



## **Filing Receipt**

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January 7, 2025

**Via Electronic Filing and E-Mail Service**

Central Records  
Public Utility Commission of Texas  
1701 Congress Avenue  
P.O. Box 13326  
Austin, TX 78711-3326

RE: PUC Docket No. 56865, SOAH Docket No. 473-24-00481, *Application of Entergy Texas, Inc. To Amend Its Certificate of Convenience and Necessity to Construct a Portfolio of Renewable Generation Resources*; First Errata to ETI's Direct Testimony

Dear Sir or Madam:

Entergy Texas, Inc. ("ETI") submitted its application and supporting direct testimony and exhibits in this proceeding on July 26, 2024. ETI has identified errata to its direct testimony, exhibits, and workpapers filed in this case as set below:

- Direct Testimony of Phong Nguyen:
  - Change [REDACTED] to [REDACTED] on page 22, line 19.
  - Update Figure 1 on page 23 consistent with changing [REDACTED] to [REDACTED] on page 22, line 19.
  - Delete "would be offset" on page 24, line 2.
  - Add "CREDITS" after "TAX" in question 37 on page 24, line 13.
- Exhibit DCB-1 to the Direct Testimony of Daniel C. Boratko:
  - Change "Proposed Rule 11" to "Proposed Rule 111" in the List of Tables at page 5 and Table 13 at page 63.
- Direct Testimony of Chris E. Barrilleaux:
  - Change "Renew Energy Texas" to "Renew Entergy Texas" in the Exhibit List at the page preceding page 1.
  - Change "\$9.6" to "\$9.7" at page 5, line 8.

January 6, 2025  
Page 2

- Change “27,066,648” to “27,109,920” and “19,844,664” to “19,887,936” in line 1 of Table 1 at page 7.
  - Change “1,622,954” to “1,625,549” and “938,212” to “940,807” in line 2 of Table 1 at page 7.
  - Change “9,560,571” to “9,575,856” and “6,002,355” to “6,017,640” in line 3 of Table 1 at page 7.
  - Change “3,119,128” to “3,124,115” and “1,717,943” to “1,722,929” in line 4 of Table 1 at page 7.
  - Change “14,805,323” to “14,828,993” and “5,487,182” to “5,510,852” in line 5 of Table 1 at page 7.
  - Change “172,083” to “172,358” and “76,926” to “77,201” in line 6 of Table 1 at page 7.
  - Change “56,346,708” to “56,436,791” and “34,067,282” to “34,157,365” in line 7 of Table 1 at page 7.
  - Change “\$3.43” to “\$3.44” at page 9, line 12.
  - Change “\$4.26” to “\$4.27” and “\$3.43” to “\$3.44” in Table 2 at page 9.
  - Change “\$3.43” to “\$3.44” at page 9, line 19.
- The following Excel files have been updated to reflect the changes to Mr. Barrilleaux’s testimony:
    - Exhibit CEB-2 to the Direct Testimony of Mr. Barrilleaux.
    - Exhibit CEB-3 to the Direct Testimony of Mr. Barrilleaux.
    - Highly sensitive workpapers to the Direct Testimony of Mr. Barrilleaux.

The above-identified errata do not alter the relief requested in ETI’s application. Clean and redline versions of the revised testimony of Messrs. Nguyen and Barrilleaux are attached. A clean version of Mr. Barrilleaux’s updated exhibits and highly sensitive workpapers are attached. A clean and redline version of Exhibit DCB-1 to the Direct Testimony of Mr. Boratko is also attached.

Respectfully,

*Scott Olson*  
\_\_\_\_\_  
Scott Olson  
ATTORNEY FOR ENTERGY  
TEXAS, INC.

Cc: Parties of Record  
Enclosures

Portfolio were to be subscribed, it would offset the revenue requirement of the Renewable Portfolio ~~would be offset.~~

Q36. YOU MENTIONED TERMINAL VALUE AS A COMPONENT OF THE TOTAL SUPPLY COST OF THE FACILITY. WHAT IS TERMINAL VALUE AND HOW DID YOU ESTIMATE IT?

A. The terminal value is a probabilistic assessment that recognizes the option value associated with extending the useful life of the resource across a range of market outcomes and capital and O&M spend. The terminal value applies a probability assessment to low, medium, and high energy and capacity values less inverter replacement costs, higher fixed O&M, property tax, and insurance costs beyond the facility's initial 30-year useful life.

Q37. WHAT ASSUMPTIONS WERE MADE WITH RESPECT TO TAX CREDITS AND RECS?

A. The economic analysis assumes both Segno and Votaw qualify for the energy community adder and thus each project assumes a 40% investment tax credit ("ITC"). Based on current assumptions, both the ITC and production tax credits ("PTCs") would provide similar benefits on a present value basis for ETI customers. The analysis also assumes REC value based on Texas REC forward pricing from S&P.

Portfolio were to be subscribed, it would offset the revenue requirement of the Renewable Portfolio.

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Potential greenhouse gas regulation - ETI's point of view is that national carbon regulation for the power generation sector is appropriate; however, the timing, design and outcome of a final carbon control program are uncertain.

On May 11, 2023, EPA released a proposed rule establishing new requirements for the control of greenhouse gas (GHG) emissions from fossil-fuel fired EGUs. This proposal establishes GHG emission standards under two separate, but related sections of the Clean Air Act – Section 111(b) and Section 111(d). This proposal was published in the Federal Register on May 23, 2023, and public comments on the proposal were accepted through August 8, 2023.

The 111(b) aspects of the proposal will (if finalized) apply to any new, modified, or reconstructed fossil fuel fired EGUs. The date that this proposal was formally published in the Federal Register, May 23, 2023, is the key date for determining whether an EGU is “new” in this context. EGUs which commence construction after this date are considered “new” and would be subject to the proposed 111(b) standards.

The 111(d) aspects of the proposal will (if finalized) apply to any “existing” fossil fuel fired EGUs. In this context, an EGU is “existing” if construction of that EGU commenced prior to May 23, 2023. This aspect of the proposal essentially takes the place of the Clean Power Plan (CPP), which gave state-based emission standards for EGUs, but was repealed by the Affordable Clean Energy (ACE) rule and overturned by the Supreme Court. The current proposal would formally repeal and replace the ACE rule.

The proposed rule establishes four different categories of fossil fuel fired generating units. Table 13 summarizes generating unit categories in the proposed Rule 111 (b) and (d) and identifies which ETI units are likely to be classified in each category.

Table 13: Proposed Rule 111 summary

<b>Fossil-Fuel Fired Generating Unit Categories</b>	<b>Proposed Rule 111 Anticipated Impact</b>	<b>ETI Units Potentially Impacted</b>
New, modified, or reconstructed EGUs	<ul style="list-style-type: none"> <li>· CO2 emission limits based on 100% natural gas firing</li> <li>· Convert to H2 co-firing or retrofit with CCS between 2032 and 2038.</li> </ul>	<ul style="list-style-type: none"> <li>· No existing or currently planned owned units are impacted.</li> <li>· Future natural gas-fired units developed by Entergy are expected to be impacted.</li> </ul>
Existing combustion turbine EGUs	Proposed CO2 emission standards for units >300 MW and which operate at >50% capacity factor to be the same H2 co-firing or CCS retrofit standards on the same schedule as required for new CTs.	<ul style="list-style-type: none"> <li>· MCPS</li> <li>· OCAPS</li> </ul>
Existing oil- and gas-fired steam EGUs	<ul style="list-style-type: none"> <li>· Three subcategories of existing gas boilers are defined, based on capacity factors.</li> </ul>	All ETI's existing legacy gas units

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**ENTERGY TEXAS, INC.  
DIRECT TESTIMONY OF CHRIS E. BARRILLEAUX  
DOCKET NO. 56865**

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**EXHIBITS**

Exhibit CEB-1	List of Prior Testimonies
Exhibit CEB-2	Projected Revenue Requirement
Exhibit CEB-3	Estimated Residential Typical Bill Impact
Exhibit CEB-4	Illustrative Schedule Renew Entergy Texas

1 for Votaw and \$290.7 million for Segno. Mr. Bulpitt describes the capital costs in more  
2 detail in his testimony.

3 Total rate base for the Renewable Portfolio is \$421.8 million, and the amounts  
4 for Votaw and Segno individually are shown in Exhibit CEB-2. The base rate revenue  
5 requirement assumes a before tax rate of return of 7.92% based on the Company's  
6 capital structure approved in Docket No. 53719,<sup>2</sup> resulting in a return on rate base of  
7 \$33.4 million. The base rate revenue requirement also includes estimated operating  
8 expenses for the first full year of commercial operation in the amount of ~~\$9.6~~\$9.7  
9 million, and \$18.8 million in annual depreciation expense. Exhibit CEB-2 includes the  
10 calculation of the estimated first-year base rate revenue requirement, excluding  
11 estimated fuel recovery offsets.

12

13 Q10. DOES YOUR REVENUE REQUIREMENT CALCULATION TAKE INTO  
14 ACCOUNT THE INVESTMENT TAX CREDITS ("ITCS") THAT THE ETI SOLAR  
15 PROJECTS WILL GENERATE?

16 A. Yes. As a result of the Inflation Reduction Act ("IRA"), the Company may elect to  
17 recognize ITCs or Production Tax Credits ("PTCs") associated with owned solar  
18 projects. For purposes of calculating the revenue requirement, I offset rate base of  
19 Votaw and Segno by the amount of the estimated ITCs, which will lower the revenue  
20 requirement associated with those projects over their useful lives. This reduction to  
21 rate base to account for ITCs results in a reduction to the total capital costs presented

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<sup>2</sup> *Application of Entergy Texas, Inc. for Authority to Change Rates*, Docket No. 53719, Order (Aug. 24, 2023).

1

**Table 1**

**Estimated Net Revenue Requirement by Rate Class**

Line No.	Rate Class	ETI Renewable Portfolio Base Rate Revenue Requirement (\$)	Projected Fuel Recovery Offset (\$)	Net Revenue Requirement (\$)
1	Residential	27,066,648 <u>27,109,920</u>	(7,221,984)	<del>19,844,664</del> <u>19,887,936</u>
2	Small General Service	<del>1,622,954</del> <u>1,625,549</u>	(684,742)	<del>938,212</del> <u>940,807</u>
3	General Service	<del>9,560,571</del> <u>9,575,856</u>	(3,558,216)	<del>6,002,355</del> <u>6,017,640</u>
4	Large General Service	<del>3,119,128</del> <u>3,124,115</u>	(1,401,186)	<del>1,717,943</del> <u>1,722,929</u>
5	Large Industrial Power Service	<del>14,805,323</del> <u>14,828,993</u>	(9,318,141)	<del>5,487,182</del> <u>5,510,852</u>
6	Lighting	<del>172,083</del> <u>172,358</u>	(95,157)	<del>76,926</del> <u>77,201</u>
7	<b>Total</b>	<del>56,346,708</del> <u>56,436,791</u>	(22,279,426)	<del>34,067,282</del> <u>34,157,365</u>

2

3 Q12. PREVIOUSLY YOU MENTIONED THAT THE COMPANY INTENDS TO  
4 PURSUE SCHEDULE RET, OR ANOTHER SIMILAR TARIFF, TO OFFSET THE  
5 COSTS OF THE RENEWABLE PORTFOLIO. COULD YOU PLEASE PROVIDE  
6 AN OVERVIEW OF SCHEDULE RET?

7 A. Yes. As I mentioned, ETI plans to pursue Commission approval of Schedule RET, or  
8 another similar tariff, in a future proceeding. I have attached an illustrative draft  
9 version of Schedule RET as Exhibit CEB-4. Schedule RET would be a voluntary,  
10 subscription-based tariff designed to offset the costs associated with certain renewable  
11 resources. Although Schedule RET is still under development and will need to be  
12 approved by the Commission, if Schedule RET or a similar tariff is ultimately approved  
13 by the Commission and offered to customers, to the extent the voluntary tariff is  
14 subscribed, the revenues received from customers would offset the revenue  
15 requirement that I just discussed. In exchange for customers subscribing and paying

Q14. COULD YOU PLEASE DESCRIBE THE BILL CREDITS THAT PARTICIPATING CUSTOMERS WOULD RECEIVE UNDER SCHEDULE RET?

A. Yes. In addition to the subscription charge that I just described, participating customers would receive a variable bill credit that would be calculated as the RET Energy times the MISO Market Settlement Rate as those terms are defined in illustrative Schedule RET.

Q15. HAVE YOU CALCULATED THE ESTIMATED RESIDENTIAL RATE EFFECT OF THE RENEWABLE PORTFOLIO?

A. Yes. Setting aside the potential offsetting effect of renewable tariff revenues, the estimated net impact on a residential customer bill, using 1,000 kWh per month, would be approximately ~~\$3.43~~\$3.44. Table 2 below reflects the estimated residential customer bill impact components based on typical consumption of 1,000 kWh per month.

**Table 2**

**Estimated Residential Customer Bill Impact**

Base Rate Increase	<del>\$4.26</del> <u>\$4.27</u>
Fuel Cost Offset	(\$0.83)
Net Impact	<del>\$3.43</del> <u>\$3.44</u>

Q16. HOW WAS THE ESTIMATED RESIDENTIAL CUSTOMER BILL IMPACT CALCULATED?

A. The ~~\$3.43~~\$3.44 year-one customer bill impact was calculated based on an estimated 4% increase to total base residential rates, which is derived from the estimated

**ENTERGY TEXAS, INC.  
DIRECT TESTIMONY OF CHRIS E. BARRILLEAUX  
DOCKET NO. 56865**

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4	Large General Service	3,124,115	(1,401,186)	1,722,929
5	Large Industrial Power Service	14,828,993	(9,318,141)	5,510,852
6	Lighting	172,358	(95,157)	77,201
7	<b>Total</b>	56,436,791	(22,279,426)	34,157,365

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3 Q12. PREVIOUSLY YOU MENTIONED THAT THE COMPANY INTENDS TO  
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16 the rates under Schedule RET or a similar voluntary tariff, ETI would retire renewable



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**Table 2**

**Estimated Residential Customer Bill Impact**

Base Rate Increase	\$4.27
Fuel Cost Offset	(\$0.83)
Net Impact	\$3.44

Q16. HOW WAS THE ESTIMATED RESIDENTIAL CUSTOMER BILL IMPACT CALCULATED?

A. The \$3.44 year-one customer bill impact was calculated based on an estimated 4% increase to total base residential rates, which is derived from the estimated Renewable Portfolio residential revenue requirement reflected in Table 1 of my testimony divided

Entergy Texas, Inc.  
Renewable Portfolio  
Projected Revenue Requirement

Line No.	Description	Amount (\$)	Ref.
1	<b>I. Rate Base</b>		
2	Plant in Service as of In-Service Date	590,506,437	WP1 Line 5
3	Investment Tax Credit	(168,716,274)	WP1 Line 6
4	Total Rate Base	421,790,163	
5	Before-Tax Rate of Return on Rate Base <sup>1</sup>	7.92%	WP3
6	Return on Rate Base (Line 4 * Line 5)	33,416,572	
	<b>II. Expenses</b>		
7	Operation & Maintenance Expense <sup>2</sup>	4,538,923	WP2 Line 1
8	Annual Depreciation and Amortization Expense	18,794,376	WP1 Line 14
9	Taxes other Than Income	4,905,388	WP2 Line 2 + 3 + 4 + 5
10	Property Insurance	277,443	WP2 Line 6
11	Investment Tax Credit Amortization	(5,623,876)	WP 9 Line 20
12	<b>Total Expenses (Lines 7 + 8 + 9 + 10 + 11)</b>	22,892,254	
13	<b>Total Projected Costs (Line 6 + Line 12)</b>	56,308,826	
14	<b>Bad Debt Rate <sup>3</sup></b>	0.2273%	WP5
15	<b>Combined Revenue Requirement (Line 13 * (1+ Line 14))</b>	56,436,791	

Notes:

- 1) Before Tax Rate of Return on December 31, 2021 using the current authorized ROE. Reference Docket No. 53719.
- 2) Total estimated O&M for first full calendar year of operations, 2028 (Segno) and 2029 (Votaw).
- 3) Bad Debt Rate Reference WP5

Entergy Texas, Inc.  
Segno Solar  
Projected Revenue Requirement

Line No.	Description	Amount (\$)	Ref.
1	<b>I. Rate Base</b>		
2	Plant in Service as of In-Service Date	290,702,345	WP1 Line 5
3	Investment Tax Credit	(83,297,778)	WP1 Line 6
4	Total Rate Base	207,404,568	
5	Before-Tax Rate of Return on Rate Base <sup>1</sup>	7.92%	WP3
6	Return on Rate Base (Line 4 * Line 5)	16,431,748	
	<b>II. Expenses</b>		
7	Operation & Maintenance Expense <sup>2</sup>	2,458,788	WP2 Line 1
8	Annual Depreciation and Amortization Expense	9,136,184	WP1 Line 14
9	Taxes other Than Income	2,363,094	WP2 Line 2 + 3 + 4 + 5
10	Property Insurance	134,785	WP2 Line 6
11	Investment Tax Credit Amortization	(2,776,593)	WP 9 Line 17
12	<b>Total Expenses (Lines 7 + 8 + 9 + 10 + 11)</b>	11,316,259	
13	<b>Total Projected Costs (Line 6 + Line 12)</b>	27,748,007	
14	<b>Bad Debt Rate <sup>3</sup></b>	0.2273%	WP5
15	<b>Segno Revenue Requirement (Line 13 * (1+ Line 14))</b>	27,811,066	

Notes:

- 1) Before Tax Rate of Return on December 31, 2021 using the current authorized ROE. Reference Docket No. 53719.
- 2) Total estimated O&M for first full calendar year of operations, 2028.
- 3) Bad Debt Rate Reference WP5

Entergy Texas, Inc.  
Votaw Solar  
Projected Revenue Requirement

Line No.	Description	Amount (\$)	Ref.
1	<b>I. Rate Base</b>		
2	Plant in Service as of In-Service Date	299,804,092	WP1 Line 5
3	Investment Tax Credit	(85,418,496)	WP1 Line 6
4	Total Projected Rate Base	214,385,595	
5	Before-Tax Rate of Return on Rate Base <sup>1</sup>	7.92%	WP3
6	Return on Rate Base (Line 4 * Line 5)	16,984,824	
	<b>II. Expenses</b>		
7	Operation & Maintenance Expense <sup>2</sup>	2,080,135	WP2 Line 1
8	Annual Depreciation and Amortization Expense	9,658,192	WP1 Line 14
9	Taxes other Than Income	2,542,294	WP2 Line 2 + 3 + 4 + 5
10	Property Insurance	142,658	WP2 Line 6
11	Investment Tax Credit Amortization	(2,847,283)	WP 9 Line 17
12	<b>Total Expenses (Lines 7 + 8 + 9 + 10)</b>	11,575,995	
13	<b>Total Projected Costs (Line 6 + Line 11)</b>	28,560,819	
14	<b>Bad Debt Rate <sup>3</sup></b>	0.2273%	WP5
15	<b>Votaw Revenue Requirement (Line 13 * (1+ Line 14))</b>	28,625,725	

Notes:

- 1) Before Tax Rate of Return on December 31, 2021 using the current authorized ROE. Reference Docket No. 53719.
- 2) Total estimated O&M for first full calendar year of operations, 2029.
- 3) Bad Debt Rate Reference WP 5

**Entergy Texas, Inc.**  
**Renewable Portfolio**  
**Estimated Impact on a Residential Bill**  
**As of July 2024**

<b>Line No.</b>	<b>Residential Rate Schedule</b>	<b>Current Rate</b>	<b>Estimated Rate Change</b>
1	Typical Bill - 1,000 kWh	1,000	1,000
2			
3	Customer Charge	\$14.00	\$14.00
4	Energy Charge	\$89.75	\$89.75
5		<u>\$103.75</u>	<u>\$103.75</u>
6	Combined Revenue Requirement Impact <sup>1</sup>		4.11%
			\$4.27
7		\$103.75	\$108.02
8	Schedule AMS	\$1.53	\$1.53
9	Schedule EECRF	\$0.92	\$0.92
10	Schedule SRC-2	\$2.08	\$2.08
11	Schedule SCO-2	(\$0.05)	(\$0.05)
12	Schedule FF <sup>2</sup>	\$31.70	\$30.87
13	Schedule PCF	\$0.01	\$0.01
14	Schedule RC-5	\$0.14	\$0.14
15	Schedule MTM	<u>(\$0.20)</u>	<u>(\$0.20)</u>
16	Total Bill without state, city or local taxes	<u>\$139.88</u>	<u>\$143.32</u>
17	<b>Change in Typical Bill</b>		<b>\$3.44</b>
18	<b>Percentage Change</b>		<b>2.46%</b>

Notes:

- 1) Reference WP Exh CEB-3 Line 1 Column 4
- 2) Reference WP7 Line 10

**Entergy Texas, Inc.**  
**Segno Solar**  
**Estimated Impact on a Residential Bill**  
**As of July 2024**

<b>Line No.</b>	<b>Residential Rate Schedule</b>	<b>Current Rate</b>	<b>Estimated Rate Change</b>
1	Typical Bill - 1,000 kWh	1,000	1,000
2			
3	Customer Charge	\$14.00	\$14.00
4	Energy Charge	\$89.75	\$89.75
5		<u>\$103.75</u>	<u>\$103.75</u>
6	Segno Revenue Requirement Impact <sup>1</sup>		<b>2.03%</b>
			\$2.10
7		\$103.75	\$105.85
8	Schedule AMS	\$1.53	\$1.53
9	Schedule EECRF	\$0.92	\$0.92
10	Schedule SRC-2	\$2.08	\$2.08
11	Schedule SCO-2	(\$0.05)	(\$0.05)
12	Schedule FF <sup>2</sup>	\$31.70	\$31.25
13	Schedule PCF	\$0.01	\$0.01
14	Schedule RC-5	\$0.14	\$0.14
15	Schedule MTM	<u>(\$0.20)</u>	<u>(\$0.20)</u>
16	Total Bill without state, city or local taxes	<u><u>\$139.88</u></u>	<u><u>\$141.53</u></u>
17	<b>Change in Typical Bill</b>		<b>\$1.65</b>
18	<b>Percentage Change</b>		<b>1.18%</b>

Notes:

- 1) Reference WP Exh CEB-3 Line 1 Column 4
- 2) Reference WP7 Line 10

**Entergy Texas, Inc.**  
**Votaw Solar**  
**Estimated Impact on a Residential Bill**  
**As of July 2024**

<b>Line No.</b>	<b>Residential Rate Schedule</b>	<b>Current Rate</b>	<b>Estimated Rate Change</b>
1	Typical Bill - 1,000 kWh	1,000	1,000
2			
3	Customer Charge	\$14.00	\$14.00
4	Energy Charge	\$89.75	\$89.75
5		<u>\$103.75</u>	<u>\$103.75</u>
6	Votaw Revenue Requirement Impact <sup>1</sup>		<b>2.09%</b>
			\$2.16
7		\$103.75	\$105.91
8	Schedule AMS	\$1.53	\$1.53
9	Schedule EECRF	\$0.92	\$0.92
10	Schedule SRC-2	\$2.08	\$2.08
11	Schedule SCO-2	(\$0.05)	(\$0.05)
12	Schedule FF <sup>2</sup>	\$31.70	\$31.32
13	Schedule PCF	\$0.01	\$0.01
14	Schedule RC-5	\$0.14	\$0.14
15	Schedule MTM	<u>(\$0.20)</u>	<u>(\$0.20)</u>
16	Total Bill without state, city or local taxes	<u><u>\$139.88</u></u>	<u><u>\$141.66</u></u>
17	<b>Change in Typical Bill</b>		<b>\$1.78</b>
18	<b>Percentage Change</b>		<b>1.27%</b>

Notes:

- 1) Reference WP Exh CEB-3 Line 1 Column 4
- 2) Reference WP7 Line 10

This workpaper contains information that is Highly Sensitive and will be provided under the terms of the Protective Order (Confidentiality Disclosure Agreement) entered in this case.