

# Filing Receipt

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## SOAH DOCKET NO. 473-22-04394 PUC DOCKET NO. 53719

APPLICATION OF ENTERGY TEXAS,<br/>INC. FOR AUTHORITY TO CHANGE<br/>RATESSTATE OFFICE<br/>OF<br/>ADMINISTRATIVE HEARINGS

#### RESPONSE OF ENTERGY TEXAS, INC. TO SIERRA CLUB'S THRID REQUEST FOR INFORMATION: SIERRA CLUB'S 3:1 THROUGH 12

Entergy Texas, Inc. ("ETI" or the "Company") files its Response to Sierra Club's Third Request for Information. The response to such request is attached and is numbered as in the request. An additional copy is available for inspection at the Company's office in Austin, Texas.

ETI believes the foregoing response is correct and complete as of the time of the response, but the Company will supplement, correct or complete the response if it becomes aware that the response is no longer true and complete, and the circumstance is such that failure to amend the answer is in substance misleading. The parties may treat this response as if it were filed under oath.

Respectfully submitted,

<u>Kristen F. Gates</u> Kristen Yates

Kristen Yates ENTERGY SERVICES, LLC 919 Congress Avenue, Suite 701 Austin, Texas 78701 Office: (512) 487-3962 Facsimile: (512) 487-3958

## Attachments: SIERRA CLUB'S 3:1 THROUGH 12

## CERTIFICATE OF SERVICE

I certify that a copy of the foregoing Response of Entergy Texas, Inc. to Serra Club's Third Request for Information has been sent by either hand delivery, electronic delivery, facsimile, overnight delivery, or U.S. Mail to the party that initiated this request in this docket on this the 19<sup>th</sup> day of October 2022.

<u>Kristen F. Gates</u> Kristen Yates

Response of: Entergy Texas, Inc.to the Third Set of Data Requestsof Requesting Party: Sierra Club

Prepared By: Anastasia R. Meyer Sponsoring Witness: Anastasia R. Meyer Beginning Sequence No. LC2673 Ending Sequence No. LC2673

Question No.: SIERRA 3-1

Part No.:

Addendum:

Question:

Refer to the Direct Testimony of Company Witness Meyer on page 12. Explain why the retirement ages of Nelson 6 and Big Cajun 2 Unit 3 are confidential.

# Response:

Due to the competitive nature of the wholesale power market, the public disclosure of confidential information related to amount and timing of generation Entergy Texas, Inc. ("ETI") plans to deactivate likely would cause higher costs that ETI and other Entergy affiliates would have to pay for purchased power, and these higher costs would eventually be paid by ETI's customers. Public disclosure of commercially sensitive information also could result in less favorable terms and higher prices for which ETI can purchase power on a long-term basis. This could result in an increase in the cost of purchased power that ultimately would be reflected in the electric rates paid by retail customers of ETI.

Response of: Entergy Texas, Inc. to the Third Set of Data Requests of Requesting Party: Sierra Club Prepared By: Antonette Harvey Sponsoring Witness: Anastasia R. Meyer Beginning Sequence No. LC2657 Ending Sequence No. LC2659

Question No.: SIERRA 3-2

Part No.:

Addendum:

Question:

Refer to the Direct Testimony of Company Witness Meyer on page 12. State whether ETI has communicated its deactivation date assumptions for Nelson 6 to the plant operator (ELL).

- a. If yes, please state whether ELL is planning for a proposed deactivation date of Nelson 6.
- b. If no, please state why not and when ETI plans to notify ELL of its deactivation date assumptions.

Response:

Information included in the response contains highly sensitive protected ("highly sensitive") materials. Specifically, the responsive materials are protected pursuant to Texas Government Code Sections 552.101 and/or 552.11. Highly sensitive materials will be provided pursuant to the terms of the Protective Order in this docket.

Yes. In September 2021, the Nelson 6 co-owners were advised that both Entergy Texas, Inc. ("ETI") and Entergy Louisiana, LLC ("ELL") will be assuming a deactivation for purposes of their upcoming supply plans, but ETI and ELL would be continuing to evaluate this assumption.

The Response to this Request for Information includes Protected Materials within the meaning of the Protective Order in force in this Docket. Public Information Act exemptions applicable to this information include Tex. Gov't Code Sections 552.101 and/or 552.110. ETI asserts that this information is exempt from public disclosure under the Public Information Act and subject to treatment as Protected Materials because it concerns competitively sensitive commercial and/or financial information and/or information designated confidential by law.

Counsel for ETI has reviewed this information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials Designation.

Response of: Entergy Texas, Inc. to the Third Set of Data Requests of Requesting Party: Sierra Club Prepared By: Daniel Boratko Sponsoring Witness: Anastasia R. Meyer Beginning Sequence No. LC2660 Ending Sequence No. LC2660

Question No.: SIERRA 3-3

Part No.:

Addendum:

Question:

Refer to the Direct Testimony of Company Witness Meyer on page 15 at lines 10-15. Please state whether ETI could procure energy and capacity from MISO to meet its generation and capacity needs if Nelson 6 were to be retired at the earlier date.

- a. If yes, please explain why ETI plans to keep operating Nelson 6 for generation capacity despite the analysis showing an earlier retirement date would be economic?
- b. If no, please explain why not.

## Response:

a. The Midcontinent Independent System Operator ("MISO") capacity market is not a source of long-term capacity but rather a potential source of Zonal Resource Credits ("ZRCs") for the upcoming planning year. In the shortterm, the MISO market can help Entergy Texas, Inc. ("ETI") balance its resource adequacy position. ETI can procure ZRCs from MISO's capacity market, or, in the event of an overall MISO, MISO South, or Local Resource Zone 9 ("LRZ 9") capacity shortfall, pay cost of new entry ("CONE") to satisfy its MISO capacity auction requirements. ETI does not believe it is prudent to assume an earlier deactivation date for Nelson 6, as that is expected to lead to increased short-term risk for ETI customers, as well as tightening of the overall LRZ 9 capacity position, increasing the risk of incurring CONE pricing.

ETI offers all of its generation into and purchases all of its energy from the MISO energy markets. Accordingly, ETI would be more exposed to energy market price risk if Nelson 6 were retired at an earlier date than the assumed date.

b. See the response to subpart a.

Response of: Entergy Texas, Inc. to the Third Set of Data Requests of Requesting Party: Sierra Club Prepared By: Anastasia R. Meyer Sponsoring Witness: Anastasia R. Meyer Beginning Sequence No. LC2674 Ending Sequence No. LC2675

Question No.: SIERRA 3-4

Part No.:

Addendum:

Question:

Provide ETI's projected generation (GWh) and capacity (MW) shortage for each year between now and 2030 both with and without Nelson Unit 6, assuming that OCAPS comes online.

## Response:

Information included in the response contains highly sensitive protected ("highly sensitive") materials. Specifically, the responsive materials are protected pursuant to Texas Government Code Sections 552.101 and/or 552.11. Highly sensitive materials will be provided pursuant to the terms of the Protective Order in this docket.

Please see the highly sensitive attachments (TP-53719-00SIE003-X004-001\_HSPM through TP-53719-00SIE003-X004-002\_HSPM) showing Entergy Texas, Inc's capacity and energy, respectively, surplus or deficit for each year between now and 2030, both with and without Nelson Unit 6, assuming Orange County Advanced Power Station comes online in 2026.

The Response to this Request for Information includes Protected Materials within the meaning of the Protective Order in force in this Docket. Public Information Act exemptions applicable to this information include Tex. Gov't Code Sections 552.101 and/or 552.110. ETI asserts that this information is exempt from public disclosure under the Public Information Act and subject to treatment as Protected Materials because it concerns competitively sensitive commercial and/or financial information and/or information designated confidential by law.

Counsel for ETI has reviewed this information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials Designation.

Response of: Entergy Texas, Inc. to the Third Set of Data Requests of Requesting Party: Sierra Club	Prepared By: Phong Nguyen Sponsoring Witness: Anastasia R. Meyer Beginning Sequence No. LC2661 Ending Sequence No. LC2661
	Ending Sequence No. LC2001

Question No.: SIERRA 3-5

Part No.:

Addendum:

Question:

Refer to the Direct Testimony of Company Witness Meyer on Page 15 regarding the Nelson 6 analysis.

- a. Provide the energy and capacity market forecasts that the Company relied on for this analysis.
- b. State the date that each of the energy and capacity market forecasts were produced.
- c. State whether the Company has produced a more recent energy or capacity market forecast than the one it relied on for this analysis.
- d. State whether ETI evaluated replacement resources other than a CT as an alternative to keeping Nelson 6 online.

Response:

- a. The variable supply cost can be found in the highly sensitive attachment to the Company's response to Sierra Club 1-4. The Nelson 6 reference case analysis did not specifically rely on a capacity market forecast. The analysis evaluated the economics of deactivating Nelson 6 in 2026 versus 2030, relative to the cost of a combustion turbine ("CT"). Entergy Texas, Inc. ("ETI") ran a capacity price sensitivity using the Company's capacity price forecast. See the Company's response to Sierra Club 1-6 for the capacity price forecasts.
- b. Capacity price forecast sensitivity was produced in January 2021. The variable supply cost forecast was produced in May 2021.
- c. Yes.
- d. No. However, ETI's supply plan includes the addition of alternative resources, including renewable resources.

Response of: Entergy Texas, Inc.	Prepared By: Phong Nguyen, Charles DeGeorge
to the Third Set of Data Requests of Requesting Party: Sierra Club	Sponsoring Witness: Anastasia R. Meyer Beginning Sequence No. LC2662 Ending Sequence No. LC2663

Question No.: SIERRA 3-6

Part No.:

Addendum:

Question:

Refer to the Direct Testimony of Company Witness Meyer on page 18 regarding EPG' s economic analysis of Big Cajun 2 Unit 3.

- a. Provide the referenced modeling analysis, including all workbooks, inputs, and outputs.
- b. Provide the Cleco 2020 and 2021 budgets as referenced on lines 14-16.
- c. Provide the Nelson 6-contracted price of coal used in the Big Cajun Analysis.

Response:

Information included in the response contains highly sensitive protected ("highly sensitive") materials. Specifically, the responsive materials are protected pursuant to Texas Government Code Sections 552.101 and/or 552.11. Highly sensitive materials will be provided pursuant to the terms of the Protective Order in this docket.

- a. See the Company's response to Sierra Club 1-5.
- b. See the highly sensitive attachments (TP-53719-00SIE003-X006-001 HSPM and TP-53719-00SIE003-X006-002 HSPM).
- c. See the highly sensitive attachments provided in the Company's response to Sierra Club 3-8.

The Response to this Request for Information includes Protected Materials within the meaning of the Protective Order in force in this Docket. Public Information Act exemptions applicable to this information include Tex. Gov't Code Sections 552.101 and/or 552.110. ETI asserts that this information is exempt from public disclosure under the Public Information Act and subject to treatment as Protected Materials because it concerns competitively sensitive commercial and/or financial information and/or information designated confidential by law.

Counsel for ETI has reviewed this information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials Designation.

Response of: Entergy Texas, Inc. to the Third Set of Data Requests of Requesting Party: Sierra Club Prepared By: Antonette Harvey Sponsoring Witness: Anastasia R. Meyer Beginning Sequence No. LC2664 Ending Sequence No. LC2666

Question No.: SIERRA 3-7

Part No.:

Addendum:

Question:

Refer to the Direct Testimony of Company Witness Meyer on page 19 regarding Cleco's public commitment to retire Big Cajun 2 Unit 3 by 2032. State whether ETI has communicated its deactivation date assumptions for Big Cajun 2 Unit 3 to the plant operator (Cleco)?

- a. If yes, please state whether Cleco is planning for a deactivation date for the plant as well.
- b. If no, please state why not and indicate when ETI plans to notify Cleco of its deactivation date assumptions.

Response:

Information included in the response contains highly sensitive protected ("highly sensitive") materials. Specifically, the responsive materials are protected pursuant to Texas Government Code Sections 552.101 and/or 552.11. Highly sensitive materials will be provided pursuant to the terms of the Protective Order in this docket.

- a. Cleco<sup>1</sup> has not made any commitments beyond the one referenced in the Direct Testimony of Anastasia R. Meyer.
- b. Entergy Texas, Inc. has communicated to Cleco that it assumes a deactivation of Big Cajun 2, Unit 3 for planning purposes. Highly sensitive materials have been included on the secure ShareFile site provided to the parties that have executed protective order certifications in this proceeding.

The Response to this Request for Information includes Protected Materials within the meaning of the Protective Order in force in this Docket. Public Information Act exemptions applicable to this information include Tex. Gov't Code Sections 552.101 and/or 552.110. ETI asserts that this information is exempt from public disclosure under the Public Information Act and subject to treatment as Protected Materials because it concerns competitively sensitive commercial and/or financial information and/or information designated confidential by law.

Counsel for ETI has reviewed this information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials Designation.

Response of: Entergy Texas, Inc. to the Third Set of Data Requests of Requesting Party: Sierra Club	Beginning Sec	Phong Nguyen itness: Anastasia R. Meyer juence No. LC2693 nce No. LC2697
Question No.: SIERRA 3-8	Part No.:	Addendum:

Question:

Refer to ETI response to Sierra Club RFI 1-6. Please provide responses for Big Cajun for all questions.

## Response:

Information included in the response contains highly sensitive protected ("highly sensitive") materials. Specifically, the responsive materials are protected pursuant to Texas Government Code Sections 552.101 and/or 552.11. Highly sensitive materials will be provided pursuant to the terms of the Protective Order in this docket.

- a. AURORA Electric Market Model, Excel, and Strategic Energy & Risk Valuation Model ("SERVM").
- b. February 2021.
- c. Big Cajun 2 Unit 3 was modeled using economic dispatch for each year of the analysis.
- d. See the highly sensitive attachment provided in the Company's response to Sierra Club 1-6 (TP-53719-00SIE001-X006-001\_HSPM) specifically the column for Business Plan 2021.
- e. The Big Cajun 2 Unit 3 assessment referred to in the Direct Testimony of Anastasia R. Meyer was not a retirement analysis. The Company does not control the decision on when the resource deactivates or retires. The assessment looked at the avoided cost associated with Big Cajun 2 Unit 3 under a range of useful life assumptions
- f. See the highly sensitive attachment (TP-53719-00SIE003-X008-001\_HSPM). In addition, see the highly sensitive attachments provided in the Company's responses to Sierra Club 1-5, 1-6, and 3-5.
- g. See the response to subpart e.

- h. See the response to subpart e.
- i.
- i. A full load heat rate of Btu/kWh was used for Big Cajun 2 Unit 3.
- ii. See the highly sensitive attachments provided in the Company's response to Sierra Club 1-5 and 3-6.
- iii. See the highly sensitive attachment (TP-53719-00SIE003-X008-002\_HSPM).
- iv. See the highly sensitive attachments provided in the Company's responses to Sierra Club 1-5 and 3-6.
- v. See the highly sensitive attachments provided in the Company's responses to Sierra Club 1-5 and 3-6.
- vi. No transmission upgrades were assumed in the analysis.
- vii. Power market prices are not an input to the AURORA model. Power market prices are a result of the input assumptions, constraints, and generating unit commitment and dispatch performed by AURORA.
- viii. See the highly sensitive attachments provided in the Company's response to Sierra Club 1-4.
- ix. See the Company's response to subpart i.iii.
- x. See the Company's response to subpart i.iii.
- xi. See the Company's response to subpart i.iii.
- j. See the response to subpart e.
- k.
- i. See the Company's response to subpart i.iii.
- ii. See the Company's response to subpart i.iii.
- iii. There are no specific VOM cost outputs, but these costs are embedded in the variably supply cost outputs of the AURORA model. See the Company's response to subpart f.
- iv. This is not an output of the assessment. See the highly sensitive attachment provided in the Company's response to Sierra Club 1-4 for the input information.
- v. This is not an output of the assessment. See the highly sensitive attachment provided in the Company's response to Sierra Club 1-4 for the input information.
- vi. This is not an output of the assessment. See the highly sensitive attachment provided in the Company's response to Sierra Club 1-4 for the input information.
- vii. See the Company's response to subpart i.iii.
- 1. See the highly sensitive attachment provided in the Company's response to Sierra Club1-4.

The Response to this Request for Information includes Protected Materials within the meaning of the Protective Order in force in this Docket. Public Information Act exemptions applicable to this information include Tex. Gov't Code Sections 552.101 and/or 552.110. ETI asserts that this information is exempt from public disclosure under the Public Information Act and subject to treatment as Protected Materials because it concerns competitively sensitive commercial and/or financial information and/or information designated confidential by law.

Counsel for ETI has reviewed this information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials Designation.

Response of: Entergy Texas, Inc. to the Third Set of Data Requests of Requesting Party: Sierra Club Prepared By: Jasmine Nguyen Sponsoring Witness: Beverley Gale Beginning Sequence No. LC2667 Ending Sequence No. LC2667

Question No.: SIERRA 3-9

Part No.:

Addendum:

Question:

Refer to ETI response to Sierra Club RFI 2-4(b) regarding projected capital expenditures for Nelson 6 and Big Cajun 3 Unit 2. State whether the Company has projected capital expenditures through each unit's respective projected retirement date. If the Company has not projected capital expenditures through each unit's respective projected retirement date, state the duration of the capital projection provided in Sierra Club RFI 2-4(b).

Response:

No. The Company only has current capital expenditure projections for Entergy Operating Company operated units out five years. Cleco provided capital expenditure projections to Entergy Texas, Inc. only to 2025.

<sup>&</sup>lt;sup>1</sup> Cleco Power, Cleco Cajun LLC, and Louisiana Generating, LLC (together, "Cleco").

Response of: Entergy Texas, Inc. to the Third Set of Data Requests of Requesting Party: Sierra Club Prepared By: Phong Nguyen Sponsoring Witness: Anastasia R. Meyer Beginning Sequence No. LC2668 Ending Sequence No. LC2670

Question No.: SIERRA 3-10

Part No.:

Addendum:

Question:

Provide the capital expenditure forecast the Company used in its studies provided in response to Sierra Club RFI 1-4 and RFI 1-5 to determine the economic retirement dates of for Big Cajun 2 Unit 3 and for Nelson 6.

# Response:

Information included in the response contains highly sensitive protected ("highly sensitive") materials. Specifically, the responsive materials are protected pursuant to Texas Government Code Sections 552.101 and/or 552.11. Highly sensitive materials will be provided pursuant to the terms of the Protective Order in this docket.

The Company has not assessed the economic retirement date for Big Cajun 2, Unit 3. See the Company's response to Sierra Club 1-5. However, for the assumptions utilized in the Company's economic assessment of Big Cajun 2, Unit 3 discussed in that response, see the highly sensitive attachments provided in the Company's responses to Sierra Club 1-5 and Sierra Club 3-6.

For Nelson 6, please see the highly sensitive attachments provided in the Company's responses to Sierra Club 1-4 and Sierra Club 1-6.

The Response to this Request for Information includes Protected Materials within the meaning of the Protective Order in force in this Docket. Public Information Act exemptions applicable to this information include Tex. Gov't Code Sections 552.101 and/or 552.110. ETI asserts that this information is exempt from public disclosure under the Public Information Act and subject to treatment as Protected Materials because it concerns competitively sensitive commercial and/or financial information and/or information designated confidential by law.

Counsel for ETI has reviewed this information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials Designation.

Response of: Entergy Texas, Inc.	Prepared By: Josh Paternostro
to the Third Set of Data Requests	Sponsoring Witness: Allison P. Lofton
of Requesting Party: Sierra Club	Beginning Sequence No. LC2671
	Ending Sequence No. LC2671

Question No.: SIERRA 3-11

Part No.:

Addendum:

Question:

Provide the undepreciated plant balances for Nelson 6 and Big Cajun 2 Unit 3 as of the beginning of the test year.

# Response:

The undepreciated plant balances as of the beginning of the Test Year for Nelson 6 and Big Cajun 2, Unit 3 are \$202,766,201 and \$111,601,353, respectively.

Response of: Entergy Texas, Inc. to the Third Set of Data Requests of Requesting Party: Sierra Club Prepared By: Omar El Shal Sponsoring Witness: Anastasia R. Meyer Beginning Sequence No. LC2672 Ending Sequence No. LC2673

Question No.: SIERRA 3-12

Part No.:

Addendum:

Question:

Provide the Company's most recent cost projections for new supply side resources, including Solar PV, wind, battery storage, and paired storage resources.

#### Response:

Information included in the response contains highly sensitive protected ("highly sensitive") materials. Specifically, the responsive materials are protected pursuant to Texas Government Code Sections 552.101 and/or 552.110. Highly sensitive materials will be provided pursuant to the terms of the Protective Order in this docket.

Please see the highly sensitive attachment (TP-53719-00SIE003-X012\_HSPM) for the Company's most recent projections of new supply side resources.

The Response to this Request for Information includes Protected Materials within the meaning of the Protective Order in force in this Docket. Public Information Act exemptions applicable to this information include Tex. Gov't Code Sections 552.101 and/or 552.110. ETI asserts that this information is exempt from public disclosure under the Public Information Act and subject to treatment as Protected Materials because it concerns competitively sensitive commercial and/or financial information and/or information designated confidential by law.

Counsel for ETI has reviewed this information sufficiently to state in good faith that the information is exempt from public disclosure under the Public Information Act and merits the Protected Materials Designation.