
19 the 100 MW Amite Solar project located in Tangipahoa Parish. Under the NextEra
20 Solar PPA, Amite Solar will complete construction of the facility by the guaranteed
21 commercial operate date. NextEra, per the provisions of the PSA, will manage the
22 capacity, energy, and other attributes of the solar facility to the advantage and
23 benefit of DEMCO. The PPA includes certain guarantees and protections for

1 achieving commercial operation and for maintaining availability and production of
2 the facility over the term. If, for whatever reason, the solar facility does not reach
3 operation or is abandoned then the baseload supply portion of the PSA will be
4 adjusted as described into the PSA to account for the loss of anticipated capacity
5 and energy from the Amite Solar facility.

6 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

7 A Yes, it does.

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BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION
DOCKET NO. _____
JOINT APPLICATION FOR APPROVAL
OF
POWER SUPPLY AGREEMENTS

AFFIDAVIT OF WITNESS

I, Ronnie J. Donaldson, being duly sworn, depose

that the Direct Testimony in the

above referenced matter on behalf of

Dixie Electric Membership Corporation

is true and correct to the best of my knowledge, information and belief.



Ronnie J. Donaldson

Subscribed and sworn before

me this 11th day of

August, 2021.

Alice Green

My Commission expires

5/20/2024



TESTIMONY

of

INGMAR E. STERZING

on behalf of

Dixie Electric Membership Corporation

AUGUST 16, 2021

EXHIBIT F

TESTIMONY OF INGMAR E. STERZING

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Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

A. My name is Ingmar E. Sterzing, and my business address is 12805 Cricoli Dr., Austin, TX 78739. I am independently contracted as Vice President, Power Supply at EnerVision, Inc.

Q. WHAT SERVICES DO YOU PROVIDE AT ENERVISION?

A. I provide strategic consulting services focused primarily on wholesale power supply planning, acquisition, and management. My services involve developing and evaluating supply plans, evaluating products, conducting risk analysis, developing financial and economic forecasts, conducting power supply solicitations, acquiring power supply, negotiating power supply agreements, and managing power supply. I also provide consulting services to support strategic planning, rate design, cost of service, and member services development for electric distribution cooperatives.

Q. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A. I received a Bachelor of Science in Mechanical Engineering and a Master of Business Administration from the University of Texas at Austin and a Master of Nuclear Engineering from North Carolina State University.

Q. DESCRIBE YOUR PROFESSIONAL WORK EXPERIENCE.

A. I have 25 years of experience in the power and energy industry. A large portion of my career has been directly focused on serving public power cooperatives and municipalities to help them achieve their mission of providing low-cost, safe, reliable power for their communities. I have worked directly in all aspects of the

1 power industry at firms such as Skaia Energy, OnPeak Power, Pedernales Electric
2 Cooperative (PEC), LS Power, Westinghouse, Lower Colorado River Authority
3 (LCRA), and General Electric.

4 Q. HAVE YOU PREVIOUSLY OFFERED TESTIMONY BEFORE ANY PUBLIC
5 UTILITY REGULATORY COMMISSION?

6 A. No, I have not directly testified before any public utility regulatory commission, but
7 I have provided support and information for testimonies given before the Public
8 Utility Commission of Texas.

9 Q. WHAT WAS YOUR ROLE IN ADMINISTERING DEMCO'S REQUEST FOR
10 PROPOSALS (RFP) PROCESS AND EVALUATING PROPOSALS SUBMITTED
11 BY BIDDERS?

12 A. I was integrally involved in every aspect of the RFP process from day one. I initially
13 worked with DEMCO to develop a draft RFP consistent with Louisiana Public
14 Service Commission requirements, helped administer the RFP, evaluated bids,
15 advised and consulted with DEMCO management on all aspects of the RFP, and
16 ultimately made recommendations to DEMCO management regarding what I
17 believe were the best options for DEMCO going forward in terms of obtaining an
18 new power supply contract to serve its needs.

19 Q. CAN YOU EXPLAIN IN MORE DETAIL ALL OF THE STEPS INVOLVED IN THE
20 RFP PROCESS?

21 A. Throughout the entire RFP process, I worked closely with my colleague Ronnie
22 Donaldson at EnerVision. Mr. Donaldson has extensive experience in the power
23 supply industry as well. This collaborative approach allowed EnerVision to ensure

1 that we left no stone unturned in fully and accurately evaluating all proposals. Mr.
2 Donaldson is submitting testimony in this matter as well. I worked with Mr.
3 Donaldson to prepare his testimony just like we worked together throughout the
4 entire RFP process and am confident that it accurately describes the work we
5 performed together for EnerVision on behalf of DEMCO. In fact, if I were asked
6 each of the questions posed to Mr. Donaldson, my responses would be identical
7 to his in substance. Rather than repeat all of the steps in the RFP process
8 described by Mr. Donaldson, I would simply refer you to Mr. Donaldson's testimony
9 which also describes in detail the work I did in this matter.

10 Q. WAS THERE ANY DIFFERENCE IN THE WORK THAT YOU AND MR.
11 DONALDSON PERFORMED?

12 A. Not to any meaningful degree. For example, depending on our schedules, I may
13 have fielded questions from DEMCO or taken the first look at issues as they arose
14 in some instances. In other instances, Mr. Donaldson may have taken the first
15 look at issues as they arose. Similarly, depending on our schedules, there were
16 times where I may have been on a conference call or attended a meeting without
17 Mr. Donaldson or vice versa. Finally, although our backgrounds are similar, they
18 are not identical. There were times when I may have taken the lead in initially
19 assessing an issue because I had slightly more experience with it or the other way
20 around. But Mr. Donaldson and I collaborated on all significant analyses
21 performed by EnerVision throughout the entire the RFP process and came to the
22 same conclusions. I am confident that DEMCO made the best choice for its
23 members.

1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

2 A Yes, it does.

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BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION
DOCKET NO. U-

Application of Dixie Electric Membership Corporation for Approval of
Power Supply Agreements

AFFIDAVIT OF WITNESS

I, Ingmar E. Sterzing, being duly sworn, depose
that the Direct Testimony in the
above referenced matter on behalf of
DEMCO

is true and correct to the best of my knowledge, information and belief.



Ingmar E. Sterzing

Subscribed and sworn before

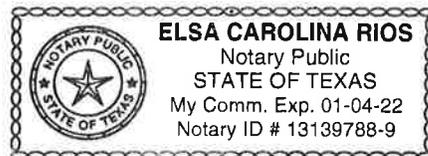
me this 11th day of

August, 2021.



My Commission expires

1/4/22



TESTIMONY

of

MICHAEL TOAL

on behalf of

NEXTERA ENERGY MARKETING, LLC

AUGUST 17, 2021

EXHIBIT G

1 **I. INTRODUCTION**

2 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

3 A. Michael Toal. 700 Universe Boulevard, Juno Beach Florida 33408.

4

5 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

6 A. I am employed by NextEra Energy Marketing, LLC (“NEM”), as a Vice President of Power
7 Origination. Since 2011, I have been responsible for power origination throughout North
8 America for NEM. This includes responsibility for the power supply arrangements NEM
9 enters into with customers throughout the country, including more than 70 electric
10 cooperatives and municipal utilities. My area of responsibility includes being responsible
11 for the Full Requirements Power Supply Agreement (“PSA”) executed with Dixie Electric
12 Membership Corporation (“DEMCO”).

13

14 Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE.

15 A. I have been employed by subsidiaries of NextEra Energy Inc. (“NextEra”) since 2001.
16 Prior to my current position, I held a variety of positions within NEM, including Vice
17 President of Renewable Marketing, Wholesale Supply, and Risk Analytics, and I also
18 served as a Director of Accounting for NextEra Energy Resources, LLC (“NEER”). Prior
19 to joining NextEra, I was the Controller of an automotive services company, Car Spa, Inc.
20 Before my employment with CarSpa Inc., I was a practicing certified public accountant
21 within Ernst & Young’s audit department, focusing on audits of companies within the real
22 estate, healthcare, and retail spaces. I earned a Bachelor of Science in Accounting from
23 Florida Atlantic University in 1994.

24

1 Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

2 A. I am testifying on behalf of NEM.

3

4 Q. HAS THIS TESTIMONY BEEN PREPARED BY YOU OR UNDER YOUR
5 SUPERVISION?

6 A. Yes.

7

8 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE LOUISIANA PUBLIC
9 SERVICE COMMISSION (“LPSC”) OR ANY OTHER COMMISSION?

10 A. No.

11

12 **II. PURPOSE AND SUMMARY OF DIRECT TESTIMONY**

13 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

14 A. The purpose of my testimony is to provide an overview of: (1) NEM and its capabilities;
15 (2) the services to be provided by NEM under the PSA; (3) how NEM has successfully
16 performed similar services for other public power entities; and (4) additional benefits
17 provided to DEMCO under the PSA.

18

19 Q. WHAT IS YOUR UNDERSTANDING OF THE STANDARD THE LPSC WILL APPLY
20 TO THE PSA?

21 A. While I am not a lawyer, it is my understanding that the LPSC reviews the PSA for whether
22 it provides safe and reliable power to DEMCO at the lowest reasonable cost. My testimony
23 will address this standard from the perspective of NEM’s capabilities to perform under the
24 proposed PSA.

1 NextEra and NEM were not involved in the selection process – that process as was solely
2 the purview of DEMCO and its consultant, EnerVision, Inc. (“EnerVision”) – and,
3 therefore, I am not in a position to testify on whether the PSA was the lowest reasonable
4 cost in the context of the selection process conducted by DEMCO and EnerVision. I refer
5 the LPSC to the direct testimony of DEMCO and EnerVision on the selection process.

6
7 **III. OVERVIEW OF NEM**

8 Q. PLEASE PROVIDE A GENERAL OVERVIEW OF NEM.

9 A. NEM is the wholesale energy trading and marketing arm for NEER, which is a principal
10 subsidiary of NextEra. To place NEM in context of the NextEra family of companies, the
11 following is an overview of NextEra, NEER, and NEM.

12 **NextEra**

13 NextEra Energy is an industry leader in producing clean and renewable electric energy,
14 and in delivering reliable and economical electric utility service to millions of customers.
15 Our company employs about 14,900 people who produce and deliver affordable, reliable,
16 clean electricity to customers mainly in the U.S. and Canada. NextEra, a Fortune 200
17 company included in the Standards and Poor’s (“S&P”) 100 Index, is one of the largest
18 electric power and energy infrastructure companies in North America, with a market
19 capitalization of approximately \$152 billion as of April 1, 2021. Our balance sheet is one
20 of the strongest in the industry. Our long-term issuer credit ratings of A- / A / Baa by S&P
21 Global Ratings, FitchRatings, and Moody’s Investors Service, respectively, the three
22 leading credit rating agencies globally, reflect the strength of our balance sheet and the
23 discipline with which we allocate capital. We view our financial strength not only as a key
24 component of our strategy, but also as critically important to our ability to continue

1 investing in our business for the benefit of our customers. In fact, we have maintained
 2 ratings in the single-A category for more than 25 years and will continue doing so in the
 3 future. NextEra has been recognized often by third parties for its efforts in sustainability,
 4 corporate responsibility, ethics, compliance, and diversity, and has been ranked No. 1 in
 5 the electric and gas utilities industry in Fortune’s 2021 list of “World’s Most Admired
 6 Companies” 14 of the last 15 years. In 2021, NextEra Energy ranked No. 1 for eight of the
 7 nine rated attributes, including innovation, people management, use of corporate assets,
 8 quality of management, financial soundness, long-term investment value, quality of
 9 products/services and global competitiveness.

2020-2021 awards & recognitions

- » In 2021, NextEra Energy was ranked No. 1 in the electric and gas utilities industry on Fortune magazine's list of World's Most Admired Companies for the 14th time in 15 years. NextEra Energy ranked No. 1 for eight of the nine rated attributes, including innovation, people management, use of corporate assets, quality of management, financial soundness, long-term investment value, quality of products/services and global competitiveness.
- » In 2021, NextEra Energy was recognized by Forbes magazine as one of America's Best Employers for the fifth year and as one of America's Best Employers for Diversity for the fourth consecutive year and in 2020 as one of America's Best Employers for Veterans for its efforts to recruit, employ and retain veterans.
- » In 2021, NextEra Energy was named to the first-ever list of TIME100 Most Influential Companies. The new list highlights 100 businesses making an extraordinary impact around the world.
- » NextEra Energy was recognized in 2021 for the 14th time as one of the World's Most Ethical Companies™ by the Ethisphere Institute.
- » NextEra Energy was assessed as having best-in-class preparedness, according to S&P Global Ratings' ESG evaluation, reflecting our ability to identify long-term risks and develop and implement plans to transform these challenges into new opportunities, distinguishing the company from its peers amid the disruptive forces facing the industry. NextEra Energy's final ESG evaluation score, 86, is one of the highest rankings to be given by S&P Global Ratings to any corporate entity within the electric power industry.



- » In 2020, NextEra Energy received the third annual S&P Global Platts Energy Transition Award, recognizing our leadership in environmental, social and governance.
- » NextEra Energy received the highest ESG rating of AAA from MSCI Inc.
- » NextEra Energy received a HIRE Vets Platinum Medallion Award in 2020 from the U.S. Department of Labor for recruiting, employing and retaining veterans.
- » In 2021, NextEra Energy was recognized by Institutional Investor for the best CEO and the best investor relations team in the utilities industry for the last six years in a row and the best CFO for the last three years.
- » In 2020, FPL was awarded the ReliabilityOne™ National Reliability Award, presented by PA Consulting, for the fifth time in six years; FPL also earned the ReliabilityOne™ Award for Outstanding Technology & Innovation, as well as the Outstanding Reliability Performance Award for the Southeast region.
- » In 2020, Site Selection magazine named FPL as one of the Top U.S. Utilities in Economic Development.
- » FPL was named among the 2020 Most Trusted Utilities by Escalent, a top human behavior and analytics firm. FPL ranked as the most trusted electric provider in Florida and fourth among our electric utility peers nationwide. This is the seventh consecutive year the company was recognized by Escalent as being one of the top-performing utilities.

10
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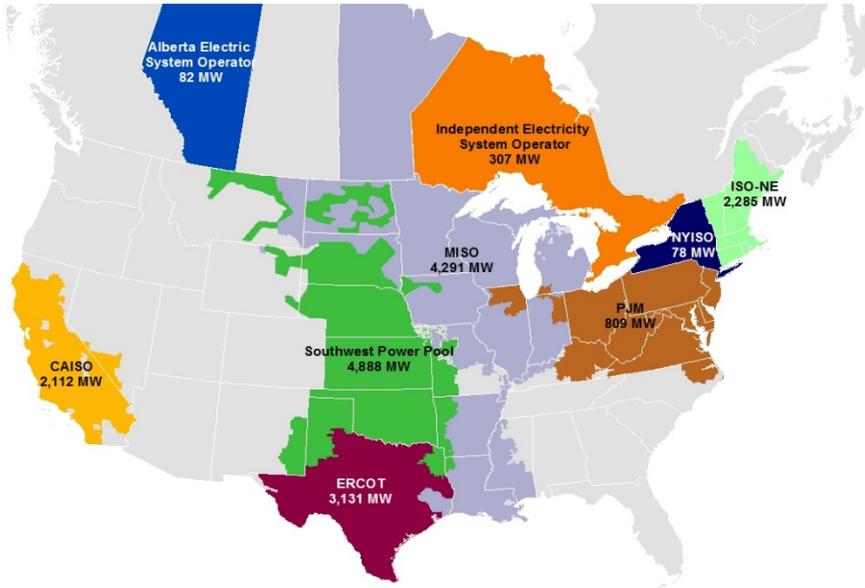
1 Building on a 90-year history in the electric utility industry, NextEra’s subsidiaries own
2 and operate more than 58 gigawatts (“GW”) of electricity generating capacity primarily
3 across 38 states in the U.S. and four provinces in Canada. NextEra subsidiaries own and
4 operate approximately 15% of the installed base of U.S. wind power production capacity
5 and own and/or operate approximately 9% of the installed base of U.S. utility-scale solar
6 power production capacity. NextEra subsidiaries are also the largest owner and operator
7 of photovoltaic solar generating plants in the United States. In addition, NextEra affiliates
8 have ownership interests in natural gas pipelines, and have significant investment in oil
9 and gas shale infrastructure with operations located primarily in the Midwest and South
10 regions of the U.S.

11 **NEER**

12 As of June 30, 2021, affiliates of NEER operate approximately 18 GW of wind energy
13 through more than 135 facilities across North America. NEER also operates approximately
14 4 GW of solar through 42 utility-scale (*i.e.*, over 20 megawatts (“MW”)) solar projects in
15 the U.S. In addition, NEER is uniquely positioned for the next phase of renewables
16 deployment that pairs low-cost wind and solar energy with a low-cost battery storage
17 solution to meet customer needs for firm generation. Among NEER’s customers for wind
18 and solar are more than 80 municipal authorities and cooperatives, with which NEER has
19 many long-standing relationships. NEER affiliates operate in all U.S. organized markets.
20 For example, as the map illustrates by total NEER generation in the different markets,
21 NEER affiliates have significant generation facilities in the organized markets, including
22 the Midcontinent Independent System Operator, Inc. (“MISO”).¹

¹ Map indicates generation as of December 31, 2020.

1



2 **NEM**

3 NEM is one of the largest suppliers of wholesale electricity and electricity related products
4 in the United States to public power entities, including generation and transmission
5 cooperatives, distribution cooperatives, municipal utility aggregations, and municipal
6 utilities. NEM serves more than 18 million megawatt-hours to more than 70 electric
7 cooperatives and municipal utilities and provides services for approximately 5,000 MW of
8 load. NEM provides full requirements energy supply in all major organized markets,
9 including MISO. NEM also maintains an in-house team of specialists that develop and
10 implement highly structured transactions for our clients – unit contingent purchases, mid-
11 market and long-term heat rate call options, block power supply, structured full
12 requirements supply, and forward market support and optimization. NEM’s full

1 requirements service infrastructure, which will be utilized to implement the PSA, includes
2 a 24-hour desk, regulatory and compliance services, load forecasting and scheduling,
3 MISO and other independent system operator settlements and billing, and renewable
4 energy credit procurement and compliance. NEM is a financially strong, creditworthy
5 counterparty with an unparalleled level of experience and expertise to serve customers'
6 energy and capacity needs, including DEMCO.

7 Q. DO NEER AFFILIATES HAVE A PRESENCE IN LOUISIANA?

8 Yes. In Louisiana, an affiliate of NEER operates an oil and natural gas exploration and
9 production facility (“E&P”) with operations located in the Haynesville Shale in Northwest
10 Louisiana. NEER plans to invest up to \$1.5 billion of incremental capital in Louisiana
11 over the next few years by: (1) growing its E&P presence; (2) potentially expanding its
12 natural gas pipeline presence; and (3) investing up to \$1 billion in solar generating projects
13 at various stages of development by indirect, wholly-owned subsidiaries of NEER. In Mr.
14 Michalczak’s testimony, he provides additional information on NEER’s Amite Solar
15 project, as well as NEER’s solar development plans in Louisiana.

16
17 Additionally, affiliates Florida Power & Light Company (“FPL”) along with Gulf Power
18 Company (“Gulf Power”) regularly provide storm restoration support to Louisiana’s
19 utilities in the wake of natural disasters. In 2020, FPL sent more than 1,300 line workers
20 and contractors to help restore power following the devastating damage caused by
21 Hurricane Laura, and FPL sent nearly 180 semi-tractor trailers to the Lake Charles area
22 with poles and equipment to help rebuild critical parts of the transmission grid. In response
23 to Hurricane Delta, FPL sent more than 850 employees and contractors to Louisiana. And
24 for Hurricane Zeta, more than 1,500 FPL employees and contractors were deployed to

1 states, including Louisiana. Most recently, more than 600 FPL and Gulf Power contingent
2 workers, along with an FPL management support team, answered the call to assist those in
3 Louisiana and other states impacted by the severe winter weather in February 2021.

4
5 Q. GIVEN THE STATED CAPABILITIES OF NEM AND THE NEXTERA FAMILY OF
6 COMPANIES, DO YOU VIEW NEM AS RELIABLE AND CAPABLE TO PERFORM
7 UNDER THE PSA.

8 A. Yes. I have every confidence in NEM's reliability and capability to perform under the
9 PSA. As already explained, NEM is a financially strong, creditworthy company that has
10 extensive nationwide experience in organized markets, including providing full
11 requirements services. As explained below, and attached as Exhibit MT-1, wholesale
12 customer testimonials show they hold NEM in high regard for its ability to meet and exceed
13 their expectations. NEM has every expectation that DEMCO will receive the same high
14 level and quality of services under the PSA.

15
16 **IV. OVERVIEW OF SERVICES UNDER THE PSA**

17 Q. PLEASE PROVIDE AN OVERVIEW OF NEM'S FULL REQUIREMENTS
18 OBLIGATION TO DEMCO.

19 A. NEM's commitment under the PSA is a full requirements obligation. Therefore, pursuant
20 to the proposed PSA, NEM will deliver 100% of DEMCO's energy and energy related
21 product needs including capacity, ancillary, and transmission and provide market
22 participant services for a fixed price per megawatt hour (the "Fixed Price") delivered,
23 which is determined each year during the PSA's term. The PSA is proposed to start on
24 April 1, 2024 and runs through December 31, 2033.

1 As part of its full requirements commitment under the PSA, NEM, as outlined below, will
2 perform the role of Market Participant for DEMCO, which will include NEM integrating
3 into the delivery of energy and capacity to DEMCO the Power Sales Contract between the
4 United States of America and DEMCO, also known as the Southwestern Power
5 Administration (the “SWPA Contract”) for hydroelectric power, and the 100 MW Amite
6 Solar project through its power purchase agreement (“PPA”).

7

8 Q. PLEASE ELABORATE ON THE PSA’S FIXED WHOLESALE ENERGY AND
9 CAPACITY PRICE.

10 A. Exhibit A of the PSA, the “Default Pricing Plan”, explains in detail how the Fixed Price in
11 each calendar year is determined. To maintain a balance among cost, certainty, risk, and
12 maintaining the flexibility to take advantage of future market opportunities likely to
13 develop due to the rapidly changing energy markets, DEMCO is taking a managed
14 approach, eliminating the price risk associated with more of its energy and capacity needs
15 for the earlier years of the contract than the later years.

16 Upon the effective date of the PSA, the pricing for the following percentages of DEMCO’s
17 energy and capacity needs will be fixed. Percentages below include NEM’s initial quantity
18 of energy and capacity (the “Baseload Amount”) and the purchases under the SWPA
19 Contract and Amite Solar PPA:

- 20 ➤ 90% for the first year (2024);
- 21 ➤ 70% for the second year;
- 22 ➤ 50% for the third year; and
- 23 ➤ 30% for all remaining years of the PSA.
- 24 ➤

1 The Baseload Amount pricing is similar to a fixed price PPA. On the remaining portion of
2 DEMCO's energy and capacity needs, pricing will be fixed in the future biannually at the
3 then market price. Pricing for approximately 100% of the estimated energy and capacity
4 needs for that year will be fixed. Before the beginning of each calendar year during the
5 term of the PSA, NEM will calculate the Fixed Price for that year. The Fixed Price will be
6 calculated based upon two principal components: (i) the cost of energy and capacity, which
7 represent over 80% of DEMCO's total wholesale energy costs, and (ii) an estimate of the
8 cost charged by MISO (*i.e.*, Transmission). The Fixed Price will also include NEM's fee
9 and an adjustment for any under collection or over collection of the previous year's
10 estimated amounts. Therefore, NEM is selling DEMCO all of the energy, capacity, and
11 other energy related needs under the contract for the Fixed Price. DEMCO will not
12 purchase those needs from any entity other than NEM.

13
14 Q. PLEASE ELABORATE ON HOW THE PRICE FOR THE REMAINING PORTION OF
15 DEMCO'S ENERGY AND CAPACITY NEEDS IS DETERMINED?

16 A. As explained in the PSA's Default Pricing Plan, on a recurring biannual basis NEM will
17 obtain two price quotes for energy and capacity for the quantities and terms outlined in the
18 Default Pricing Plan from third-party counterparties. The counterparties selected will be
19 active in the MISO market and meet NEM's transactional standards. Using the lowest
20 prices received, NEM will provide DEMCO, and any advisor to DEMCO, a summary of
21 the resulting Fixed Price for the energy and capacity components for each of the years the
22 quotes were obtained, along with the quotes received.

1 Q. HOW ARE THE ESTIMATES OF THE COSTS CHARGED BY MISO FOR
2 ANCILLARIES, TRANSMISSION, AND LOAD-FOLLOWING COSTS
3 DETERMINED?

4 The estimates will be determined using current market information and calculations that
5 are consistent with the methodologies used by NEM in serving its other customers. The
6 ancillary and transmission costs can be driven by non-economic or fundamental supply and
7 demand factors which makes purchasing those items in advance challenging and often not
8 possible. The load-following costs are the costs associated with purchasing additional
9 energy, when needed, for DEMCO and selling any excess. The load-following cost is
10 strongly correlated to weather and the impact weather has on DEMCO's demand.

11

12 Q. HOW IS EACH YEAR'S FIXED PRICE DETERMINED?

13 A. No later than September 30 of each year during the PSA's term, NEM will provide
14 DEMCO with a calculation of the Fixed Price for the succeeding year, which is the sum of
15 the fixed cost of the energy and capacity and the estimate of the cost charged by MISO
16 (*i.e.*, Transmission), NEM's fee, and an adjustment for any under collection or over
17 collection of the previous year's estimated amounts.

18

19 Q. ARE THE WHOLESALE COSTS UNDER THE PSA RELIABLE AND CONSISTENT?

20 A. Yes. At any given point following the Default Pricing Plan, on average approximately
21 72% of the following 3 years of DEMCO's annual pricing for expected energy and capacity
22 needs will be locked in advance.

23

24

1 Q. PLEASE PROVIDE AN OVERVIEW OF MARKET PARTICIPANT SERVICES NEM
2 WILL PROVIDE DEMCO UNDER THE PSA.

3 A. The PSA requires that NEM serve as the MISO Market Participant for DEMCO. In this
4 role, NEM will:

- 5 • Develop energy forecasts on a daily basis;
- 6 • Interface with MISO as the energy scheduler for purposes of market settlement and
7 billing agent;
- 8 • Monitor and manage DEMCO's actual and forecasted load;
- 9 • Provide monthly reports on DEMCO's wholesale power supply position, costs, and
10 risks; the net positions on DEMCO's physical and financial monthly surpluses and
11 deficits; and market updates;
- 12 • Bi-annual coordination for DEMCO to review and finalize pricing decisions, and
13 assist DEMCO implement responses to changes in the MISO market;
- 14 • Engage in quarterly discussions on forecasts of wholesale power supply, and
15 provide updates summarizing opportunities and market conditions, as well as
16 variances between actuals and forecasts;
- 17 • Engage in quarterly pull-ups on any issues to address with regard to the services
18 NEM is providing under the PSA;
- 19 • Serve as the scheduling agent for the SWPA Contract; and
- 20 • Act as the registered Purchasing/Selling Entity with the North American Electric
21 Reliability Corporation.

22 These Market Participant services leverage NEM's already existing capabilities, which are
23 explained above, and will provide DEMCO with a view and access to the MISO market

1 that it has not had in the past. These services, therefore, will facilitate the implementation
2 of the full requirement obligations, including providing DEMCO the market and forecast
3 information needed to make decisions on how best to instruct NEM to deliver energy and
4 capacity. As I discuss later in my testimony, NEM customers receiving similar services
5 have been complimentary of their relationship with NEM and highly satisfied with the
6 services and wholesale prices.

7
8 Q. HOW DO THE ABOVE SERVICES TAKE INTO ACCOUNT THE AMITE SOLAR
9 PPA?

10 A. Given that solar is an intermittent generation resource, NEM will forecast Amite Solar's
11 hourly solar generation with the help from NextEra Analytics, Inc. ("NEA"), an indirect
12 wholly-owned subsidiary of NEER. NEA has decades of experience analyzing, modeling,
13 and forecasting renewable solar and wind resources. NEA's hourly generation forecast
14 will be incorporated into NEM's estimates of hourly load utilized for procurement and cost
15 estimates. NEA's capacities will, therefore, assist NEM's ability to forecast changes from
16 Amite Solar, so to correspondingly adjust the deliveries of energy and capacity to DEMCO.
17 There is no additional charge to DEMCO for NEA's services under the PSA or the Amite
18 Solar PPA.

19
20 Q. DOES THE PSA PROVIDE FOR THE LPSC TO MONITOR THE PSA?

21 A. Yes. Exhibit A(D) "Audit Rights" of the PSA provides that NEM will maintain its books
22 and records associated with the PSA in accordance with applicable LPSC regulations.

1 Q. WILL DEMCO BE EXPOSED TO SPOT MARKET PRICING?

2 A. NEM's supply pricing approach is designed to mitigate exposure to short-term price
3 swings. As mentioned previously, prior to any calendar year, approximately 100% of
4 DEMCO's average expected monthly energy and capacity pricing will be fixed and load
5 following costs will be estimated. Therefore, exposure to the spot market would be limited
6 to deviations from the forecasted energy needs of DEMCO also known as the estimated
7 load following costs. As explained in the testimonials attached at Exhibit MT-1, NEM has
8 a solid track record of working with its customers developing accurate energy and capacity
9 forecasts and estimating load following costs.

10

11 Q: IF A WEATHER EVENT SIMILAR TO THE FEBRUARY 2020 FREEZE WERE TO
12 OCCUR WITH NEM AS DEMCO'S FULL REQUIREMENTS POWER SUPPLIER,
13 WOULD NEM'S APPROACH MINIMIZE NEGATIVE WHOLESALE RATE
14 IMPACTS FOR DEMCO'S MEMBERS?

15 Yes. The PSA is structured to help insulate DEMCO from price spikes due to extreme
16 weather events. As explained above, at the beginning of each calendar year, the price for
17 energy and capacity needs will be fixed. Further, the PSA in Exhibit A(A)(iii) provides an
18 additional process by which DEMCO can elect over the term of the PSA to implement
19 additional mitigation measures to address price spikes due to extreme weather events.
20 Therefore, the PSA appropriately addresses the market risk associated price spikes due to
21 extreme weather events.

22

23 **V. NEM'S PROVISION OF SIMILAR SERVICES FOR PUBLIC POWER**

24

25 Q. DOES NEM PROVIDE SERVICES TO OTHER PUBLIC POWER ENTITIES?

1 A. Yes. NEM provides various services to cooperatives and municipalities, in organized
2 markets, including the supply of energy and capacity on a full requirements basis. NEM
3 provides supply and/or scheduling services for approximately 45 Load Serving Entities
4 with total load over 50,000 gigawatt hours (“GWh”) per year. Nine of our customers have
5 annual loads exceeding 1,000 GWh per year.

6 NEM is proud of its ability to work with its customers to meet their needs and develop
7 strong customer relationship. Exhibit MT-1 provide testimonials from certain NEM
8 customers, which include confirmation of NEM’s capabilities from the customer’s
9 perspective. For example, Northeast Ohio Public Energy Council wrote:

10 NextEra’s longstanding relationship with the Northeast Ohio Public Energy
11 Council (NOPEC) is a true partnership Our partnership with NextEra
12 began in April 2014, working together to purchase Ohio-sourced natural gas
13 and provide low-cost supply to over 400,000 customers. Shortly after, in
14 August 2015, NextEra began providing electricity to AEP-Ohio member
15 communities. And in January 2017 we expanded our relationship with
16 NextEra, extending our low-cost electricity service offering to over 500,000
17 customers in First Energy member communities. And in January 2017 we
18 expanded our relationship with NextEra, extending our low-cost electricity
19 service offering to over 500,000 customers in First Energy member
20 communities. NOPEC is now receiving 100% of our wholesale power and
21 natural gas from NextEra.

22
23
24 NEM will not only be providing DEMCO similar serves to those discussed in Exhibit MT-
25 1, DEMCO and its members will experience similar reliable, low wholesale cost results if
26 the PSA is approved.

27 **VI. OTHER BENEFITS PROVIDED TO DEMCO UNDER THE PSA**

28 Q. ARE THERE OTHER BENEFITS PROVIDED TO DEMCO UNDER THE PSA THAT
29 HAVE NOT ALREADY BEEN DISCUSSED?

30 A. Yes. In Section 3.9(a), the PSA explains that NEM will make available representatives

1 from the NextEra family of companies to consult on distributed solar energy programs,
2 demand-side management, and other renewable and power delivery technology initiatives.
3 Access to NextEra's broad array of best practices and research and development through
4 regular, in-depth meetings with management and subject matter experts, will benefit
5 DEMCO's members. NEM will also provide support to DEMCO's charitable and
6 economic development initiatives and assist with emergency preparedness and emergency
7 restoration efforts.

8 Relatedly, NextEra's commitment to emergency preparedness and emergency restoration
9 even for customers outside its utilities' service territories is demonstrated by FPL's recent
10 commitments to storm restoration in Louisiana as I described previously.

11 Q. DOES THIS CONCLUDE YOUR PREFILED DIRECT WRITTEN TESTIMONY?

12 A. Yes.

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NO. U-

Joint Application of Dixie Electric Membership Corporation, NextEra Energy Marketing, LLC
and Amite Solar, LLC for Approval of Power Supply Agreements

AFFIDAVIT OF WITNESS

I, Michael Toal, being duly sworn, depose

that the Direct Testimony in the

above referenced matter on behalf of

Joint Applicants,

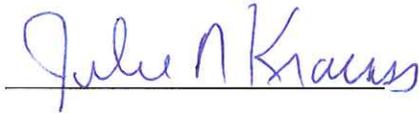
is true and correct to the best of my knowledge, information and belief.


Michael Toal

Subscribed and sworn before

me this 16th day of

August, 2021.



My Commission expires



To Whom It May Concern:

For over 20 years, I have been the President/CEO of Rural Electric Convenience Cooperative (RECC) in Illinois. In 2016, the Board and I began exploring alternatives for our wholesale power supply. Up until that point, RECC had received full requirements through a local G&T cooperative and Joint Action Agency. I believed we would be able to reduce our power supply costs and lower our rates to members by purchasing power from the market instead.

After an extensive RFP process, which included reviewing several different proposals offering a variety of products, RECC chose to transition to fixed price, market-based supply through NextEra Energy Marketing. NextEra's thorough explanations of our options and how the transition process would work gave us confidence that they were the right partner for this endeavor. RECC signed an agreement that started in January 2018 and extended through May 2028.

After the deal was signed, NextEra worked closely both with our team as well as our Local Balancing Authority, Ameren Illinois, to ensure the transition went smoothly and all details were considered and solved. NextEra committed the necessary resources, both money and people, to support our new power supply arrangement. They coordinated with MISO to create a new pricing node for us and became our market participant in MISO. I commend them for quickly addressing any issues that arose, being transparent throughout the process, and always keeping our best interests in mind. Since the transition, we have experienced no issues with reliability and are very pleased with our cost savings which have allowed us to put money back in our members' pockets.

After receiving almost a full year of service that exceeded our expectations in the initial proposal, RECC decided to extend our relationship with NextEra Energy Marketing through May 2033. We are pleased with the best-in-class service NextEra provides to our staff and Board members. They truly care about their customers and we are glad to be partnering with them well into the future.

I would be happy to answer any questions and discuss our experience with NextEra. You can reach me at (217) 438-6197.

Regards,



David Stuva
President/CEO

SHANEYFELT & BOHNENKEMPER

716 CLAY STREET
JASPER, INDIANA 47546-3004

TELEPHONE: (812) 482-1818
FACSIMILE: (812) 482-6809

William L. Shaneyfelt
Attorney at Law

Sharon L. Bohnenkemper
Attorney at Law

February 26, 2016

To Whom it may Concern:

I have been working with the Town of Ferdinand, Indiana, as their Attorney and Legal Counsel since 1979. In 2013-14 I assisted in the procurement of power supply for the Town in coordination with an engineering consultant. After having used the same supplier for many, many years, the thought of switching to a new supplier seemed a bit daunting, especially to Council Members with relatively little power supply experience. But, with new options available in the market we decided to pursue the path to help lower costs for our residents and local businesses.

NextEra submitted a proposal in 2013 and worked closely with me and the consultant through the evaluation process, answering questions and providing support as needed. They explained in detail the charges they could fix for us, and for what term, as well as which charges from MISO would be passed through and why. After reviewing multiple proposals we chose NextEra and the contract was executed in March 2014 for a January 1, 2015 start.

In the time between execution and the start date, NextEra worked diligently with Vectren (our incumbent supplier), MISO and myself to establish a pricing node with MISO for the Town. NextEra also worked with MISO to become registered as Ferdinand's Market Participant beginning January 1, 2015 enabling NextEra to interact with MISO on Ferdinand's behalf.

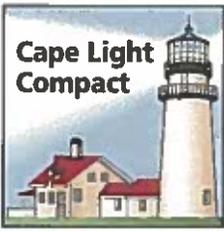
We have now been with NextEra for over a year and have seen no change in the reliability of our power supply. Our costs have been in line with the expectations laid out during our initial discussions, with the vast majority of our power supply expense being at a fixed price per MWh for the full term of the deal through May 31, 2018. This certainty has provided our residents and businesses not only a competitive price, but the confidence that their bills will not change significantly for the next several years. We have seen this work to our industrial customers' advantage; soon after the deal was executed, the Town's largest industrial customer announced an expansion. I suspect our electric rates played a part in their decision.

I highly recommend working with NextEra, especially in a situation where a great deal of care is needed to transition suppliers. The team at NextEra has been nothing but knowledgeable, professional, and responsive in assisting myself and the Town of Ferdinand in our move to lock in a fixed price for as much of our power supply costs as possible for as long as possible. Please feel free to contact me as I'd be happy to answer any questions you may have related to this recommendation.

Respectfully,

SHANEYFELT & BOHNENKEMPER


WILLIAM L. SHANEYFELT, Attorney



Cape Light Compact JPE

Exhibit MT-1

261 Whites Path, Unit 4, South Yarmouth, MA 02664
Energy Efficiency 1.800.797.6699 | Power Supply 1.800.381.9192
Fax: 774.330.3018 | capelightcompact.org

June 19, 2020

To Whom It May Concern:

The Cape Light Compact JPE (Compact) is a Massachusetts community choice municipal aggregator consisting of the twenty-one member towns of Cape Cod and Martha's Vineyard. It is operated as a joint powers entity (JPE) authorized by the votes of town meeting, boards of selectmen and town council. One of the primary missions of the Compact is to provide an all-requirements power supply offering for the Compact's 205,000 customers. The Compact fulfills this mission by procuring a power supply provider to serve its power supply customers through a request for proposal (RFP) process.

The Compact first selected NextEra Energy Resources (NextEra) through two competitive RFP processes in 2014 to serve selected municipal electric accounts and the commercial and industrial aggregation accounts. Through subsequent RFPs, NextEra was awarded the Compact's entire aggregated load, and continues to serve participating municipal accounts under a separate contract. The Compact's current aggregation contract with NextEra is for a five-year term, 2018-2023. NextEra submitted proposals that offered better pricing and consumer products, such as a green power options, than their competitors. In response to the Compact's intent to become a green aggregation by offering more renewable energy through our power supply program, NextEra was able to bring a unique offering, energy and Renewable Energy Certificates (RECs) from a solar PV project, to the Compact for consideration and inclusion in their supply offering.

During the term of each contract, NextEra staff have been responsive to the Compact's requests for data for state reporting requirements and general questions. NextEra staff provide the Compact with industry updates on a regular basis and are quick to inform the Compact of changes/opportunities in the energy market. When requested, NextEra staff have traveled to Cape Cod to present market updates to the Compact's Governing. Over the course of the Compact's relationship with NextEra, they have consistently demonstrated their commitment and ability to meet the needs of the Compact. The Compact is very satisfied with the services provided by NextEra Energy. If you have any questions or would like to discuss the Compact's experience with NextEra, please do not hesitate to contact me at 508-375-6636 or by email at mdowney@capelightcompact.org.

Sincerely,

A handwritten signature in blue ink that reads "Margaret T. Downey". The signature is fluid and cursive.

Margaret T. Downey
Compact Administrator

Working Together Toward A Smarter Energy Future

Aquinnah | Barnstable | Bourne | Brewster | Chatham | Chilmark | Dennis | Dukes County | Eastham | Edgartown | Falmouth
Harwich | Mashpee | Oak Bluffs | Orleans | Provincetown | Sandwich | Tisbury | Truro | Wellfleet | West Tisbury | Yarmouth

**LOGANSPORT MUNICIPAL UTILITIES***Paul A. Hartman, Superintendent**601 E. Broadway, #101
Logansport, IN 46947
Telephone: 574.753.6231
Fax: 574.753.9828*

July 16, 2020

To Whom It May Concern:

Logansport Municipal Utilities (LMU) began discussing power supply options with NextEra in 2016. My team engaged in a very careful vetting process involving our consultants, engineers, attorneys, members of the Utility Service Board, City Council and the Mayor's Office.

We were seeking a fixed priced power supply to reduce customer rates and to allow us to provide support for improvements to the utility and the city. In addition to the above, our final contract incorporated the flexibility to add community scale solar generation and to adjust the duration of our agreement.

We have been purchasing all of our wholesale electricity from NextEra since January of 2019. Our monthly bills have been consistently within a small percentage of error of the forecasts NextEra presented in the negotiations. NextEra insured that LMU's operation continued seamlessly with MISO and they continue to adapt to our situation as things change from time to time.

We remain confident in our choice of a new full requirements provider. Recently, we extended our contract at a considerable savings to the initial term. We consider NextEra to be a valued partner.

I would be glad to speak with your organization about our experience with NextEra, if you so desire. Should you have any questions or require additional information, please feel free to contact me at 574-753-6232 or by email at hartman.lmu@frontier.com.

Sincerely,

LOGANSPORT MUNICIPAL UTILITIES

Paul A. Hartman, Superintendent

July 10, 2020

RON MCVOY
Chairman

CHUCK KEIPER
Executive Director

BOARD OF DIRECTORS

RON MCVOY
Ashtabula County

JOHN ZEHENTBAUER
Columbiana County

GEORGINE WELO
Cuyahoga County

JAMES FLAIZ
Geauga County

JOSHUA R. SNYDER
Huron County

DANIEL TROY
Lake County

DAVID GILLOCK
Lorain County

ROBERT MCCrackEN
Mahoning County

PAUL BARNETT
Medina County

MICKEY MAROZZI
Portage County

AARON MONTZ
Seneca County

STEVE PATTERSON
Southeast Ohio

NICK MOLNAR
Summit County

JACK HANEY
Trumbull County

To Whom it May Concern:

NextEra's longstanding relationship with the Northeast Ohio Public Energy Council (NOPEC) is a true partnership that includes a customized approach, promoting NOPEC's mission to aggregate, educate, and advocate for member communities. NOPEC is Ohio's largest nonprofit energy aggregator and the largest governmental retail natural gas and electric aggregation in the U.S., serving more than 925,000 residential and small commercial customers in 237 communities (19 counties) across Ohio.

Our partnership with NextEra began in April 2014, working together to purchase Ohio-sourced natural gas and provide low-cost supply to over 400,000 customers. Shortly after, in August 2015, NextEra began providing electricity to AEP-Ohio member communities. And in January 2017 we expanded our relationship with NextEra, extending our low-cost electricity service offering to over 500,000 customers in First Energy member communities. NOPEC is now receiving 100% of our wholesale power and natural gas from NextEra.

NextEra's approach to our customized supplier agreement includes a proprietary hedging program that supports our mission as a nonprofit energy supplier by helping to ensure we have competitive energy rates and better terms and conditions for our member communities. The NextEra team has also been instrumental in helping to develop a portfolio of products for our aggregation customers, including electric products backed by EarthEra RECs. NOPEC's supply relationship with NextEra gives NOPEC customers an unparalleled opportunity to help accelerate the development of renewable energy sources. Since 2017, NextEra has contributed more than \$42 million from NOPEC's aggregation programs in the EarthEra Renewable Energy Trust, which has been used to build new renewable energy facilities in North America.

NOPEC's expanded relationship with NextEra has resulted in many added benefits for our NOPEC members. Over the years, NextEra has supported:

- **NOPEC Energized Community (NEC) Grants:** Launched in 2018, NOPEC's NEC grant program helps member communities increase energy efficiency and upgrade energy infrastructure
- **NOPEC Member Community Infrastructure Projects:** In 2019, NOPEC provided 21 cell phone charging stations for use in member

community public spaces across NOPEC's footprint such as libraries and community centers

- **Property Assessed Clean Energy Financing (PACE):** Since 2019, NextEra has supported NOPEC's PACE program. PACE is a low-interest financing program that provides commercial property owners the capital they need to lower their energy costs through energy-efficiency upgrades.
- **Preferred Pricing Program:** NextEra offers NOPEC communities a significant savings on their municipal electric and natural gas loads. NextEra offers member communities the absolute best pricing for NOPEC municipal accounts.
- **NOPEC Foundation:** In 2019, upon the inception, NextEra also began supporting the NOPEC Foundation, a 501c3 not-for-profit that offers members another source of dollars for community improvements. And so far in 2020, the NOPEC Foundation has contributed \$125K to local food banks in NOPEC communities that were particularly impacted by the COVID-19 crisis.

Again, NOPEC considers NextEra to be a key component of our strategic plan and a true partner in assisting with carrying out NOPEC's mission. As such, I would be happy to speak further with your organization if you would like additional clarification regarding NOPEC's relationship with NextEra.

Sincerely,



Chuck Keiper
Executive Director and CEO
Northeast Ohio Public Energy Council
Office Phone: (440) 249-7826

TESTIMONY

of

ROBERT MICHALCZAK

on behalf of

AMITE SOLAR, LLC

AUGUST 17, 2021

EXHIBIT H

1 **I. INTRODUCTION**

2 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

3 A. Robert Michalczak. 700 Universe Boulevard, Juno Beach Florida 33408.

4

5 Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

6 A. I am employed by NextEra Energy Resources, LLC (“NEER”), as a Vice President –
7 Renewable Origination and Development. In my current position, I am responsible to
8 manage and oversee the development of the Amite Solar, LLC project (“Amite Solar”),
9 including the executed Power Purchase Agreement (“PPA”) with Dixie Electric
10 Membership Corporation (“DEMCO”), as well as the development of renewables in the
11 Southeastern U.S.

12

13 Q. PLEASE DESCRIBE YOUR EDUCATIONAL AND PROFESSIONAL EXPERIENCE.

14 A. I have been employed by NEER for the past 11 years. Prior to my current position, I held
15 various positions within NEER, primarily focusing on the development of new renewable
16 energy projects. Prior to joining NEER, I spent eight years in the financial services industry
17 with Bank of America and Wachovia Bank (ultimately acquired by Wells Fargo Bank). I
18 earned a Bachelor of Science degree in Finance from Florida State University in 2002.

19

20 Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

21 A. I am testifying for Amite Solar, which is an indirect wholly owned subsidiary of NEER.

22

1 Q. HAS THIS TESTIMONY BEEN PREPARED BY YOU OR UNDER YOUR
2 SUPERVISION?

3 A. Yes.
4

5 Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE LOUISIANA PUBLIC
6 SERVICE COMMISSION (“LPSC”) OR ANY OTHER COMMISSION?

7 A. No.
8

9 **II. PURPOSE AND SUMMARY OF DIRECT TESTIMONY**

10 Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

11 A. The purpose of my testimony is to provide an overview of: (1) NEER and its capabilities
12 to construct, operate, and maintain the Amite Solar project; (2) the services Amite Solar
13 will provide under the PPA; and (3) the status of the Amite Solar project.
14

15 Q. WHAT IS YOUR UNDERSTANDING OF THE STANDARD THE LPSC WILL APPLY
16 TO THE PPA?

17 A. While I am not a lawyer, it is my understanding that the LPSC reviews the PPA for whether
18 it provides safe and reliable power to DEMCO at the lowest reasonable cost. My testimony
19 will address this standard from the perspective of Amite Solar’s capabilities to perform the
20 services under the PPA.

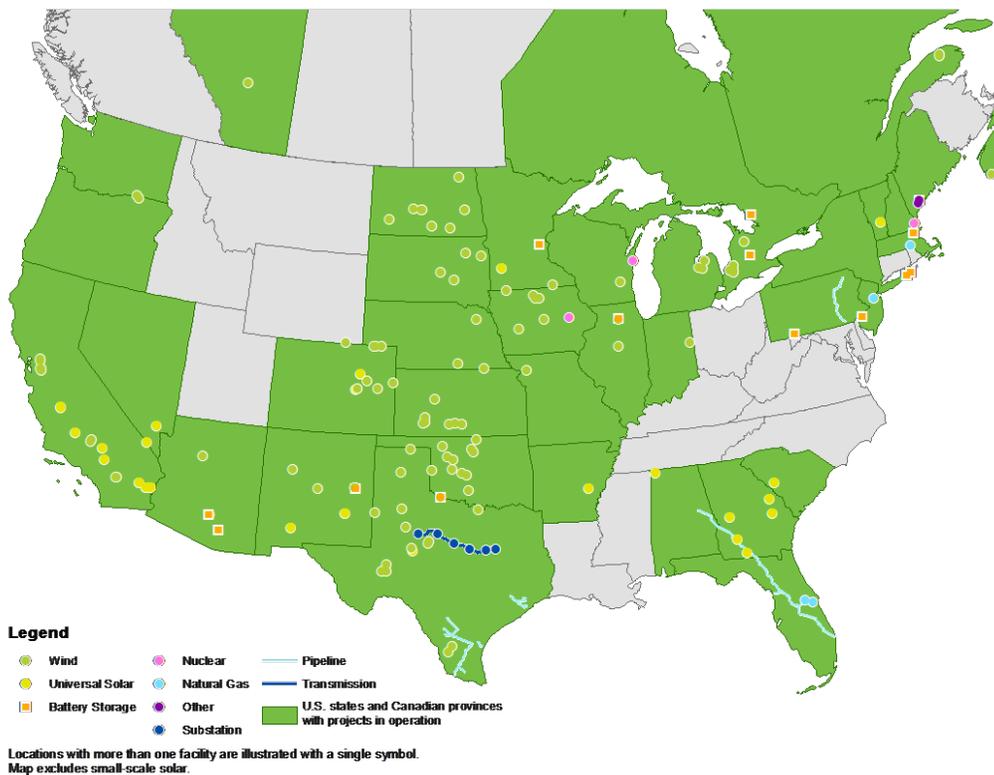
21 Amite Solar was not involved in the selection process – that process as was solely the
22 purview of DEMCO and its consultant, EnerVision, Inc. (“EnerVision”) – and, therefore,
23 I am not in a position to testify on whether the PPA was the lowest reasonable cost in the

1 context of the selection process conducted by DEMCO and EnerVision. I refer the LPSC
2 to the direct testimony of DEMCO and EnerVision on the selection process.

3 **III. OVERVIEW OF NEER**

4 Q. PLEASE PROVIDE A GENERAL OVERVIEW OF NEER.

5 A. NEER is the world’s largest operator of wind and solar projects, and is also a leader in
6 battery storage. As of June 30, 2021, NEER operates approximately 18 gigawatts (“GW”)
7 of wind energy through more than 135 facilities across North America, and, also, operates
8 approximately 4 GW of solar through 42 universal solar projects in the United States,¹
9 which is illustrated in the following map.²



¹ A universal solar project is a project greater than 20 megawatts (“MW”).

² Map shows NEER’s assets as of December 31, 2020.

1 NEER's strategic focus is centered on the development, construction, and operation of
2 long-term contracted assets across 48 U.S. states and four Canadian provinces, including
3 renewable generation facilities, natural gas pipelines, and battery storage projects. This
4 year, NEER affiliates are projected to construct approximately 1,640 MW new solar
5 projects, and in 2022 an additional 3,000 MW solar projects. Currently, in addition to
6 Amite Solar, affiliates of NEER are in various stages of development of over 1,000 MW
7 of solar projects in Louisiana.

8 Q. PLEASE EXPLAIN THE RELATIONSHIP OF AMITE SOLAR TO NEER.

9 A. Amite Solar is an indirect, wholly-owned subsidiary of NEER. Amite Solar is the project
10 company developing the approximate 100 MW solar project in Tangipahoa Parish,
11 Louisiana. Amite Solar will own, operate, and maintain the solar project. The capital
12 investment by Amite Solar is expected to be approximately \$100 million. Benefits will
13 include approximately \$6.4 million in property tax revenues over 25-years, 200 temporary
14 construction jobs, 1 to 2 permanent operation and maintenance jobs, as well as the indirect
15 economic benefits that the surrounding community will experience during construction.

16 Q. PLEASE EXPLAIN THE CAPABILITIES OF AMITE SOLAR TO CONSTRUCT,
17 OPERATE, AND MAINTAIN THE 100 MW SOLAR PROJECT.

18 A. As explained above, NEER and its affiliates have a strong and an unparalleled track record
19 in the development, construction, and operation of renewable projects, including solar
20 projects. As a member of the NextEra Energy, Inc. family of companies, Amite Solar
21 benefits from working with the subject matter experts at NEER to execute each stage of
22 the development, construction, operation, and maintenance of the solar project. Absent

1 currently unforeseen circumstances, I have complete confidence that Amite Solar will be
2 constructed in time to meet its commercial operation date of April 1, 2024.

3 **IV. OVERVIEW OF SERVICES UNDER THE AMITE SOLAR-DEMCO PPA**

4 Q. PLEASE PROVIDE AN OVERVIEW OF THE SERVICES AMITE SOLAR WILL
5 PROVIDE DEMCO UNDER THE PPA.

6 A. The PPA is for a term of 25 years at a fixed price per megawatt hours over the entire term.
7 The products that Amite Solar will deliver consists of delivered energy , capacity attributes,
8 and environmental attributes.

9
10 **V. OVERVIEW OF THE STATUS OF AMITE SOLAR**

11 Q. PLEASE PROVIDE THE STATUS OF DEVELOPMENT OF AMITE SOLAR.

12 A. Amite Solar has been under development since 2017. At this time, Amite Solar has full
13 site control to construct, operate, and maintain the approximate 100 MW aggregate
14 nameplate capacity solar facility. Currently, Amite Solar has a majority of site control over
15 the 115 kilovolt 5.3 mile generation tie line, which interconnects the solar generation to
16 Entergy Louisiana's Amite Substation.

17
18 Q. PLEASE PROVIDE AN OVERVIEW OF THE STATUS OF PERMITTING FOR THE
19 AMITE SOLAR PROJECT.

20 A. While the formal regulatory permitting process has not started for Amite Solar, Table 1
21 identifies the permits that are required to construct and operate the Amite Solar project and
22 the estimated date when applications will be filed, and the permit will be obtained. The

1 estimated application dates and permit receipt dates provide ample time to mobilize
 2 construction of the generation tie line and the solar site itself to meet the projected
 3 commercial operation date of April 1, 2024.

4 **Table 1: Amite Solar Permits**

Amite Solar Permits		
Permits	Estimated Application Filing Dates	Estimated Permit Receipt Dates
Clean Water Act Section 404 Permit	January 2022	April 2022
Section 401 Water Quality Certification	January 2022	April 2022
Tangipahoa Floodplain Permit	March 2022	August 2022
Federal Emergency Management Agency No-rise Certification	March 2022	August 2022
Louisiana Pollutant Discharge Elimination System Permit	September 2022	October 2022
Tangipahoa Special Use Permit	Tangipahoa Parish Council passed its solar ordinance on 7/26/2021.	Coordinating a meeting with Parish Building Officials to finalize estimated timeline based on new ordinance and adjusted project.
Tangipahoa Parish Building Permit	Tied to issuance of Tangipahoa Special Use Permit.	Estimated receipt within two months of Special Use Permit.

5
 6 Q. PLEASE PROVIDE AN OVERVIEW OF THE STATUS OF THE
 7 INTERCONNECTION AGREEMENTS NEEDED FOR THE AMITE SOLAR
 8 PROJECT.

9 A. Amite Solar executed a Generation Interconnection Agreement (“GIA”) with the
 10 Midcontinent Independent System Operator (“MISO”) and Entergy Louisiana, LLC in
 11 November 2019. The only issue outstanding on the GIA costs involves Entergy Louisiana

1 providing Amite Solar the estimated cost of raising certain Entergy Louisiana transmission
2 lines that Amite Solar's generation tie line will cross underneath. To determine the costs
3 of raising certain Entergy Louisiana transmission facilities, Amite Solar and Entergy
4 Louisiana entered into a Facilities Study Agreement in April 2021. Once the study results
5 are available, any additional costs will be added to the executed GIA.

6 Prior to the execution of the GIA, MISO conducted the requisite reliability studies as part
7 of DPP-2017-AUG cycle to ensure that Amite Solar could be safely and reliably
8 interconnected to the transmission system. The interconnection service that Amite Solar
9 obtained was Network Resource Interconnection Service ("NRIS"), meaning Amite
10 Solar's entire output is fully deliverable on the MISO system to serve load, including
11 DEMCO's load. As a qualified NRIS resource, Amite Solar is also eligible to become a
12 MISO-accredited capacity resource.

13
14 Q. DOES THIS CONCLUDE YOUR PREFILED DIRECT WRITTEN TESTIMONY?

15 A. Yes.

BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION

DOCKET NO. U-

Joint Application of Dixie Electric Membership Corporation, NextEra Energy Marketing, LLC
and Amite Solar, LLC for Approval of Power Supply Agreements

AFFIDAVIT OF WITNESS

I, Robert Michalczak, being duly sworn, depose

that the Direct Testimony in the

above referenced matter on behalf of

Joint Applicants,

is true and correct to the best of my knowledge, information and belief.


Robert Michalczak

Subscribed and sworn before

me this 16th day of

August, 2021.



My Commission expires



**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

JOINT APPLICATION)
FOR APPROVAL OF POWER) DOCKET NO. U-_____
SUPPLY AGREEMENTS)

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT, shall govern the use of all information deemed confidential by a party in filings or in responding to discovery requests, unless the Louisiana Public Service Commission (“Commission” or “LPSC”) finds that such information is not confidential.

1. (a) Any party or person producing or filing materials, including but not limited to records stored or encoded on a computer disk or other similar electronic storage medium, in this proceeding (a “Producing Party”) may designate that material or any portion of it as confidential pursuant to this Agreement by typing or stamping on the face of the document or the storage medium containing the material and, to the extent practicable, on each page thereof, "CONFIDENTIAL INFORMATION PURSUANT TO CONFIDENTIALITY AGREEMENT IN LPSC DOCKET NO. U-_____" or words of similar import (hereinafter referred to as "Confidential Information"). Parties to this proceeding and persons and entities retained to assist them, to the extent they obtain access to Confidential Information pursuant to this Confidentiality Agreement (“Reviewing Parties”), shall protect the confidentiality of such materials in accordance with the terms and conditions of this Confidentiality Agreement. Nothing in this Confidentiality Agreement is intended to restrict access of Confidential Information, including Highly Sensitive Protected Materials, by the LPSC Commissioners, LPSC Staff, and their consultant, with the understanding the LPSC Commissioners, LPSC Staff, and their consultant are required to comply with the terms and conditions of this Confidentiality Agreement.

(b) A “Reviewing Party” is a party to Commission Docket No. U-_____ or a representative of a party to the extent that it receives or is provided access to Confidential Information pursuant to this Confidentiality Agreement. Reviewing Parties, including any counsel of record and consultants retained or engaged by the Reviewing Party to assist the Reviewing Party with respect to these proceedings, shall be permitted access to Confidential Information through the execution of a Confidentiality Agreement.

EXHIBIT I

(c) The term “Confidential Information” is hereby defined for the purposes of this Confidentiality Agreement to include materials or portions thereof referred to in paragraph I(a) above, and to include as well materials or portions thereof that contain, quote from, are derived from, or otherwise could reveal the content of Confidential Information; provided, however, that Confidential Information shall not include any information or material contained in the public files of the Midcontinent Independent System Operator, Inc., the Commission, the Federal Energy Regulatory Commission or any other federal or state agency. Confidential Information also shall not include materials or information which at the time of or prior to disclosure in these proceedings is or was public knowledge or which becomes public knowledge, or is otherwise in the public domain, other than through disclosure in violation of this or any other confidentiality agreement or protective order.

(d) The term “Highly Sensitive Protected Materials” is a subset of Confidential Information¹ and refers to material that a Producing Party, or an entity asserting confidentiality with regard to the material, claims is of such a highly sensitive nature that making copies of such material or providing access to such material to persons or entities engaged in certain activities or the employees of the Reviewing Party would expose the Producing Party, or the entity asserting confidentiality, or a person or entity to which the Producing Party or other entity asserting confidentiality owes a duty to protect the confidentiality of such materials, to an unreasonable risk of harm. The Producing Party may designate such materials or any portion thereof as Highly Sensitive Protected Materials pursuant to this Confidentiality Agreement by typing or stamping on the face of the document or the storage medium containing the material and, to the extent practicable, on each page thereof, “HIGHLY SENSITIVE PROTECTED MATERIALS PROVIDED PURSUANT TO CONFIDENTIALITY AGREEMENT IN LPSC DOCKET NO. U- _____” or words of similar import.

(e) In the event Critical Energy Infrastructure Information (“CEII”) should become relevant to the proceeding, the parties will address appropriate confidentiality protections for CEII at such time.

2. (a) Except as otherwise provided in this paragraph, a Reviewing Party shall be permitted access to Confidential Information only through its authorized “Reviewing Representatives.” “Reviewing Representatives” of a Reviewing Party may include its counsel of record in this proceeding and associated attorneys, paralegals, economists, statisticians, accountants, consultants, or other persons employed or retained by the Reviewing Party and directly engaged in these proceedings.

(b) Neither a Reviewing Party nor a Reviewing Representative shall disclose Confidential Information to any individual or entity unless said disclosure is explicitly authorized by this Confidentiality Agreement.

(c) Reviewing Representatives for purposes of reviewing Highly Sensitive Protected Materials in this proceeding shall not include any person whose duties include (or who

¹ Unless otherwise stated, all references in this Confidentiality Agreement to “Confidential Information” shall specifically include “Highly Sensitive Protected Materials,” which are a subset of Confidential Information.

directly supervises any employee whose duties include) any activity with respect to which the disclosure of particular Highly Sensitive Protected Materials would present an unreasonable risk of harm, such as, (i) the marketing or sale of electric power or energy at wholesale, (ii) the purchase or sale of electric power or energy at wholesale, (iii) the provision of electricity marketing consulting services to entities engaged in the sale or purchase of electric power at wholesale; (iv) the pricing for: the sale of potential electric generation development project facilities or the electric power or energy therefrom, or of potential upgrades or enhancements to such facilities or the electric power or energy therefrom; and (v) the pricing for competitive bids for purchases, sales, or construction of electric transmission facilities.

For example, Reviewing Representatives for purposes of reviewing Highly Sensitive Protected Materials shall not include persons who assist or advise any potential bidders, suppliers, or sellers in preparing bids or proposals for, in negotiations relating to, or otherwise in connection with bids or proposals in response to any requests for proposals for supply-side resources issued on behalf of one or more of the utilities or entities producing the information, and/or the pricing of renewable energy proposals and unsolicited offers for the purchase of generating resources, whether through purchase power agreements, power supply agreements, or the ownership of the resource. Nothing in this section shall preclude a counsel of record or consultant from acting as a Reviewing Representative and representing a party engaged in the activities described herein as long as that counsel does not engage in those activities or disclose that Highly Sensitive Protected Material to the individuals engaged in those activities.

Nothing herein, however, shall preclude a Reviewing Representative from providing public information to clients or participating in public proceedings pursuant to the LPSC's Market Based Mechanisms Order or certification proceedings resulting therefrom.

(d) Nothing shall preclude a Producing Party from seeking protections for Highly Sensitive Protected Materials beyond those provided for in this agreement. If the party asserting confidentiality believes that further protections should be afforded, or should a dispute arise with respect to the manner in which, or the Reviewing Representatives to which, Highly Sensitive Protected Materials are disclosed, such materials shall be made available for inspection by Commission Staff counsel and outside counsel for the Reviewing Party only, pending a determination of the manner in which, and the Reviewing Representatives to which, such materials will be disclosed pursuant to this Agreement, which determination shall be made on a case by case basis, depending on the level of protection that may be necessary to protect the Producing Party, and any other person or entity to which the Producing Party owes a duty to protect the confidentiality of such materials, from any unreasonable risk of harm that may result from disclosure of such information. In the event that the parties are unable to agree on the manner in which, and the Reviewing Representatives to which, such materials will be disclosed, the party asserting confidentiality reserves its right to seek from the Commission or a court of competent jurisdiction, as may be necessary, an order providing the level of protection for the Highly Sensitive Protected Materials that the party asserting confidentiality believes is required. Likewise, the party seeking review reserves its rights to seek a remedy from the Commission or a court of competent jurisdiction.

3. (a) Except for materials that are voluminous, a Producing Party shall provide one copy of Highly Sensitive Protected Materials to the person designated by the Reviewing Party to receive and maintain possession of such copy. The person so designated must be an authorized Reviewing Representative for purposes of reviewing such material under Paragraph 2, above. The copy provided to the designated Reviewing Representative may be provided (1) in hard copy, or (2) in an electronic format, as agreed to by the parties. The copy of Highly Sensitive Protected Materials that is provided to the designated Reviewing Representative shall be delivered to such Reviewing Representative via commercial courier such as FedEx or other means of delivery of comparable reliability. Absent the mutual agreement of the Producing Party and Reviewing Party and the existence of extraordinary circumstances, Highly Sensitive Protected Materials shall not be transmitted by electronic mail, whether (1) from the Producing Party to the Reviewing Party, (2) between Reviewing Parties, or (3) among Reviewing Representatives of a single Reviewing Party. In addition, no copies shall be made of Highly Sensitive Protected Materials, except for the purposes discussed in this subparagraph or in Paragraph 1 1 below, and except that one hard copy may be made of Highly Sensitive Protected Materials that are provided in an electronic format, provided that each page of such hard copy shall bear the Highly Sensitive Protected Materials legend set forth in Paragraph I(d). Only the designated Reviewing Representative shall receive and maintain possession of all Highly Sensitive Protected Materials received under this Confidentiality Agreement, whether in hard copy or electronic form. Reviewing Representatives who are authorized Reviewing Representatives for purposes of reviewing particular Highly Sensitive Protected Materials, but who are not designated to receive and maintain possession of such Highly Sensitive Protected Materials, may review the copy of those materials at the office of the designated Reviewing Representative. If necessary, and only with the express consent of the Producing Party, additional copies of Highly Sensitive Protected Materials in the number specified by the Producing party, in electronic or hard copy form, may be created under circumstances in which, due to the geographic distance between the designated Reviewing Representative and other Reviewing Representatives of the same Reviewing Party or other similar circumstances, the requirement of this subparagraph that only one copy of Highly Sensitive Protected Materials be provided to and maintained by each Reviewing Party would result in substantial hardship. Authorized Reviewing Representatives may take reasonably limited handwritten notes regarding the information contained in Highly Sensitive Protected Materials, provided that handwritten notes shall not be used to circumvent this protection against duplication of Highly Sensitive Protected Materials.

(b) An authorized Reviewing Representative's notes, memoranda, or other documents, materials, or information regarding or derived from Highly Sensitive Protected Materials, whether in hard copy or electronic form, are to be considered Highly Sensitive Protected Materials and labeled as set forth in Paragraph I(d), above, and are to be treated in all respects as Highly Sensitive Protected Materials pursuant to this Confidentiality Agreement. Authorized Reviewing Representatives must take all reasonable precautions to ensure that Highly Sensitive Protected Materials, including notes and analyses made from Highly Sensitive Protected Materials, are not viewed by any person other than an authorized Reviewing Representative.

(c) Other than pursuant to a valid court order and/or subpoena or as otherwise expressly provided in this Confidentiality Agreement, an authorized Reviewing Representative may

disclose Highly Sensitive Protected Materials to another person only if the person to whom the material is to be disclosed is an authorized Reviewing Representative under this Confidentiality Agreement and only if such disclosure is conducted in compliance with the provisions of this Confidentiality Agreement.

(d) If the Producing Party believes that further protections should be afforded with respect to the manner in which the confidentiality of particular Highly Sensitive Protected Materials should be protected, which determination shall be made on a case-by-case basis depending on the level of protection that may be necessary to protect the Producing Party and any other person or entity to which the Producing Party owes a duty to protect the confidentiality of such materials from any unreasonable risk of harm that may result from disclosure of such information, then the Producing Party shall retain its right, and shall not be deemed to have waived such right, to seek from the Commission, and from the courts as may be necessary, an order providing the level of protection for such materials that the Producing Party believes is required.

4. In the event that any authorized Reviewing Representative for purposes of reviewing Highly Sensitive Protected Materials ceases to be engaged in this proceeding or develops an intention to engage in one or more of the activities described in paragraph 2(c) above and subject to paragraphs 5(c) and (d) below, that person:

(a) must immediately notify the Producing Party in writing, as applicable, (a) that involvement in LPSC Docket No. U-_____ has ceased, or (b) of the intention to engage in such activity(ies);

(b) shall be immediately disqualified from reviewing or receiving Highly Sensitive Protected Materials;

(c) upon request of the Producing Party, shall return to the Producing Party (or any remaining authorized Reviewing Representative of the Reviewing Party) all Highly Sensitive Protected Materials in possession of such person, including all notes, memoranda, or other documents or information regarding or derived from Highly Sensitive Protected Materials; and,

(d) shall not engage in any activity set forth in paragraph 2(c) above until the provisions of paragraph 4(c), above, have been complied with fully, and shall refrain from engaging in any activity listed in paragraph 3 above for thirty (30) days from the date that notice is given pursuant to paragraph 4(a), above, in order to afford the Producing Party an opportunity to seek from a court of competent jurisdiction any injunctive or other relief that may be appropriate.

5. (a) Unless otherwise authorized by a Producing Party, each Reviewing Representative who may be given access to Confidential Information shall, before gaining such access, agree in writing to the following certification, and shall provide a copy of a signed certification in the form of that attached to this Confidentiality Agreement to counsel for the party asserting confidentiality:

“I certify my understanding and agreement that access to Confidential Information is provided to me pursuant to the terms and restrictions of the Confidentiality Agreement in Louisiana Public Service Commission Docket No. U-_____, and that I have been given a copy of the Confidentiality Agreement and have read it and agree to be bound by it. I understand and agree that Confidential Information, the contents thereof, and any notes, memoranda, or any other form of information regarding or derived from Confidential Information, shall not be disclosed to anyone other than in accordance with the Confidentiality Agreement and shall be used only for the purpose of the proceedings in Louisiana Public Service Commission Docket No. U-_____ and any appeals therefrom. Provided, however, if the content of the Confidential Information is publicly available or is obtained from independent sources other than in violation of this or any other confidentiality agreement or protective order, the understanding stated herein shall not apply.”

(b) Unless otherwise authorized by a Producing Party, neither a Reviewing Party nor a Reviewing Representative may grant access to Confidential Information to any person unless such person is an authorized Reviewing Representative who has executed a certification in the form and substance of that set forth in paragraph 5(a) above and provided a signed certification to counsel for the Producing Party prior to the disclosure or granting of access to Confidential Information. (c) In the event that any Reviewing Representative to whom such Confidential Information is disclosed ceases to be engaged in this proceeding, access to such Confidential Information by such person shall be terminated, and, upon request by the Producing Party, any copies of Confidential Information in the possession of such person shall be returned to the Reviewing Party. Any person who has agreed to the foregoing certifications shall continue to be bound by the provisions of this Confidentiality Agreement, even if no longer so engaged.

(d) The Reviewing Party and Reviewing Representatives are responsible for ensuring that persons under their supervision and control comply with this Confidentiality Agreement.

6. (a) Except for materials that are voluminous, the Producing Party shall provide a Reviewing Party one copy of Confidential Information. Although only Confidential Information that has been designated Highly Sensitive Protected Materials shall be subject to the restrictions on copying set forth in Paragraph 3 above, the parties agree to make a good faith effort to limit the number of copies made of Confidential Information to those reasonably necessary under the circumstances and agree to distribute copies of Confidential Information only to Reviewing Representatives.

(b) Materials that are deemed “voluminous,” which may include materials in excess of five hundred (500) pages in length that cannot reasonably be provided in an electronic format, shall be made available for inspection by Reviewing Representatives at a location in Baton Rouge, Louisiana specified by the party declaring such materials to be voluminous between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday (except holidays). Such voluminous materials may be reviewed only during the “reviewing period,” which period shall commence upon signing of this Confidentiality Agreement, and continue until conclusion of these proceedings. As used in this paragraph, "conclusion of these proceedings" refers to the exhaustion of available appeals, or the running of the time for the making of such appeals, as provided by applicable law.

(c) Reviewing Representatives may take handwritten notes regarding the information contained in voluminous materials made available for inspection pursuant to Paragraph 6 (b) of this Confidentiality Agreement. In the case of Highly Sensitive Protected Materials that are voluminous, such handwritten notes shall be subject to and governed by the provisions of Paragraph 3. After an inspection conducted under this paragraph, a Reviewing Representative may designate materials to be copied. In the case of Highly Sensitive Protected Materials that are voluminous and made available under this paragraph, such copy shall be subject to, and governed by, the provisions of Paragraph 3 of this Confidentiality Agreement. The Reviewing Party shall be responsible for reimbursing the reasonable costs associated with producing copies of any materials designated for copying under this paragraph. Only one copy of the materials designated shall be reproduced by the party making voluminous materials available for inspection. Reviewing Parties shall make a diligent, good-faith effort to limit the amount of photographic or mechanical copying requested to only that which is essential for purposes of this proceeding.

7. All Confidential Information made available pursuant to this Confidentiality Agreement to the Reviewing Parties and their Reviewing Representatives shall be reviewed and used solely for the purpose of these proceedings and any appeals therefrom. Access to the Confidential Information may not be used in the furtherance of any other purpose, including, without limitation, (i) any other pending or potential proceeding involving any unrelated investigation, claim, complaint, civil action, or other grievance of whatever nature, or (ii) any business endeavor or competitive purpose of whatever nature. The Confidential Information, as well as the Reviewing Party's or any Reviewing Representative's notes, memoranda, or other information regarding, or derived from the Confidential Information, are to be treated confidentially by the Reviewing Party and its Reviewing Representatives and shall not be disclosed or used except as permitted and provided in this Confidentiality Agreement. Information derived from or describing the Confidential Information shall not be placed in the public or non-secure files of the Reviewing Party or any Reviewing Representative except in accordance with provisions of this Confidentiality Agreement. A Reviewing Party and its Reviewing Representatives must take all reasonable precautions to ensure that Confidential Information, including handwritten notes and analyses made from Confidential Information, are not viewed or taken by any person other than a Reviewing Representative of the Reviewing Party. No provision of this Confidentiality Agreement shall prohibit a Reviewing Party from requesting, in another proceeding or matter, any of the materials that have been designated in this matter as Confidential Information, Highly Sensitive Protected Materials subject to applicable confidentiality agreements or orders in such other proceeding or matter.
8. (a) If a Reviewing Party or Reviewing Representative tenders for filing any written testimony, exhibit, brief, or other submission that quotes from Confidential Information or discloses the confidential content of Confidential Information, the confidential portion of such testimony, exhibit, brief, or other submission shall be filed and served in sealed envelopes or other appropriate containers endorsed to the effect that they are sealed pursuant to this Confidentiality Agreement and the LPSC Rules of Practice and Procedure as amended by General Order dated August 31, 1992. Such documents shall be marked "CONFIDENTIAL INFORMATION PURSUANT TO CONFIDENTIALITY AGREEMENT IN LPSC DOCKET NO. U-_____" or with the designation "HIGHLY SENSITIVE PROTECTED MATERIALS PURSUANT TO CONFIDENTIALITY

AGREEMENT IN LPSC DOCKET NO. U-_____” as appropriate and shall be filed under seal with the Executive Secretary of the LPSC and served under seal to the counsel of record for the Reviewing Parties. If testimony that quotes from Confidential Information or discloses the confidential content of Confidential Information is offered by a Reviewing Representative on behalf of a Reviewing Party in this proceeding, the Reviewing Party shall advise the Administrative Law Judge of such fact, and the Commission shall proceed pursuant to Rule 26 of the LPSC Rules of Practice and Procedure as amended by General Order dated August 31, 1992. The Commission may subsequently, on its own motion or on motion of a party, issue a ruling determining whether or not the inclusion, incorporation, or reference to Confidential Information is such that, pursuant to this Confidentiality Agreement, the written testimony, exhibit, brief, or other submission, or transcript of testimony, should remain under seal.

(b) Any Party or Reviewing Representative giving testimony or submitting exhibits at hearings or depositions in this proceeding must, at the time such testimony or exhibits are submitted, identify as Confidential Information or Highly Sensitive Protected Materials, as appropriate, any portion of such testimony or exhibits that has been or is at that time designated as Confidential Information or Highly Sensitive Protected Materials in accordance with this Confidentiality Agreement, by advising the Administrative Law Judge of such fact. In that event, the Commission shall proceed pursuant to Rule 26 of the LPSC Rules of Practice and Procedure as amended by General Order dated August 31, 1992, unless the Commission determines that the material does not qualify for the "Confidential Information" or "Highly Sensitive Protected Material" designations.

(c) All Confidential Information filed with the Commission, the Administrative Law Judge, or any other judicial or administrative body in support of or as part of a motion, other pleading, brief, or other document, shall be filed and served in sealed envelopes or other appropriate containers, and shall bear the appropriate designation.

9. Each party to this Confidentiality Agreement shall have the right to seek changes in the Confidentiality Agreement, as appropriate, from the Commission, or the courts. Before resorting to the Commission or the courts, the party seeking modification of this Agreement will first attempt to negotiate the proposed changes with the other parties to the Agreement.
10. A Reviewing Party and/or Reviewing Representative may release Confidential Information only pursuant to a final order of a local, state, or federal governmental agency or authority or court of competent jurisdiction, as appropriate; provided, however, the Reviewing Party and/or Reviewing Representative agrees that prior to such release it shall promptly notify the Producing Party, and its counsel of record, of the order and of the intention to comply with the order and so that the Producing Party timely may contest any release of the Confidential Information; and provided, further, the Reviewing Party and/or Reviewing Representative shall attempt to ensure that such Confidential Information is not disclosed to the public and is accorded the highest level of protection possible consistent with the terms of this Confidentiality Agreement; however, the Reviewing Party and/or Reviewing Representative will abide by any such final order. In addition to the obligation to notify imposed in the foregoing provision, if prior to the issuance of such a final order, a Reviewing Party and/or Reviewing Representative becomes aware of any intention or proceedings to

obtain such an order, then the Reviewing Party and/or Reviewing Representative acquiring such knowledge shall promptly inform the Producing Party of such proceedings.

11. During the pendency of Docket No. U-_____ at the Commission, in the event that a Reviewing Party wishes to disclose Confidential Information to any person to whom disclosure may not be authorized by this Confidentiality Agreement, or wishes to have changed the designation of certain information or material as protected by alleging, for example, that such information or material has entered the public domain, the parties shall attempt to resolve such dispute in a mutually satisfactory manner, and in the event that is not possible, the parties may seek a resolution of such dispute by the Commission or by a court of competent jurisdiction. The parties to this agreement hereby consent to and agree to support a stay of such a ruling by an Administrative Law Judge or Hearing Examiner requiring disclosure or a change in designation pending a final order by the Commission in the event such ruling is the subject of an appeal or a request for interlocutory review by the Commission. Likewise, the parties to this agreement hereby consent to and agree to support a stay of such a final order by the Commission requiring disclosure or a change in designation pending a decision on a request for a preliminary injunction. Any party challenging the State District Court determination allowing disclosure or a change in designation, or a denial of same, shall have a period of fifteen (15) days from the date of the District Court's ruling, or such other time period authorized by a court of competent jurisdiction to file a petition seeking a favorable ruling from the Louisiana Supreme Court. Any challenges concerning the appropriate designation of CEII shall be made before the Federal Energy Regulatory Commission.
12. Nothing in this Confidentiality Agreement shall be construed as precluding a Producing Party from objecting to the use of Confidential Information on grounds other than confidentiality, including the lack of required relevance. Without limiting any party's obligations arising under this Confidentiality Agreement, nothing in this Confidentiality Agreement shall be construed as an agreement or admission by any party or the Commission that the designation of any material as Confidential Information under this Confidentiality Agreement is appropriate.
13. All notices, applications, responses, or other correspondence shall be made in a manner that protects the Confidential Information at issue from unauthorized disclosure.
14. Following the conclusion of these proceedings, Reviewing Parties and their Reviewing Representatives, upon request by a Producing Party, shall return or destroy all copies of the Confidential Information made available by such party except for any copies filed or submitted to the Commission and that the Commission is required to retain pursuant to applicable public retention law or policy. Any documents subject to such retention requirement shall be maintained under seal and confidential unless otherwise designated pursuant to the terms of this Confidentiality Agreement. Further, all notes or other documents derived from or revealing the confidential content of such Confidential Information shall, upon request, be redacted to remove permanently any Confidential Information, including information from which Confidential Information can be derived. As used in this paragraph, "conclusion of these proceedings" refers to the exhaustion of available appeals, or the running of the time for the making of such appeals, as provided by applicable law. Nothing in this paragraph shall require the destruction or redaction of

Confidential Information that is part of the record of any appeal of any action of the Commission in Docket No. U-_____.

15. In the event of a breach of the provisions of this Confidentiality Agreement, the party asserting confidentiality will not have an adequate remedy in money or damages, and accordingly, shall, in addition to any other available legal or equitable remedies, be entitled to seek an injunction against such breach without any requirement to post bond as a condition of such relief.
16. In the event of an inadvertent breach of this Agreement by a Reviewing Party revealing Confidential Information, that Reviewing Party shall be under an obligation to: 1) notify the Producing Party of such inadvertent breach as soon as reasonably possible upon discovery of such breach, 2) seek to recall and have destroyed the inadvertently produced material by e-mail or telephone request, and 3) replace inadvertently produced material with material containing proper redactions.

IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be executed by its duly authorized representative as of the date first above written.

Date: August __, 2021

By: _____
(Signature)

Print Name: _____

Company: _____

Representing: _____