



ALLIANCE FOR AFFORDABLE ENERGY

March 7, 2025

Via Hand-Delivery

Krys Abel
Records and Recording Division
Louisiana Public Service Commission
Galvez Building, 12th Floor
602 N. 5th St.
Baton Rouge, LA 70802

In Re: RULEMAKING TO RESEARCH AND EVALUATE CUSTOMER-CENTERED
OPTIONS FOR ALL ELECTRIC CUSTOMER CLASSES AS WELL AS OTHER
REGULATORY ENVIRONMENTS (**LPSC DOCKET NO. R-35462**)

Dear Krys:

Enclosed is a filing on behalf of the Alliance for Affordable Energy in the matter referenced above. Please file this motion in the record in accordance with the Commission's hand-delivery filing procedures. Four (4) copies will be submitted. Thank you for your attention to this matter.

Respectfully submitted,

Alaina Di Laura

Alaina DiLaura
Alliance for Affordable Energy

BEFORE THE LOUISIANA PUBLIC SERVICE COMMISSION

**In Re: RULEMAKING TO RESEARCH
AND EVALUATE
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DOCKET NO. R-35462

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**THE ALLIANCE FOR AFFORDABLE ENERGY’S RESPONSE TO ENTERGY
LOUISIANA LLC MOTION FOR GUIDANCE AND CONSIDERATION BY THE
COMMISSION**

The Alliance for Affordable Energy (“The Alliance”) appreciates this opportunity to provide a response to Entergy Louisiana, LLC (“The Company”) January 24, 2025 request to the Louisiana Public Service Commission to close Docket R-35462.

Unprecedented Inflection Point

This moment in the history of Louisiana’s power sector is unprecedented. The current and coming pressures on all utility customer bills demand consideration of a broad set of solutions to ensure that all customers in Louisiana are not further burdened with unmanageable energy costs, as rates trend swiftly up.

On the one hand, according to utility resource plans, it is clear that retirements of aging and inefficient gas and coal fleets are imminent. On the other side of the power balance sheet, we see reports of an “industrial renaissance” from petrochemical industrial customers and unheard-of

explosive growth in recent years from the rise of power-hungry data centers. All of this points to development of new generation and infrastructure investments. All the while, residential customer bills are already burdened with costs related to climate change-intensified storms, inefficiency, and volatile fuel prices, while demand from the residential class remains flat.

All of this is underway while customers and investors of all kinds are demanding Louisiana join the global energy transition away from new fossil fuel-combustion power and shifting to low-cost and efficient renewable power sources that do not compound the climate crisis.

Finally, Entergy's motion and request to the Commission comes as the Company already has well over \$4 billion¹ in resource applications before the Commission, with an additional \$3 billion in development² and at least 4.5 GW³ of new renewable energy expected. The flood of new costs is already overwhelming for too many households.

Unprecedented times call for measured and creative solutions.

Protecting Consumers

The Alliance for Affordable Energy's focus in this proceeding is to ensure that residential electric consumers have choices and are not further burdened by new utility investments largely intended to serve growth in the industrial sector. Louisiana is not the only state to consider major changes in its regulatory system, and we benefit from lessons learned in other places. However

¹ Dockets U-37131 and U-37425.

² 2024 Request for Proposals for Combined-Cycle Combustion Turbine Resources for Entergy Louisiana, LLC. <https://spofossil.entergy.com/ENTRFP/SEND/2024CCCTFRP/Index.htm>

³ Dockets U-37525 and U-36697

we believe that we cannot *only* look to the past as an indicator during a time of such significant change. A recent paper from the Environmental and Energy Law Program at Harvard Law School similarly points out the risks of the rapid demand growth underway in the power sector and suggests regulators think differently about what this means to all customers.⁴

This is why we continue to encourage the Commission and staff to consider different structures to ensure unfair risks and costs are not shifted to those who can least afford them. If the Commission continues its analysis to understand possible shifts of embedded costs to serve, and discovers the solution is exit fees for existing industrial customers who want to procure or generate their own power, or isolating all costs for new large load data centers, or some other structure not yet contemplated, the benefit to millions of Louisiana residents will be significantly greater than the costs of the analysis, both immediately and over the life of the new investments. If programs like those proposed by industrials or even community solar have the ability to alleviate new rate pressures for everyone, the Commission must consider them. What the Alliance cannot support is an assumption that the status quo is the only way forward, *or* that industry will be allowed to socialize their risks and privatize their rewards.

Analysis is needed

We support the Commission and Staff's continued efforts to identify solutions to limit ratepayer impacts, rather than prematurely move to end this docket. We also urge the Commission and staff to gather information as to how proposals to alleviate new utility investments may unintentionally shift costs. Now is the time to undertake this work, and we are concerned that if

⁴ March, 2025. Extracting Profits from the Public: How Utility Ratepayers are Paying for Big Tech's Power. <https://eelp.law.harvard.edu/wp-content/uploads/2025/03/Harvard-ELI-Extracting-Profits-from-the-Public.pdf>

the Commission abandons this effort prematurely, residential ratepayers will pay the costs for generations.

Additionally, the Alliance urges the Commission to set and maintain clear timelines in this and other rulemaking dockets. Where utility applications have procedural schedules and deadlines from the start, urgent questions like the ones contemplated in this proceeding, which may obviate the need for additional rate increases, often languish. The Commission has the authority to ensure that the consideration of its own policies are treated with the same importance. This is an opportunity to set a procedural schedule with expectations for timely decision-making. The Alliance does not say “measured” and mean “decades”.

Residential Customer Options

The Alliance maintains that options that center residential customers have not been fully considered by the Commission, including Community Solar, which would allow thousands of Louisiana residents to access and benefit from clean and low-cost energy. Louisiana has been awarded over \$156 Million in federal grants⁵ to invest in solar for low-income residents, much of which is wholly inaccessible to LPSC jurisdictional customers without a workable community solar rule. We continue to urge the Commission to consider customers who do not already have options, but who struggle each month to keep the lights on. Thousands of Louisiana residents could see lower bills due to these program dollars, which in the absence of Commission guidance and rules can only be spent in cities with policies ready to put the money to use.

Co-Operative Utilities

⁵ Louisiana DENR Granted \$156 Million in Federal Solar Funding


The Alliance agrees with electric cooperative utilities that these not-for-profit member owned utilities should be relieved of the responsibility to provide additional analysis or data associated with unbundled rates and costs of service. The kinds of regulatory programs or regimes associated with Staff's Seventh Request for Information are not truly applicable to co-operative utilities for various reasons, including their ownership structure and size. We encourage the Commission to focus its efforts on Investor Owned Utility service territories, where the scale of growth and changes are concentrated.

Conclusion

The Alliance encourages the Commission to continue its work to address the unprecedented costs and challenges facing their customers, and to do so in a measured way that protects residential rate-payers from cost shifts associated with large industrial customers of all kinds. This is not the time to simply charge forward with billions in new investments that serve only a handful of new customers. Nor is it the time to quickly shift existing embedded costs to residents who are already overburdened. Reasonable analysis and consideration of different kinds of solutions for different kinds of customers is called for and we support the Commission's efforts to meet this moment.

CERTIFICATE OF SERVICE

I hereby certify that I have served the required number of copies of the foregoing correspondence upon all other known parties of this proceeding by electronic mail on this 7th day of March, 2025.



Logan A. Burke