

# Louisiana Public Service Commission



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July 13, 2020

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## VIA EMAIL

***RFP 20-13-Docket TBD – Louisiana Public Service Commission, ex parte, In re: Economic Viability Study of Entergy Louisiana, LLC’s Legacy Units.***

To all LPSC qualified consultants:

Enclosed please find a Request for Proposals (“RFP”) for **outside consultants** issued by the Louisiana Public Service Commission for the above referenced docket. If your firm is interested in submitting a proposal, please review the RFP carefully to determine whether your firm meets the specific requirements to qualify for this representation. *Please note revisions to Section V-Estimate of Costs, which are underlined.*

All Proposals must include a showing that your firm possesses the requisite qualifications and experience to represent the Commission in this matter. Also, please note that all Proposals, including the **original, plus (3) three copies, and an electronic copy must be received on or before Thursday August 20, 2020 at 4:30 p.m.** Selection of consultants is anticipated to take place at the Commission’s September 2020 Business and Executive Session, which is currently scheduled for September 16, 2020.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink, appearing to read "KHB", written over a white background.

Kathryn H. Bowman  
Executive Counsel

Enclosure

**RFP 20-13**  
**LOUISIANA PUBLIC SERVICE COMMISSION**  
**REQUEST FOR PROPOSALS (“RFP”)**  
**July 13, 2020**

***DOCKET NO. TBD –Louisiana Public Service Commission, ex parte, In re: Economic Viability Study of Entergy Louisiana, LLC’s Legacy Units.***

The Louisiana Public Service Commission (“Commission” or “LPSC”), in accordance with the requirements of the LPSC General Order dated November 10, 2014 regarding the selection of contract employees (the “Contract Order”), issues this Request for Proposals (“RFP”) to **outside consultants** who will assist Commission Staff in the analysis of an economic viability study of Entergy Louisiana, LLC’s (“ELL” or the “Company”) legacy electric generating power plants in Louisiana. **Consideration of bids received in response to RFP 20-13 are anticipated to be on the Commission’s September Business and Executive Session.**

**I. Overview**

At the February 21, 2018 Business and Executive Session, the Commission made the following directive:

In light of the significant new power plants being added to the Entergy Louisiana generation fleet, it is now appropriate to review economic conditions and to determine which Entergy Louisiana legacy natural gas units should be retired, if any.

I direct the staff to open a docket to study the economic status of Entergy Louisiana’s legacy electric generating power plants in Louisiana, to hire consultants as necessary, and to study the economic status and viability of each Entergy Louisiana legacy facility.

The analysis should also include a determination, fully taking into consideration the pending Entergy Louisiana’s Washington Parish Generation unit certification,<sup>1</sup> and to identify any legacy unit in the Entergy Louisiana fleet that the Entergy Louisiana’s Washington Parish Generation Unit shall replace in the fleet. Upon a completed finding by the Commission, Entergy Louisiana shall retire any legacy unit that the Commission determines no longer economically viable.

The analysis shall include a study of the economic viability of all legacy power plants, and further, determining any need for future Commission-ordered plant retirements.

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<sup>1</sup> ELL’s Washington Parish Generation unit was certified by the Commission at its May 16, 2018 B&E, with the Commission’s certification memorialized in Order No. U-34472.

The directive further indicated that the report shall be completed no later than six months following the commencement of generation at ELL's Lake Charles Power Station. In response to this directive and notice that ELL's Lake Charles Power Station was completed, with generation commencing earlier this year,<sup>2</sup> Staff issues RFP 20-13 seeking an outside consultant. Further, in conversations with ELL, ELL anticipates filing its economic viability study for Staff's review in August 2020.

Applicants will be assisting Commission in-house Staff in reviewing and analyzing ELL's economic viability study, as well as drafting a recommendation to the Commission as to what action(s) regarding retirement of any ELL's legacy units are warranted.

## **II. Scope of Representation**

In assisting Staff, Applicants will review ELL's viability study (including any supporting methodologies, various scenarios for potential retirement, and associated cost effects); draft data requests and review responses thereto; potentially participate in informal meetings with Staff and ELL; assist in drafting a recommendation(s) to the Commission, including any exhibits supporting the same; review and respond to any rebuttal testimony; assist in preparing any necessary direct and cross-answering testimony; assist in trial preparation, including cross-examination of witnesses and drafting pleadings and motions related thereto; and review and analyze potential stipulation terms. Additionally, the Applicant shall be available to participate in meetings and conference calls, conferences with the Commission and its Staff, as well as attending any Business and Executive Session(s) that Staff deems necessary. The scope of work provided herein shall continue through the conclusion of the docket through a Commission vote.

All proposals shall include an outline of a plan of action for conducting the review of ELL's request, including the activities described above. The Commission and its Staff shall have the right to determine how the tasks will be carried out. In addition, all proposals shall be accompanied by a professional firm resume indicating the qualifications and experience necessary to meet the requirement of this RFP. Deviations from the requirements contained herein, or conditional bid amounts may result in rejection of the bid as non-conforming.

## **III. Period of Representation**

The time period estimated to complete the Scope of Representation is approximately 8 months. This is merely an estimate and the Commission makes no representations as to the accuracy of the Period of Representation.

## **IV. Minimum Requirements**

To qualify, all Applicants must have requisite knowledge of the topics listed below, in addition to those provided in Commission General Order dated November 10, 2014. Consideration will be

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<sup>2</sup> The Commission received notice that the Lake Charles Power Station commenced operation in March 2020.

given to factors which indicate degrees of competence such as the amount of practical experience in the field of public utility practice, and similar practice before this or other regulatory agencies, in addition to the Applicant's knowledge of Louisiana ratemaking standards and regulatory law.

Applicants shall at a minimum be experienced in analyzing the operations, books, and records of utility companies, particularly investor-owned utilities, for the purpose of setting just and reasonable rates, including, but not limited to, calculation of rate base, rates of return, capital structure, formula rates/rate stabilization plans, decommission funding plans, and all related studies and calculations related to a rate case or rate review.

Applicants shall be qualified and prepared to draft and render expert testimony, and be cross-examined, with respect to all of the issues addressed in this RFP and which are likely to arise in the proceeding and be qualified and prepared to render expert testimony regarding and have knowledge of:

- (1) appropriate accounting standards and practices for electric public utilities, public utility accounting, and generally accepted auditing standards;
- (2) the appropriate ratemaking adjustments to be made to the utility's accounting records, including adjustments related to retirement of units;
- (3) the determination and calculation of the appropriate rate base of a utility plant investment dedicated to providing service;
- (4) cost of capital, including capital structure, cost of debt, cost of equity, and rates of return;
- (5) familiarity with just and reasonable costs and prudent investments associated with providing reliable and quality service as recommended by NARUC;
- (6) depreciation and taxation;
- (7) a detailed understanding of the major functional areas of a regulated investor-owned electric utility; and
- (8) the Commission's General Order dated October 19, 2018 (Docket No. R-34407, LPSC ex parte, In re: Rulemaking docket to consider whether or not the Commission should exercise its authority over future utility generation deactivation and retirement decisions and the rules and procedures that could apply to any such exercise of authority).

#### **V. Estimate of Costs**

All proposals shall include fees and direct costs associated with Applicants services described above. Applicants responding to this RFP shall quote their rates on an hourly basis, and shall

submit a total budget, separating professional fees from direct costs. Along with providing the above, Applicants should provide an overview of the estimated costs in the summary of the bid proposal.

Applicants shall only be allowed to charge for actual hours of work performed and costs incurred. Once selected, an Applicant's hourly rates and budget shall not be altered except by formal approval of the Commission.

#### **VI. Conflict of Interest**

Applicants shall prominently and separately disclose current, as well as past employment, which could possibly result in a conflict of interest. In addition, Applicants shall disclose matters in which they currently represent clients before the Commission.

#### **VII. Billing Guidelines**

As required by the November 10, 2014 General Order, all bills will be rendered monthly and shall specifically identify and describe all work performed, the person performing such work, the time and charge for such work, and shall additionally show the total amount billed to date and the authorized original estimate. Bills will be rendered in strict accordance with the Commission's guidelines. Expenses shall also be separately disclosed with proof of such expenses attached.

Expenses, where applicable, shall be reimbursed at state authorized rates as specified in the Travel Policies and Procedures Memorandum issued by the State of Louisiana, Division of Administration in effect at the time such expenses are incurred ("Allowable Expenses"). Any expenses that exceed the Allowable Expenses shall be borne by the contract employee and shall not be reimbursed by either the Commission, or the correspondent utility, unless otherwise specified by the Commission.

#### **VIII. Reservation of Rights**

The LPSC reserves the right to reject any and all proposals, to amend and/or supplement this RFP at any time, and to consider proposals or modifications thereof received at any time prior to LPSC vote at Open Session, if such action is found by the LPSC to be in the public interest. Pursuant to the General Order regarding the selection of contract employees, the LPSC has the right to accept any offer and does not have to accept the lowest bid amount. In addition, there is also no assurance, express or implied, that an award will necessarily be made pursuant to this RFP.

#### **IX. Submission of Proposals**

Interested parties should submit the **original (hard copy), 3 copies, and e-mail an electronic copy** of the proposal to:

Kathryn H. Bowman  
Executive Counsel  
Louisiana Public Service Commission  
602 North Fifth Street (Galvez Building) (70802)  
P.O. Box 91154  
Baton Rouge, Louisiana 70821-9154  
Phone: (225) 342-9888  
Fax: (225) 342-5610  
Email: [kathryn.bowman@la.gov](mailto:kathryn.bowman@la.gov)

To be considered, an original, three copies, and the electronic copy of the proposal must be received on or before **Thursday, August 20, 2020 at 4:30 p.m.** **Selection of consultants is anticipated to take place at the Commission's September Business and Executive Session, which is currently scheduled for September 16, 2020.** Information concerning billing procedures and the Commission's RFP policy may be obtained from the address listed above, or by calling (225) 342-9888.