

Preliminary Reactions to Entergy's and Cleco's Planning "Strawman Proposals"

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Entergy's Strawman Proposal

General Comments

- Entergy relies heavily on ICT-conducted activities
 - What if ICT contract lapses?
 - If ICT is not FERC-jurisdictional, how can FERC ensure that ICT processes continue to satisfy Order 890 over time?
 - Further increases importance of ICT independence and capability

ICT Capabilities vis-à-vis Planning

- ❑ ICT resources and staffing
- ❑ Reliance on Entergy-provided data
- ❑ Focus on Base Case development, not on other study areas
- ❑ Disparities in assumptions as among different planning models
- ❑ Disconnect with State processes

Principle 1: Coordination – Issues in Entergy Strawman

- ❑ Fails to acknowledge LSE role in model development
 - Power flow models, “response files,” and documents detailing proposed projects “are made available to stakeholders” (p.2)
 - No recognition of LSE right to participate in model development

Principle 1: Coordination – Issues in Entergy Strawman (cont'd)

- Model input data come from Entergy
 - ICT “reviews and validates,” but recent filing on this duty may raise issues.
 - No indication that customer-related data are directly verified with the customers (e.g., load forecasts, generation dispatch)

Principle 1: Coordination – Issues in Entergy Strawman (cont'd)

□ ICT “Regional Optimization”

- Limited to coordination with transmission owners (in SPP, or joint planning agreement parties)
- ICT only “reviews” opportunities with Entergy – no authority to implement

Principle 1: Coordination – Issues in Entergy Strawman (cont'd)

□ Annual Planning Summit

- Purpose: “solicit feedback on ... projects that have been identified”
- Stakeholder participation in identification of projects, model development has been limited

Principle 1: Coordination – Issues in Entergy Strawman (cont'd)

□ ICT Stakeholder Committees

- Too early to know if these will provide a consistently effective platform for stakeholder participation in model development and T-Plan formulation
- Resource and focus concerns
- What if ICT contract is not renewed?

Principle 2: Openness – Issues in Entergy Strawman

- ICT processes are “designed to make transparent” inputs, assumptions and methodologies
 - Although ICT processes are an improvement, still need:
 - clear process for raising concerns
 - dispute resolution if stakeholders disagree with inputs, etc.

Principle 2: Openness – Issues in Entergy Strawman (cont'd)

- Entergy “plans to work with ICT” on confidentiality and CEII concerns
 - This should be a priority, because confidentiality/CEII disputes can impede needed access.
 - Stakeholders should have a role in developing the mechanism to manage these concerns.

Principle 3: Transparency – Issues in Entergy Strawman

- Is useful transparency assured?
 - Timeliness (postings must be up to date)
 - Accessibility of archived information
 - Thoroughness (native load and wholesale transmission services)

Principle 4: Information Exchange— Issues in Entergy Strawman

- Entergy “plans to work with ICT and stakeholders to formalize and standardize” data submittal procedures. (p. 7)
 - No timeframe specified (Why was 2004 project not completed?)
 - Process must encompass native load-related data, as well as PTP-related data

Principle 5: Comparability – Issues in Entergy Strawman

- Entergy says “comparability requirement is satisfied under the ICT planning procedures” (p. 8)
 - Cited Planning Protocol provisions address ICT’s duty to plan on a “non-discriminatory basis.”
 - Does Entergy agree that “comparable” and “non-discriminatory” are the same?

Principle 6: Dispute Resolution – Issues in Entergy Strawman

- Entergy quotes dispute resolution provisions in Attachment S and OATT
 - No explanation how these provisions would work for planning-related disputes (e.g., between stakeholders and the ICT).
 - Quoted provisions must be adapted to satisfy Order 890.

Principle 7: Regional Participation – Issues in Entergy Strawman

- Entergy says “SERC should be the broader region” for regional planning (p. 12)
 - No stakeholder participation in defining this as “the region”
 - Why does SERC makes sense for this purpose, considering Entergy’s long and direct involvement with SPP?

Principle 7: Regional Participation – Issues in Entergy Strawman (cont'd)

- Entergy points to ICT “Regional Optimization”
 - Limited to optimizing Entergy’s construction plan with plans of SPP transmission owners
 - Not true coordinated regional planning (bottom-up planning for regional needs)
 - No track record; limited life (now less than 4 years)

Principle 8: Economic Planning – Issues in Entergy Strawman

- Entergy cites ICT Planning Protocol and intent to “work with the ICT to expand” (p. 14)
 - Important elements missing (e.g., number of funded study requests)
 - Stakeholders need to be involved in expanding and adapting these provisions

Principle 9: Cost Allocation – Issues in Entergy Strawman

- Entergy says FERC already has approved a pricing mechanism for upgrades. (p. 15)
 - Authorization specifically limited to ICT context.
 - If the ICT contract is not renewed, the “approved” mechanism no longer in effect.

Principle 9: Cost Allocation – Issues in Entergy Strawman

- Entergy will “work with other transmission owners” to develop cost allocation for regional projects, based on “beneficiary pays.”
 - Prejudges outcome (“beneficiary pays” is not the only possible approach).
 - Regional cost allocation method should be developed through a stakeholder process.

Cleco's Strawman Proposal

General Comments

- ❑ Strawman is mostly commitments to take actions in the future, without details or specifics.
- ❑ Cleco's strawman raises questions and has a number of ambiguities.
- ❑ Actual compliance actions need to be developed in much more detail.
- ❑ Cleco should involve stakeholders in Compliance Filing development

Specific Issues in the Cleco Strawman

- Cleco commits to Annual Summit “to inform stakeholders of planned transmission expansion” (p. 1)
 - Stakeholder role in formulation of the proposed expansion plan?
 - Stakeholder role in model development, review of assumptions, and data validation?

Specific Issues in the Cleco Strawman (cont'd)

- Joint planning committee could be formed with stakeholders “to review proposed options”
 - This, too, sounds like review of a proposal put together by Cleco
 - Stakeholders must have early role in T-Plan formulation

Specific Issues in the Cleco Strawman (cont'd)

□ CEII Information

- Cleco discussion (p. 2) unclear as to significance
- Is Cleco saying that, going forward, stakeholders must proceed under FOIA or CEII request procedures to get access to “base case data”?

Specific Issues in the Cleco Strawman (cont'd)

□ Information Exchange

- Strawman addresses collection of data from customers
- No indication of intent to share native load-related information.

Specific Issues in the Cleco Strawman (cont'd)

□ Regional Participation

- Planning region chosen is not specified.
- Described activities largely ad hoc, not coordinated to identify optimal regional expansion paths.
- Entergy's decision to go with SERC as planning region could affect Cleco's ability to do regional planning.

Specific Issues in the Cleco Strawman (cont'd)

□ Economic Studies

- Very little detail (e.g., number of funded studies)
- Cleco will accommodate stakeholder requests for additional sensitivity analyses “where the sensitivities would add value to the analysis”
 - Who makes the “value” determination?
 - How would disputes be resolved?

Specific Issues in the Cleco Strawman (cont'd)

□ Economic Studies (cont'd)

- Sequential study approach (p. 6) is a sub-optimal way to identify economic upgrades
- Cleco would limit “clustering” to projects with same in-service date

Conclusion and Suggestion for Further Discussion

Fundamental Issues Not Addressed in the Strawman Proposals

- ❑ What post-ICT structures should be considered?
- ❑ How can disjointed planning activities be pulled together for optimal effectiveness?
- ❑ How can limited stakeholder resources be put to the best use?
- ❑ What's the best way to institutionalize an Order 890-compliant regional process?

For Discussion: A Standing Multi-State Planning Committee

- ❑ Diverse representation
- ❑ Planning processes under “one roof”
- ❑ Resolve study timing differences
- ❑ Continuity, expertise and “institutional memory”
- ❑ Improved use of stakeholder resources
- ❑ Facilitates support for regional projects while ensuring that individual system needs are met