

**TRANSCRIPT OF THE LOUISIANA PUBLIC SERVICE COMMISSION BUSINESS
AND EXECUTIVE OPEN SESSION HELD ON NOVEMBER 20, 2023 IN BATON
ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN FOSTER CAMPBELL, VICE
CHAIRMAN MIKE FRANCIS, COMMISSIONER ERIC SKRMETTA,
COMMISSIONER CRAIG GREENE, AND COMMISSIONER DAVANTE LEWIS.**

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2 **BUSINESS AND EXECUTIVE OPEN SESSION HELD ON NOVEMBER 20,**
3 **2023 IN BATON ROUGE, LOUISIANA. PRESENT WERE: CHAIRMAN**
4 **FOSTER CAMPBELL, VICE CHAIRMAN MIKE FRANCIS,**
5 **COMMISSIONER ERIC SKRMETTA, COMMISSIONER CRAIG**
6 **GREENE, AND COMMISSIONER DAVANTE LEWIS.**

7 **CHAIRMAN FOSTER CAMPBELL:** Good morning. Welcome to the Public
8 Service Commission before Thanksgiving, and next time we'll have a meeting it
9 will be in Christmas in Natchitoches which is beautiful at Christmas, lots of lights,
10 festive. And I'll welcome y'all to Natchitoches, you'll love it up there. Mr. Francis
11 is going to say the prayer. Mr. Greene is going to have the pledge. Okay. Go
12 ahead.

13 **[VICE CHAIRMAN MIKE FRANCIS LEADS IN PRAYER]**

14 **[COMMISSIONER CRAIG GREENE LEADS IN THE PLEDGE]**

15 **CHAIRMAN CAMPBELL:** I would -- I know you're probably already doing
16 this and everybody up here is, say a prayer for Commissioner Greene's dad, Tom
17 Greene, my friend. I served with him. A good gentleman, nice fellow. He's in the
18 hospital, but we're hoping for his recovery and he needs all the prayers he can get.
19 And I'd appreciate y'all praying for him. He was a different guy in the Senate. He
20 was always wanting to do the right thing. Sometimes that was difficult, but he did
21 the right thing every time that I've ever saw him do anything. He was a good man,
22 whatever he told you, that's the way it was. Okay.

23 **COMMISSIONER CRAIG GREENE:** Can I say something?

1 **CHAIRMAN CAMPBELL:** Sure.

2 **COMMISSIONER GREENE:** I just want to say thank you for those kind words,
3 and sorry I missed the last meeting, he was having an emergency brain surgery.
4 But it is good to have this conversation and hear those kind words. A lot of times
5 we get caught up in the partisan side of what we're trying to do when we're really
6 all on the same team, just trying to make it better and we have different ideas about
7 how to do so. And I was there and witnessed a lot of the relationship and
8 conversations that Commissioner Campbell and my dad had. They were sometimes
9 contentious, but it's good to hear 20, 30 years later that there's mutual respect there.
10 And I think that that's the way I strive to do things as well, to be a statesman. And
11 so thank you for your prayers and thank you for your kind words. I would like to
12 also -- changing gears for a second. My former assistant David Zito has moved on
13 and I will miss him. I'm not sure Eric will miss him, but I'll miss him. I've got a
14 great new assistant, Grayson Walsh, and so make sure to introduce yourself to
15 Grayson. I also have Mary-Alizabeth Beaulieu so she's been on the team for a
16 little while, so thank y'all for everything. Thanks for excusing my absence last
17 time.

18 **CHAIRMAN CAMPBELL:** Mr. Francis?

19 **VICE CHAIRMAN MIKE FRANCIS:** No.

20 **CHAIRMAN CAMPBELL:** Excuse me. Mr. Lewis.

21 **COMMISSIONER DAVANTE LEWIS:** Thank you. Thank you, Mr. Chairman.
22 And I'd like to introduce a special guest that I have with me today. I have my
23 mother who is here on the holiday break. Lifelong Louisianan from Lake Charles.

1 Mr. Chairman, a teacher for over 25 years and still in the classroom. So she decided
2 to come watch me today, so I'll try to be on my best behavior, Mr. Chairman. But
3 one other note on a different topic, I know we've recently had a lot of conversations
4 about vegetation. We had a conversation with SWEPCO, unpacking the summer
5 storms, and I think one area that we've all agreed on is the critical role of vegetation
6 management in ensuring reliability of our electric grid. I want to talk about recently
7 I learned about a great new resource and experts on this very topic that happens to
8 be right here in my district at Tulane. Last year their Energy Law and
9 Environmental Law program collaboratively launched a new Utility Vegetation
10 Management Initiative. It's the only program of its kind in the country and to quote
11 them, it aims to be the world's premier center for understanding, development, and
12 improvement of law, policy, and practice of utility vegetation management in order
13 to promote the creation of safe, environmental, sound co-existence among people,
14 infrastructure, and our natural environment. This hub is an amazing resource that
15 highlights relevant to our work in the interest of the people. So I thought it would
16 be a great opportunity if we could learn more from them and start a working
17 relationship. The director of the initiative, Professor Lawrence Kahn, has
18 graciously offered to come to an upcoming B&E and present this program to us.
19 So my staff will work with Secretary Frey to hopefully set a date for a presentation
20 for some probing questions on the Commission work so we can understand utility
21 vegetation. Thank you, Mr. Chairman.

22 **VICE CHAIRMAN FRANCIS:** Mr. Chairman.

23 **CHAIRMAN CAMPBELL:** Yes, sir, go ahead.

1 **VICE CHAIRMAN FRANCIS:** Southwest Louisiana, we've gotten a new
2 vegetation control over there, it's called drought. Things aren't growing because
3 we're about to dry up and blow away, so just don't pray too much. When the rain
4 starts, we'll probably have a dang flood, you know. Okay. Thank you.

5 **EXECUTIVE SECRETARY BRANDON FREY:** We've got a few Staff
6 announcements. Kathryn first.

7 **MS. KATHRYN BOWMAN:** Yeah. So just a reminder, Chairman Campbell
8 already mentioned it. The December B&E is going to be in Natchitoches. It is on
9 December 13th and it's going to be at the Natchitoches City Council which is just
10 down the road from the event center where it normally is being held. And then also
11 a reminder, the public utility law section of the bar is having its annual CLE on
12 December 1st at the City Club. And if you are a current member, you should have
13 received an email with an agenda and registration information. Online registration
14 ends on Friday, November 24th. If you did not receive an email and would like to
15 attend, please contact Carrie Tournillon for details. We also, I think, at the request
16 of the Chair, we're going to move part of Exhibit 15 up to the front of the agenda,
17 the discussion on the carbon capture project.

18 **CHAIRMAN CAMPBELL:** Right.

19 **SECRETARY FREY:** One other announcement just for everyone out there, we
20 are -- we get these notices from GOHSEP. There is an enhanced chance of severe
21 weather today so just keep that in your travel plans. Central Louisiana seems to be
22 the bull's-eye. Nothing yet, but we'll keep y'all posted if we hear anything.

1 **CHAIRMAN CAMPBELL:** We ready? Listen, I'm glad to -- we have some
2 people coming here to visit about this carbon capture. I have a lot of questions. I
3 made up some questions, and we're going to go through them. But when I heard
4 about this project, I was concerned. The federal government's put up \$600 million,
5 which is a lot of money, and it's going in Cameron Parish and a project to capture
6 carbon out of the air. First, let me say just for the record, I have been for global
7 warming or climate change way before anybody has been. I've been laughed at.
8 People said I was crazy. We didn't have any problems and now we do -- no, we do
9 have problems, and now a lot of people are trying to do something about it. Cleco
10 had us up there about, I don't know, six months ago, and they're looking at a project
11 where the federal government, if I remember, is putting up 9 million, the company
12 is putting up 1 million and maybe the state's putting up 1 million. This is \$600
13 million to clean up the air. This lady lives in Lake Charles. She knows all about
14 bad air in Lake Charles, Louisiana. And we want to do everything we can to get
15 everybody where they can breathe and feel good about it. So I asked some
16 questions I'd like to know. First of all, let me tell you how I got to thinking about
17 this. I found out the federal government is going to be spending \$600 million and
18 the location, one of them, is on the Stream family's property. And then they're
19 going to do about 600 million in Texas and they said Kingsville, Texas. You all
20 know where Kingsville, Texas is. And what's at Kingsville, Texas? The King
21 Ranch is going to do one in Texas. It's a million-acre ranch, the biggest ranch in
22 America, the King Ranch. And they're going to have one of these projects too. I
23 don't believe in coincidence. I don't think there's any such thing as a political

1 coincidence. I don't believe in it. I've been in politics longer than these fellows
2 are old. Things happen for a reason. Hopefully this is the right reason, and I've
3 been assured it is. But this affects the Public Service Commission many ways. And
4 I think that the Public Service Commission ought to look into it and find out exactly
5 how it affects us and how it affects ratepayers. I was also a little concerned where
6 Governor Landry has appointed Mr. Stream the chairman of this committee that's
7 going to appoint the Department of -- DNR. He will appoint the chairman or the
8 secretary in Conservation, who will give out the permits. And that's a conflict. It
9 bothers me some -- bothers me a whole lot. But I'm not accusing anybody of
10 anything. I'm just here seeking information. I think it's very important that we
11 know exactly what's going on, how it affects us, how it affects the Public Service
12 Commission, how this money's going to be spent. I was wondering, and which I
13 think maybe I now know the answer, if all these millions and millions of dollars are
14 going to these families in both states who are already wealthy, but there's more
15 millions going to them. If it was such a good idea, why didn't the federal
16 government get the property and save the -- and pay the taxpayers back, you know?
17 Now, you -- oh, you can't expropriate property. Well, we expropriated property in
18 the same parish, Calcasieu -- I mean in Cameron. There's called the Strategic Oil
19 Reserve over there where we store oil. It belongs to the United States. It doesn't
20 belong to a person. So I'm just wondering with all this money going around, does
21 the taxpayer ever get any of his money back, the 600 million? That's a lots and lots
22 of money. Or does it -- they don't want to partner. They want a big landowner
23 where they don't have anybody complaining. I can understand that. Maybe they

1 just want to go and build this thing, they don't want a bunch of landowners
2 involved. They want one huge landowner that owns 80,000 acres and one huge
3 landowner in Texas that owns a million acres and then they just deal with those
4 people. Well, then we need to see about how they're dealing with those folks and
5 how does that affect the people who turn on the lights each and every day. And I
6 know I've talked to our Staff, there are some direct correlations here. No question.
7 And we ought to be looking at this. So I have some questions that I have put
8 together with some help of some qualified people that know this subject. I did not
9 put these questions together because I don't know about this, and guess what, not
10 many people know about this science and this secret station. But I got the best help
11 I could get. I think they know about it. They read the law, and so we put some
12 questions together, and Mr. Frey is going to read out the questions. If any of you
13 guys -- here's our desk up here. If anybody want -- I'd like for you to try to answer
14 them. We have about 12 questions. I hope you can bear with us. This is real
15 important. Like I say, it's \$600 million. I want to know exactly where the money
16 goes and I want to know who's putting carbon dioxide in this container or in the
17 ground. I understand Entergy is going to be putting it in the ground, using some of
18 it. I understand that. Maybe that's not true, but I'd like to know. And what do
19 they pay and what does everybody pay and how many tons is it and how much per
20 ton do they charge? This is just all something that ought to be out in the open.
21 Now, they'll say well, we've had meetings and all this and that and the other, but
22 nobody's come to the Public Service Commission and talked to us about this. I

1 don't think so. So we really ought to need to go, so Mr. Frey if you would start with
2 the questions.

3 **SECRETARY FREY:** Sure. And before I do that, Ms. Bowman is going to read
4 in the in re on the agenda item and then I'll go into the questions, so.

5 **CHAIRMAN CAMPBELL:** And if would you like to -- we'd like you to answer
6 these questions.

7 **COMMISSIONER GREENE:** What number is it?

8 **MS. BOWMAN:** It's Exhibit 15, under Discussions. It's the update on the Project
9 Cypress Direct Air Capture Hub located in Southwest Louisiana, and it was Exhibit
10 11 last month. We do have two gentlemen who signed the cards to speak. If you'd
11 like to come up to the table, Mr. Shawn Bennett and Mr. Ryan -- I can't -- Furzy.
12 Sorry. I couldn't read the --

13 **MR. RYAN FURBY:** Furby.

14 **MS. BOWMAN:** Furby.

15 **CHAIRMAN CAMPBELL:** Thank you for coming.

16 **MS. BOWMAN:** And just press the button on the microphone. When the light's
17 green, it's on. And please just introduce yourselves for the record.

18 **MR. SHAWN BENNETT:** Hi, I'm Shawn Bennett. I am the energy and resilience
19 division manager for Battelle.

20 **CHAIRMAN CAMPBELL:** For who?

21 **MR. BENNETT:** Battelle. Battelle is a --

22 **CHAIRMAN CAMPBELL:** Oh, Battelle. Big deal. Yeah, I got it. Big company.
23 I got you.

1 **MR. FURBY:** My name is Ryan Furby. I'm with Gulf Coast Sequestration, and
2 if I'd have known that when I was filling out that little card it would be read out
3 loud, my handwriting would have been a little better. So I apologize. It's F-U-R-
4 B-Y.

5 **CHAIRMAN CAMPBELL:** Okay. Thank you. Go ahead, Brandon.

6 **SECRETARY FREY:** Okay. Good morning, gentlemen. As the Chairman said,
7 I've got some questions I'm going to read out on his behalf. And we'll stop after
8 each question and let y'all answer them -- go, so. Okay. First question: How were
9 Mr. Stream in Louisiana and the King Ranch owners in Texas selected to receive
10 these direct air capture projects and the subsidies that go along with them?

11 **MR. BENNETT:** Chairman Campbell, Members of the Commission, the way that
12 the process works, Battelle, who is the prime applicant, we're a nonprofit who do a
13 lot of research and development for the Department of Energy as well as really a
14 lot of other clients. We have been working with Climeworks, who is our partner;
15 they are a large direct air capture technology provider out of Switzerland, and they
16 have a facility in Iceland. As well as Heirloom, which is a startup out of California.
17 They actually have the first direct air capture -- commercial direct air capture
18 facility in California. We came together here, oh, gosh, I mean, really right after
19 the Bipartisan Infrastructure law was passed in anticipation of the language that
20 was put into the legislation, which was for the creation of four direct air capture
21 demonstration facilities across the United States. Recognizing the size of this
22 opportunity and the intents of Congress and knowing that was coming to the DOE,
23 we started working on an application in anticipation of the FOA and that required

1 us to really tour the United States looking at a lot of different areas that could be
2 good partners for our facility. Once the application came out, the Funding
3 Opportunity Announcement is what it's called, came out, two of the requirements
4 were that you had to have a -- essentially a preliminary site selected and you also
5 had to have a Class VI well vendor that you could partner with. Class VI well
6 application is for the permanent sequestration of CO2. As that being a requirement
7 of the FOA, meaning we would not be able to get the government funding without
8 having a vendor or a partner with those requirements.

9 **CHAIRMAN CAMPBELL:** And you have that now? On this property, you have
10 the Class VI?

11 **MR. BENNETT:** Chairman, the requirement was that it had to be in the process
12 and in front of the EPA for review. So that actually brought down kind of the
13 selection of those sites down significantly because you had to find a partner vendor
14 who would actually have one already in place, meaning it wasn't for the direct air
15 capture facility, it was already commercial application prior to the facility. And
16 more, kind of, high graded kind of the potential partners, we ultimately located
17 Gray Stream GCS [INAUDIBLE] and through those conversations of that, looking
18 at the climate, meaning the temperature and so forth, which is beneficial for the
19 technologies as well as the -- where their application was in the process of EPA, we
20 ultimately chose that to be the partner and the location we wanted to be. So we
21 really looked all throughout. We also looked in Texas, you know, in New Mexico,
22 Colorado, Wyoming, Illinois and so forth. So we did a nationwide search and we
23 landed here and we're very happy, too, as well.

1 **CHAIRMAN CAMPBELL:** This is the one in Cameron Parish you're talking
2 about.

3 **MR. BENNETT:** Calcasieu, yes, correct, sir.

4 **CHAIRMAN CAMPBELL:** You understand I'm not accusing anybody of
5 anything, but it is funny -- I mean, not funny, but I don't even want [INAUDIBLE]
6 I just -- it troubled me a little bit to find out the wealthiest guy in Louisiana and the
7 wealthiest guy in Texas just happened to have a place that this government was
8 going to spend millions and millions of dollars and pay you to sequester CO2.
9 That's why I'm asking and you answered the question. I hear what you're saying.
10 How many applicants were there? Do you know?

11 **MR. BENNETT:** Total applicants that would be as far along in the process -- so
12 there were three kind of technical areas of interest. So the third one would be the
13 most mature, meaning ones that could be deployed immediately. That's very few
14 because there's not a lot of companies and not a lot of areas that --

15 **CHAIRMAN CAMPBELL:** So the King Ranch already had the permit and so
16 did the Stream family, they had the permit?

17 **MR. BENNETT:** They already had projects in the queue for the EPA permit prior
18 to the application funding becoming public, yes.

19 **CHAIRMAN CAMPBELL:** Okay. You got any other questions?

20 **SECRETARY FREY:** Yeah, I have one follow up. And Mr. Bennett, are y'all
21 involved in another project or just the one in Louisiana?

22 **MR. BENNETT:** We are only interested -- involved in the one --

1 **SECRETARY FREY:** Okay. Okay. Just wanted to clarify that, okay. And I
2 know the Chairman kind of mentioned this question earlier. Second: If these
3 carbon capture projects are in the public interest, why are they not located on public
4 lands?

5 **MR. BENNETT:** So I used to work for the Department of Energy, so we --

6 **CHAIRMAN CAMPBELL:** Well, let me say this, too. We have some in
7 Pontchartrain. They are putting a carbon capture project in -- on state land. We
8 have some of that going on in Louisiana. Now, I'm just wondering, you know, the
9 600 million if we have state land available, looks like that -- taxpayers would be
10 getting some of their money back or we would pay the state. So just go ahead,
11 answer that.

12 **MR. BENNETT:** Chairman Campbell, Members of the Commission, when the --
13 so there's two parts to that question. One, you're talking about almost kind of like
14 a federal reserve, like Strategic Petroleum Reserve. You know that is an actual
15 function of the federal government as allocated by Congress.

16 **CHAIRMAN CAMPBELL:** Well this is, too, isn't it?

17 **MR. BENNETT:** This is a funding opportunity meaning they want public/private
18 partnership, you know, going into a cooperative agreement.

19 **CHAIRMAN CAMPBELL:** But it is by the federal government?

20 **MR. BENNETT:** It is -- excuse me, sir?

21 **CHAIRMAN CAMPBELL:** By an act of the Congress.

22 **MR. BENNETT:** By the act of Congress, yes, correct.

23 **CHAIRMAN CAMPBELL:** Which would be the federal government.

1 **MR. BENNETT:** Would be the federal government. The act of Congress was for
2 the federal government to own and operate the SPR. The language within the
3 Bipartisan Infrastructure law was to create public/private partnerships to where they
4 could ultimately --

5 **CHAIRMAN CAMPBELL:** Okay. I got it. Thank you. Go ahead.

6 **MR. BENNETT:** So we located the landowner -- potential landowner. We are
7 still in final negotiations. We are actually negotiating with several landowners in
8 that area of trying to find the best terms and applications of where we want to site
9 that project. So when we were locating and working through the application, we
10 started having those conversations with Gray Stream as that kind of primary
11 location in the application itself, it only had to be primary site location. So we're
12 still working through those negotiations with GCS and with the Stream family on
13 location and where we're going to store those molecules --

14 **CHAIRMAN CAMPBELL:** GCS, tell everybody what GCS --

15 **MR. BENNETT:** Oh, that's Gulf Coast Sequestration. My apologies.

16 **CHAIRMAN CAMPBELL:** That the family owns, right?

17 **MR. BENNETT:** Uh-huh.

18 **CHAIRMAN CAMPBELL:** They own the property.

19 **MR. BENNETT:** They are one of several, I believe.

20 **CHAIRMAN CAMPBELL:** Okay. They own the property. You're going to put
21 the facility on this property, correct?

22 **MR. BENNETT:** That is still subject to negotiations. We have not signed any
23 contract on that yet, sir. So we are also looking at other opportunities. The funding

1 itself provided by the federal government, you know, if you think about it, it's really
2 to incentivize or create a jumping off point for a direct air capture economy in the
3 United States. The European's Union have really been leading the charge in that,
4 Iceland being the first commercial operation. The Bipartisan Infrastructure law,
5 really through that act of Congress, Congress wanted to bring those kind of clean
6 technologies back to the United States. They appropriated money for these projects
7 and then put them out for competitive bid. And then ultimately as the applicants
8 itself, we looked at and tried to address preliminary site characterizations and
9 locations that would be suitable for this project, as well as also finding a partner
10 who had a current application in front of the US EPA for Class IV --

11 **CHAIRMAN CAMPBELL:** And has a Class VI permit?

12 **MR. BENNETT:** A current -- yes, in the queue.

13 **CHAIRMAN CAMPBELL:** Okay. Brandon, go ahead.

14 **SECRETARY FREY:** Sorry. All right. So these next series of questions are
15 really kind of start drilling into the Commission's role in all this. Do we know how
16 many megawatts it will take to supply the plant or -- and I don't know if we're using
17 the right term there, but the facility, the infrastructure and the storage facility? And
18 when you get that, we'll put that in context on what sizable load that is compared
19 to what we're used to seeing.

20 **MR. BENNETT:** Chairman Campbell, Members of the Commission, we're still
21 negotiating the final size. Our ultimate goal is to reach one million tons capacity.
22 We are currently in -- it's called stage -- stages in the negotiation --

23 **CHAIRMAN CAMPBELL:** That's per year, one million tons?

1 **MR. BENNETT:** One million tons per annum of permanent storage carbon,
2 correct, sir.

3 **CHAIRMAN CAMPBELL:** Could I ask you just one question? Maybe it might
4 help. How much do you pay per ton? What's the price per ton if somebody injects
5 in your well? You want a million tons a year, how much do you get paid per ton?

6 **MR. BENNETT:** Chairman Foster, Members of the Commission, we do not do
7 carbon sequestration, that would be a question for Ryan Furby who represents GCS.

8 **CHAIRMAN CAMPBELL:** Well, that would be a good question to start off with.
9 How much per ton do you charge?

10 **MR. FURBY:** Well, unfortunately I'm not able to give you the details of what we
11 could charge because -- there are two reasons. One is that we're a private company
12 and those conversations are still in negotiation, and second is that they are contained
13 by confidentiality agreements.

14 **CHAIRMAN CAMPBELL:** Well, could I give you a range, would you say
15 anything? I've heard \$6. I've heard \$10. I've heard \$20. Are we getting close?
16 Is \$6 to \$10 probably be right?

17 **MR. FURBY:** Well, I'm not in a position to respond to those amounts, right?

18 **CHAIRMAN CAMPBELL:** Right.

19 **MR. FURBY:** We're still competitive in negotiation. There are, you know, some
20 public negotiations where some of those details might be public, but I'm not in a
21 position to reveal those at this point.

22 **CHAIRMAN CAMPBELL:** Well, just say it was \$10. I'm just saying; I don't
23 know. I'm not trying to put words in your mouth, but just say it's \$10, that would

1 be 10 million a year to pump this carbon down in the cavern or wherever we're
2 putting it. That's a lot of money, but you're doing a lot of good getting it out of the
3 air. That's your side, you're taking this carbon, CO2, taking it out of the air, putting
4 it in the ground. And you're getting paid a fee for that and we're going to get to it.
5 Brandon, we going to -- how long do you pay this fee? Do you pay it every year?
6 But that's coming. Go ahead, Brandon.

7 **SECRETARY FREY:** Sure. Yeah, so on that one, on the -- do we have an answer
8 on the amount of power it will take to run the facility?

9 **MR. BENNETT:** On the amount of power that's used from the facility, we are
10 going in phases. So starting off -- it's stage gate. Let me back this up one second,
11 Chairman, Members of the Commission. When you think about how this process
12 will work, with it being a demonstration facility, the DOE feels comfortable with
13 funding it in phases, meaning you have to reach certain milestones and metrics
14 before you can move on. So early on, it will not require that much electricity
15 coming on because it's going to be a very small component, I think about, you
16 know, 125 or those numbers or less. Now, as far as the megawatts that are going
17 to be needed, there are current studies going on with Entergy or a substation, so
18 looking at those power and requirements that will be needed, so we will have more
19 for that once that study is completed. As far as the energy itself, we are
20 competitively bidding renewable energy to be powering this facility. So we are
21 going to do an open competitive bid on getting a renewable resource energy
22 provider that will ultimately feed into the grid where Entergy will be operating
23 potentially a substation after that substation review moves forward.

1 **CHAIRMAN CAMPBELL:** Mr. Frey.

2 **SECRETARY FREY:** Okay. And this -- you kind of answered some of the next
3 few questions, but we might actually expand on them. The next one is: You intend
4 to use 100 percent renewable power, which I think you just said. Does that also
5 apply to construction power or is that just for the permanent power?

6 **MR. BENNETT:** Chairman, Members of the Commission, the renewable power,
7 I guess I would say if you're using -- if you're using diesel engines, obviously that
8 would require, you know -- or large-scale trucks that would require them not to be
9 electric. However, the operations facility, I can get back to you on those answers,
10 but I believe, you know, again those power purchase agreements would be in place
11 during the longevity of the project itself.

12 **CHAIRMAN CAMPBELL:** And if you would like to get back on some of these,
13 we'd be glad to take your answer. We're just seeking information here.

14 **MR. BENNETT:** Okay. Yeah.

15 **CHAIRMAN CAMPBELL:** It's complicated.

16 **VICE CHAIRMAN FRANCIS:** Can I ask you, also, did you know these
17 questions before you came here today?

18 **MR. BENNETT:** Commissioner Francis, Chairman Campbell, I had a list of six
19 questions that I did provide the answers to. I believe that the Executive Director
20 read into the minutes here, I believe, in the September meeting. We had them
21 prepared for the October meeting. I have those. These are churning into some
22 newer questions that I was -- we did not have answers for.

23 **VICE CHAIRMAN FRANCIS:** Okay.

1 **MR. BENNETT:** But there are -- they are very similar in nature. There are some
2 repetitions.

3 **VICE CHAIRMAN FRANCIS:** Okay.

4 **CHAIRMAN CAMPBELL:** Well, to answer your question, Mr. Francis, no, I did
5 not send them the questions. I don't think that's my job to send the questions to the
6 people before I ask them. That's like in a courtroom, the lawyer doesn't give the
7 questions to the person he's asking the questions to. I've got these questions
8 because I want to know about it. I got some smart people who know this subject,
9 who studied it, to write the questions down, and that's why I'm asking Mr. Frey to
10 read them out and then we'll find out about it. But I'm going to give you a copy of
11 them, and if there's one of them that's troublesome, we've told you that you can
12 copy it down and then give us the answer. So I don't know how much fairer I could
13 be to be honest with you. Go ahead, Brandon.

14 **SECRETARY FREY:** Sure. And again, I think, Mr. Bennett, you answered this
15 one, so I might just ask you to clarify some of it. But your first question was do
16 you plan to build your own generation, which I'm assuming is no to that one. And
17 this is one where I heard your answer and I was a little confused by it. But if you
18 plan to purchase from a utility and if so, who serves your location? So I know you
19 were talking about Entergy building substations, so Entergy would likely be the
20 provider nearest to your facility, but can you go into more detail about how you
21 plan to purchase this renewable power?

22 **MR. BENNETT:** Yes. Chairman Campbell, Members of the Commission, so
23 when you think about the utility itself, the local utility would be Entergy, so they

1 would be the most appropriate to build the substation that would be powering the
2 facility. We are opening it up for competitive bid, that's why I don't necessarily
3 have the price per megawatt hour down yet because we are in negotiations for that
4 with an open bid. We would be requiring that company then to build out additional,
5 so additionality of renewable resources, so not taking the stress on the grid of
6 current renewable resources that are already in place here in Louisiana, but building
7 out additional for the operations of the plant. So we'd be adding additional capacity
8 of renewable energy to the grid. We want a renewable provider to focus on what
9 they do best and then we can focus on what we do best. So we want to keep that
10 separate and not getting into the renewable energy market. And Chairman
11 Campbell, I just want to address, we know that there were six questions or nine
12 questions that were in the record here in September. I just want to make sure that
13 we did address those for you. We sent them to the Commission, so we have already
14 addressed those as well. So I just want to make that you didn't miss that, too.

15 **CHAIRMAN CAMPBELL:** Yeah. Well, thank you, sir. Mr. Lewis.

16 **COMMISSIONER LEWIS:** Quick question on -- am I correct that the substation
17 would be private in this?

18 **MR. BENNETT:** Yeah, Commissioner Lewis, that would -- that'd be correct.
19 Yes.

20 **COMMISSIONER LEWIS:** And so I guess I'm curious what would your
21 transmission needs be? I just want to ensure that ratepayers aren't subsidizing your
22 project without seeing any of the benefits in the electric service. So what are you
23 thinking about transmission build out?

1 **MR. BENNETT:** I don't have the exact answer -- exactly what do you mean by
2 that, Commissioner? Sorry. We would be -- we're going through the
3 Commission's study. We'll be fully funding that substation itself. I can get you
4 further clarification on that. I don't have all the nuts and bolts of those agreements.

5 **COMMISSIONER LEWIS:** No problem. Thank you.

6 **SECRETARY FREY:** And I'm guessing, too, that one would depend a lot of the
7 size of the load necessary as well, so.

8 **CHAIRMAN CAMPBELL:** Mr. Francis.

9 **VICE CHAIRMAN FRANCIS:** Where is the location? I hear Cameron Parish
10 and I hear Calcasieu Parish. What parish?

11 **MR. BENNETT:** Commissioner Francis, Chairman Campbell, it would be
12 Calcasieu Parish. It's out by Vinton, so [INAUDIBLE] --

13 **CHAIRMAN CAMPBELL:** Cameron Parish, isn't it?

14 **MR. BENNETT:** No, Calcasieu Parish, sir.

15 **VICE CHAIRMAN FRANCIS:** Calcasieu would be serviced by Entergy.

16 **MR. BENNETT:** Yes.

17 **VICE CHAIRMAN FRANCIS:** Okay. All right. But you would build the
18 substation, not Entergy?

19 **MR. BENNETT:** No. Entergy would be building -- I'm sorry. We would be
20 funding -- we would be providing the funds for building the substation since it
21 would be specific to our site itself. Entergy would be the one who would be, you
22 know, constructing the facility on our behalf. Meaning, they'd be constructing it
23 to supply power to the facility.

1 **VICE CHAIRMAN FRANCIS:** Let me ask Chairman Frey -- Secretary Frey,
2 normally when you have an industry that needs power and Entergy would build the
3 substation, would the Entergy ratepayers pay for the substation or would the
4 corporation pay for the substation?

5 **SECRETARY FREY:** It could be either way.

6 **VICE CHAIRMAN FRANCIS:** It could be either way, right?

7 **SECRETARY FREY:** I mean, I think we've seen it both ways, yes. Yes. The
8 substation could be -- and I'm looking at Entergy, if I say something incorrect on
9 that, but if it's dependent on where the location is on the facility, whether the
10 substation's actually going to be owned by the industrial or commercial customer
11 or whether it's owned by Entergy, I think would depend on who actually pays the
12 price for it.

13 **VICE CHAIRMAN FRANCIS:** Normally, if I build a location, corporate
14 location in Louisiana, I normally wouldn't pay for the substation, would I? It would
15 be in my rates to -- but you're saying it could go either way.

16 **SECRETARY FREY:** It could be both ways. You could have maybe a portion
17 of it, you know, we've got even on the residential side, you've got line extension
18 policies for the utilities where you have in a typical scenario, you're not paying for
19 the infrastructure to serve you, but if it's over a certain distance or over a certain
20 cost, you would be responsible for that. So it's likely going to be a hybrid scenario
21 but in this one --

22 **VICE CHAIRMAN FRANCIS:** Okay. Well, that's good. That's all. Yeah.

23 **CHAIRMAN CAMPBELL:** Go ahead.

1 **SECRETARY FREY:** All right. Are there multiple entities who will consume
2 the power at the site from the substation? So in other words, Gulf Coast
3 Sequestration is the land owner where the project will be located. Will GCS lease
4 the property to another entity for construction or operation of the direct air capture
5 facility, or will GCS own and operate the carbon storage facility? Actually, that's
6 two questions, I think. The carbon storage facility and the direct air capture facility,
7 who's going to own and operate those, respectively?

8 **MR. BENNETT:** Yes, Chairman Campbell, Members of the Commission,
9 Battelle -- Project Cypress is a collection of three companies. Battelle, who is a --

10 **CHAIRMAN CAMPBELL:** Why don't you explain that exactly.

11 **MR. BENNETT:** Okay.

12 **CHAIRMAN CAMPBELL:** Because you're -- we don't all know that. Just tell
13 us who those companies are and how they play -- and then you answer the question.

14 **MR. BENNETT:** Yes. Project Cypress is Battelle, a large nonprofit who operates
15 -- helps co-manage international labs. Also, works on a number of government
16 projects really for the benefit of mankind. We are the prime applicant. Heirloom
17 is a direct air capture technology provider based out of San Francisco who uses,
18 essentially, crushed limestone to capture CO₂ out of the air. Climeworks is our
19 other partner. They are Swiss based and they have a -- the first large operational
20 direct air capture facility based in Iceland. We are collectively Project Cypress. So
21 Project Cypress then will ultimately lease land from a landowner --

22 **CHAIRMAN CAMPBELL:** Well, we -- come on.

1 **MR. BENNETT:** Well, that's the -- sorry, Chairman, those negotiations are still
2 being worked out.

3 **CHAIRMAN CAMPBELL:** Okay.

4 **MR. BENNETT:** And that is -- it is competitive bidding, so they have to give us
5 the right price for it to work or somebody provide us --

6 **CHAIRMAN CAMPBELL:** I'm on your side. Let's go.

7 **MR. BENNETT:** And so that is who owns and operates a facility. So direct air
8 capture providers of Climeworks and Heirloom will be owning their technology.
9 Collectively, as a site, Project Cypress will be operating the site, leasing it -- most
10 potentially from a landowner itself.

11 **CHAIRMAN CAMPBELL:** And that's when you said you didn't know how
12 much they would pay per ton, that's under negotiation yet. You don't know how
13 much the landowner is going to get paid per ton for sequestering this CO2, that's
14 what you said.

15 **MR. FURBY:** Well, there's two different things. One is the site for the proposed
16 direct air capture hub, which is on the surface, so they would need to lease that land
17 from someone. That would not be GCS.

18 **CHAIRMAN CAMPBELL:** Yeah.

19 **MR. FURBY:** Gulf Coast Sequestration is the hopeful storage partner that
20 provides the sequestration services, which is separate.

21 **CHAIRMAN CAMPBELL:** Right. It's a separate company owned by the family.

22 **MR. FURBY:** Founded by the family.

1 **CHAIRMAN CAMPBELL:** Yeah. So the family's going to sell you the land to
2 Gulf Coast Sequestration and then they're going to receive the carbon -- that
3 company, Gulf Coast Sequestration, is going to receive the carbon.

4 **MR. FURBY:** Well, what happens is our friends at Battelle are negotiating a
5 location for the site, which hasn't been determined.

6 **CHAIRMAN CAMPBELL:** Right.

7 **MR. FURBY:** That's a separate location than the storage, two different situations.
8 So the site, which is under review, is being led by Battelle where they're going to
9 build the facility, and then the storage, again, is through GCS, which will be a
10 different -- we're a potential vendor.

11 **CHAIRMAN CAMPBELL:** Yeah. Two sites. Two sites.

12 **MR. FURBY:** Yeah. One site where they would lease that land for the direct air
13 capture hub and a separate site that GCS would have for the storage.

14 **CHAIRMAN CAMPBELL:** Probably on the same place.

15 **MR. FURBY:** No.

16 **CHAIRMAN CAMPBELL:** It won't be?

17 **MR. FURBY:** No.

18 **CHAIRMAN CAMPBELL:** How far apart will it be?

19 **MR. FURBY:** The proposed sites are within seven miles of each other.

20 **CHAIRMAN CAMPBELL:** And you would -- how would you get the carbon to
21 the burial site?

22 **MR. FURBY:** It would need a pipeline.

23 **CHAIRMAN CAMPBELL:** Pipeline. Okay. All right. Okay. Brandon --

1 **SECRETARY FREY:** I'm glad that the Chairman asked that question because
2 I've seen some of the schematics on how this works so maybe it is -- I know we
3 didn't have this on our list, but explain kind of how it works and the pipeline
4 concept was something I wasn't exactly familiar with. But maybe let's have y'all
5 explain, you know, what kind of facility we're looking at building and how you
6 capture it and then ultimately put it into the ground.

7 **MR. BENNETT:** Chairman Campbell, Members of the Commission. So Project
8 Cypress is a direct air --

9 **MS. BOWMAN:** I'm sorry. I don't think your mic is picking up.

10 **MR. BENNETT:** Sorry.

11 **MS. BOWMAN:** Thank you.

12 **MR. BENNETT:** Chairman Campbell, Members of the Commission, Project
13 Cypress itself is a direct air capture hub. Our only focus is the capturing of CO2
14 from the atmosphere. That is what's being funded by the Department of Energy.
15 They are funding \$600 million to actually -- if fully operational, that's how much
16 they will be funding. Project Cypress itself will fund over 50 percent of private
17 money to make this project and bring it to fruition. That money itself, all that
18 money, will be into the actual capture of -- the capture facility. We have two
19 providers with, not competing, but very complementary technologies. Climeworks
20 uses, essentially, a filter that will be able to, you know, with, you know, kind of a
21 trade sensitive product, would be able to capture the CO2 out of the air while
22 leaving everything else able to move through. So with those contact plates, you'll
23 be able to take that CO2 and then heat it up and then sequester it in the subsurface,

1 put it into a pipeline. Heirloom, itself, will be using crushed limestone, essentially,
2 for lack of a better term. It's a very abundant resource. Limestone itself is a natural
3 sponge of CO2 and so they will do some, again, trade sensitive, proprietary work
4 on that limestone to, essentially, instead of taking years, it can capture the CO2 in
5 a day, heat it up, and then put that CO2 into a pipeline. That pipeline would be
6 going from our facility, which is Project Cypress, to ultimately whoever that storage
7 vendor partner will be. Right now, we are looking at Gray Stream GCS as you said.
8 That is because that was required of identifying a potential partner in the area to get
9 that application through. Since we are in negotiations with DOE and we're in
10 negotiations with GCS, we have opportunity to look at other providers, which I
11 believe is why Mr. Furby was being very sensitive about that price. We are looking
12 for the lowest price and safest way to capture and store it -- and permanently store
13 these CO2 molecules. So the site and the actual vendor relationship of the
14 permanent storage of CO2, they are still in negotiations.

15 **CHAIRMAN CAMPBELL:** You know, I'm not trying to be obstinate, but I just
16 -- I don't -- I've never had big deals. I had little bitty deals. This is a big, big deal
17 with big, big guys all around, from the guy that owns the land to Battelle. Isn't that
18 a huge corporation? It is, isn't it?

19 **MR. BENNETT:** We are a nonprofit based in Columbus, Ohio.

20 **CHAIRMAN CAMPBELL:** Well, anyway, it's known all over the world. But
21 anyway, what I'm trying to say is somebody's loaning somebody some money. It's
22 not all coming from the government, correct?

23 **MR. BENNETT:** That's correct, sir, yes.

1 **CHAIRMAN CAMPBELL:** A bunch of money, right? Three hundred million.
2 You said half comes from the government and y'all are putting up 300 million.
3 Somebody is; is that correct?
4 **MR. BENNETT:** It is a -- it's a cost-share, works with federal agreements to --
5 **CHAIRMAN CAMPBELL:** Right.
6 **MR. BENNETT:** Yes.
7 **CHAIRMAN CAMPBELL:** But the government's not putting it all at 600.
8 **MR. BENNETT:** That is correct. Yes.
9 **CHAIRMAN CAMPBELL:** It's just hard for me to fathom that, but I hear what
10 you're saying. I believe you. What you're saying, this is all negotiating. You don't
11 want to show your hand yet, but it's sort of hard to think somebody could borrow
12 \$300 million and go to a bank and say I need to borrow 300 million without a plan.
13 The bank won't -- how are you going to pay me back? You're going to have to tell
14 them we're going to sequester all this carbon and we're going to get this figure for
15 it and we're going to make some money. Which I understand that you've got to
16 make money or the project wouldn't work, but that's all. I'm just really interested
17 in how much you're going to pay for the CO2. Go ahead, Brandon.
18 **VICE CHAIRMAN FRANCIS:** Mr. Chairman, could I ask a question?
19 **CHAIRMAN CAMPBELL:** Yes, sir.
20 **VICE CHAIRMAN FRANCIS:** Secretary Brandon Frey, this project is in my
21 district, District IV of the PSC. There are a lot of moving parts here, a lot of
22 questions that in past time we've had technical conferences when we have
23 something so big and complicated as this. Would it be in order for me to request a

1 technical conference to whittle down all the details here and all these questions?
2 Instead of --

3 **SECRETARY FREY:** I think some of the questions we have coming down might
4 actually address that. The issues for public comment, and more information, all
5 that.

6 **VICE CHAIRMAN FRANCIS:** Who's coming down?

7 **SECRETARY FREY:** No. I'm thinking some of the questions coming down we
8 might get into that a little bit more --

9 **VICE CHAIRMAN FRANCIS:** Okay. All right.

10 **SECRETARY FREY:** -- and, you know, about the opportunity for public
11 comment, etcetera, so.

12 **VICE CHAIRMAN FRANCIS:** Okay.

13 **SECRETARY FREY:** For sure.

14 **VICE CHAIRMAN FRANCIS:** Thank you.

15 **CHAIRMAN CAMPBELL:** Go ahead.

16 **SECRETARY FREY:** Okay. So this next one, there's kind of a couple of
17 questions in here, but they all get to kind of the same point. And I think we've
18 touched on, but haven't answered is: Will there be a lease for the core carbon
19 storage capacity between Project Cypress and whoever the ultimate storer is,
20 whether it's GCS, someone else? Or will the storer receive revenue due to some
21 other mechanism for providing the storage? And what are the potential terms of
22 such a lease or service agreement? And who ultimately would be paying for the

1 storage? So let me know if you need me to repeat anything. I know I asked like
2 three or four in there, but --

3 **MR. BENNETT:** Chairman Campbell, members of the Commission, I think I can
4 address as much from I would say Project Cypress and GCS would have to address
5 anything regarding, you know, questions specific to them. Project Cypress would
6 lease the land, the molecules themselves. The way that the 45Q tax credit works or
7 anything, the person who captures the CO2 is the one who receives the credit, not
8 the one who sequesters the CO2. The business relationship between the project
9 itself and then ultimately GCS would be essentially a storage fee. I think like, I
10 want to say a tolling fee and that would be the relationship to them as a vendor.
11 That is something that is competitively bid and something working in negotiation
12 and also talking with other companies about as well, currently, so we can't go into
13 what the exact numbers are since it would be competitive bid. But that is where,
14 you know, kind of the process itself would be, Project Cypress receives the money
15 from the credit and it's really just kind of a tolling fee structure for the storage of
16 the CO2 that would go to GCS or any other vendor that we'd be using.

17 **MR. FURBY:** And if I could just add to that, there would be a lease on the land to
18 build the direct air capture site.

19 **CHAIRMAN CAMPBELL:** From whoever owns the land.

20 **MR. FURBY:** Yes, whoever owns the land. Our relationship from GCS would be
21 to have an agreement with those private companies to sequester and store GCS. So
22 they would not lease the land for the storage, they would pay us a fee to store the
23 carbon.

1 **CHAIRMAN CAMPBELL:** Is there a conflict between if a guy owns the land
2 and he owns GCS? And GCS is one of y'all's partners, correct? Is there any kind
3 of conflict you see that GCS is going to put it on his land and he gets a -- who
4 negotiates that deal? Who negotiates the storage fee? I own the land, I own the
5 company that captures carbon too, and partnerships with you. How am I
6 negotiating with myself? How do I know that that's good? You see what -- you
7 understand that, Brandon? I own the land, I'm a partner in the sequestration, how
8 do I negotiate? How's the other two -- how am I -- how are you sure I'm doing a
9 good job negotiating with myself?

10 **MR. BENNETT:** Chairman Campbell --

11 **CHAIRMAN CAMPBELL:** And you say you don't know where it's going. You
12 don't think whoever owns GCS is going to put it on somebody else's land, do you?
13 It might've -- that's not what you're telling me today.

14 **MR. FURBY:** It would not be our decision.

15 **CHAIRMAN CAMPBELL:** Yeah.

16 **MR. FURBY:** It's the decision of Project Cypress and how they choose their
17 vendors, right? So it's their choice on the site, it's their choice for storage.

18 **CHAIRMAN CAMPBELL:** Yeah, okay. Go ahead.

19 **SECRETARY FREY:** Okay. So let me see where I am on here. Will any of the
20 federal funds received be used towards the power supply, either to the construction
21 or generation or acquisition of the electricity, and if so, how much?

22 **MR. BENNETT:** Chairman Campbell, Members of the Commission, we are still
23 negotiating exactly what the scope of the process will be for the use of government

1 fund money. The government funding that we will be receiving can only be for the
2 construction and operation of the project itself and it has to be directly tied to the
3 direct air capture facility only to itself. But we, as far as the scoping, we have not
4 finalized those practices with the Department of Energy yet, but the actual
5 construction of the facility as well as the operations do fall within scope. I don't
6 know the exact scope, where the electricity portion comes in and if that's covered
7 or not at this time.

8 **CHAIRMAN CAMPBELL:** Go ahead.

9 **SECRETARY FREY:** Okay.

10 **CHAIRMAN CAMPBELL:** Which number are you on, Brandon?

11 **SECRETARY FREY:** Number 10, but some of these that we're getting to have
12 already been answered so I'll just confirm that I think we've got the answers when
13 we get to them. Do the storage obligations run in perpetuity and who owns the CO2
14 once it is in storage?

15 **CHAIRMAN CAMPBELL:** That's a good question. I'm not a chemist by any
16 means. Is CO2 in the ground -- is there any worth to it? And let me tell you why I
17 say that. When I was in the Senate one time there was something called petcoke,
18 petroleum coke, and we were told that it wasn't worth a flip. Matter of fact, the
19 Foster Administration had a bill to take the taxes off of petcoke. Saying the oil
20 companies just pile it up, it's in the way, they can't do anything with it. Well,
21 Edwin put a tax on it, said there's some use to it. Foster removed the tax. Well, lo
22 and behold, Cleco just builds a huge, huge plant up on I-49 and guess what they use
23 to power the plant, petroleum coke. And we don't collect any tax from the oil

1 companies and they don't give it away, they sell it to Cleco and now they're making
2 electricity. Now we find out that it's dirty and we got a brand new -- if y'all ever
3 go to Shreveport, you go through Boisser, Louisiana, you're going to see this huge,
4 huge power plant owned by Cleco. We all went up there and we were all clapping
5 and hey, it's wonderful. Come to find out, it's outdated now, but they're using
6 petroleum coke that we don't tax. So that's why I'm asking you these questions.
7 Brandon, repeat the question.

8 **SECRETARY FREY:** So the question --

9 **CHAIRMAN CAMPBELL:** How long -- it's number -- which one are you on?

10 **SECRETARY FREY:** Number 10.

11 **CHAIRMAN CAMPBELL:** Yeah.

12 **SECRETARY FREY:** Do the storage obligations -- CO2 storage obligations run
13 in perpetuity, irrespective of who would own the storage facility and who will own
14 the CO2 once it's in storage?

15 **CHAIRMAN CAMPBELL:** Is there any -- look, I'mma fess. I know less about
16 this than anybody in this whole room. I'mma fess up. Is CO2 worth anything or is
17 it -- I've been through that with the oil companies. Petroleum coke's not worth
18 anything. I've been that route, but I'm going to ask you this: Is CO2 stored -- is
19 there any value to it at all? Do you know of any value?

20 **MR. FURBY:** Not that I'm aware of. There's an abundance of carbon dioxide.
21 The value that we bring to the project is permanent storage.

22 **CHAIRMAN CAMPBELL:** Okay.

23 **MR. FURBY:** Permanent storage of CO2.

1 **CHAIRMAN CAMPBELL:** How long will it last? Forever?

2 **MR. FURBY:** Forever.

3 **CHAIRMAN CAMPBELL:** All right. You charge so much per ton. Do you --

4 is that just one time you charge and you don't ever charge? Or do you charge every

5 year or every five years or every ten? It's hard for me to believe or help me with

6 it. If you tell me, I'm going to believe you. You're putting CO₂ in the ground and

7 you keep packing it in the ground. You charge me one time to put it in the ground,

8 you never charge me again. Is that what you're telling me?

9 **MR. FURBY:** Mr. Bennett would like to answer this question.

10 **MR. BENNETT:** Yes. Chairman Campbell, Members of the Commission, so the

11 permanent sequestration of the CO₂ is forever so I mean, you know, as far as

12 permanence. So the molecules, once they go into the subsurface, into a sandstone,

13 they stay there forever. The reservoir itself, so for a Class VI well, there's only so

14 much bore space within the subsurface that would be able to handle that CO₂. So it's

15 not in perpetuity that they'll be able to sequester forever. They can sequester as

16 long as that reservoir takes in the CO₂. So the agreements that would be in place

17 are for the life of both the facility, right? For us for being a direct air capture

18 facility, also throughout the life of the bore space of the well. Once the bore space

19 -- it's reverse oil and gas, right? Instead of being bore space filled with natural gas

20 and oil, this is empty bore space that then ultimately can be filled with CO₂

21 molecules where they can stay permanently. And as far as the 45Q tax credit that

22 would be associated to that project, the direct air capture providers are the ones who

23 are liable for that molecule and receive that tax credit. So when we say that it is for

1 permanent storage, it has to be for permanent storage or that would invalidate those
2 tax credits that we would receive from the federal government.

3 **CHAIRMAN CAMPBELL:** So you'd fill it up, you fill it up, you certain hadn't
4 got all the CO2 out of the air, you're working on it. So you have to have another
5 storage facility; is that correct? After a while once you fill it up, you don't want to
6 just stop the project. You have to have another cavern to --

7 **MR. BENNETT:** Chairman Campbell, Members of the Commission, yeah. I
8 mean, the facility itself, once you fill up a well, it would be ideal to look for another
9 well. Also, when you think about these facilities, new technology will come in. So
10 what does that new technology also look like?

11 **CHAIRMAN CAMPBELL:** How long do you think it'd take to fill this up? Do
12 you have any idea? 10 years, 20 years, 50 years?

13 **VICE CHAIRMAN FRANCIS:** Hundreds?

14 **CHAIRMAN CAMPBELL:** Hundred years? How long?

15 **MR. BENNETT:** I don't know the exact geology for our vendors, but I would say
16 one of the reasons we chose Louisiana was their really abundance of bore space
17 and the ability to capture large amounts of CO2. I can't put a limit on it, but it is
18 going to be, you know, you're talking several -- many years. I can't say just several,
19 but many years again depending on the location. Once you -- I'm sorry for getting
20 kind of in the weeds here. Once you drill a well and go into operation of a Class
21 VI well, I'm speaking on behalf of GCS, but you have to do pressure monitoring
22 and then the pressure itself and when you see the amount that it can take then you
23 know the actual full capacity of what that well could be.

1 **CHAIRMAN CAMPBELL:** That makes sense. Thank you.

2 **COMMISSIONER LEWIS:** Mr. Chairman, real quick. Can you -- I know you
3 briefly mentioned it, but I just want to make sure we're clear about the 45Q tax
4 credit. So we are eligible to get about another 85 million per year for sequestration
5 in tax credits; is that correct?

6 **MR. BENNETT:** It would be 185 per a ton for direct air capture, yes.

7 **COMMISSIONER LEWIS:** Okay. And so that's basically \$85 per ton?

8 **MR. BENNETT:** \$185 per ton.

9 **COMMISSIONER LEWIS:** 185. Okay.

10 **MR. BENNETT:** Yes.

11 **COMMISSIONER LEWIS:** 185. Thank you.

12 **CHAIRMAN CAMPBELL:** Go ahead, Brandon.

13 **SECRETARY FREY:** Okay. So -- sorry. This a GCS question. Does GCS have
14 similar storage facilities operating elsewhere, and if so, do they operate the same
15 way you believe Project Cypress will work?

16 **MR. FURBY:** Well, at this point we don't have any facilities in operation. We've
17 applied for the Class VI permit, we're going through the process. At that point after
18 you have the permit, then you can complete the drilling and perhaps become
19 operational.

20 **CHAIRMAN CAMPBELL:** And this facility that we're talking about, somebody
21 else wants to put CO2 in the ground, you'll take that too?

22 **MR. FURBY:** Yes.

1 **CHAIRMAN CAMPBELL:** Okay. Now the project the government is helping
2 you with getting all this CO2 out of the air. You with me? Okay. That's one
3 project, but you've got -- you might go to another vendor and they would bring you
4 some CO2 and you put it in the ground. So you've got a multipurpose facility here.
5 You work for the government who put up the money and then you work for people
6 on the side who have a problem.

7 **MR. FURBY:** Well, our relationship would be with Heirloom, and Climeworks,
8 and Battelle.

9 **CHAIRMAN CAMPBELL:** Okay.

10 **MR. FURBY:** So the private companies would pay us and we would accept
11 volume from other private companies.

12 **CHAIRMAN CAMPBELL:** I got it. Well, let me ask you something. Well, since
13 the government started this and they put up half the money, do you charge them
14 less than you would do say Entergy? If Entergy down at Lake Charles has got all
15 these terrible air, whatever, and you want to capture some or they've captured some
16 of it and they're going to bring it to your facility. Will you charge what you're
17 doing the same as Entergy or they're going to get the same -- just say one gets \$10
18 a ton from the government, that's what the government -- are you going to charge
19 Entergy \$10 a ton or are you going to charge them more? Now Entergy had nothing
20 to do with the funding. The government has the funding. Is the government going
21 to get a better deal than Entergy because what's the deal there? How's that work?

22 **MR. FURBY:** Well, again --

1 **CHAIRMAN CAMPBELL:** Or is it just going to be a flat rate for everybody?
2 That doesn't seem right because Entergy didn't put up any money. The government
3 put up 300 million or whatever. Surely you wouldn't be letting Entergy off at the
4 same price that you would do the government because they're just taking bad air
5 and putting it down in the hole which I'm glad you're doing it. I'm just saying if
6 they do it. I don't know if they'll do or not.

7 **MR. FURBY:** Well, again, our relationship is with the private companies. So it'd
8 be with Climeworks and Heirloom and they are private companies and their goal is
9 to make a profit and we would negotiate with them. I can't get into the details of
10 what all of those negotiations would look like, but we negotiate with the private
11 companies. And keep in mind that we started the company in 2018. We've
12 invested a lot of money building it out, hiring the best folks in the industry, and
13 we're proud of what we've been able to do.

14 **CHAIRMAN CAMPBELL:** I understand that. I'm just -- this is just -- I'm a little
15 bitty cow trader, okay? About this big. But if I'm dealing with somebody who put
16 up a bunch of money, I might would give them a little bit better break than
17 somebody who didn't put up any money. That's all I'm saying. So you said they're
18 going to negotiate. Surely they wouldn't charge as much as what the origin of this
19 project was to get it out of the air and put it in the ground. And if Entergy wanted
20 to do that or if another big company wanted to use it, surely the government would
21 have a little benefit or get some kind of discount because they're the one that put
22 up all of the money. Entergy didn't put the money up, United States government
23 put it up, and surely you couldn't be charging Entergy the same thing you charge -

1 - put it in the ground, whatever that charge is. We can't find out what it is. Does
2 that make any sense?

3 **MR. FURBY:** It does make sense. I mean, I think just to clarify it, I don't want
4 to speak for Project Cypress, but those 45Q tax credits are designed to bring this
5 innovative technology to scale. Without that they would not be profitable. If
6 they're not profitable, nobody's profitable. So I don't want to speak on their behalf,
7 but our relationship is with those companies.

8 **CHAIRMAN CAMPBELL:** Mr. Skrmetta.

9 **COMMISSIONER SKRMETTA:** Yeah. Couple of -- and actually for Staff
10 questions as well as questions for you, I guess, Mr. Furby. The company -- and
11 actually it could be for you, sir. Is the company going to just seek regular industrial
12 rates from Entergy to run or are they coming to us for a site-specific rate?

13 **MR. BENNETT:** Commissioner Skrmetta, we've been negotiating a rate through
14 a virtual power purchase agreement with a third-party and then we'd be receiving
15 the -- essentially the electrons from the utility.

16 **COMMISSIONER SKRMETTA:** I'm talking about electricity rate, right?

17 **MR. BENNETT:** Uh-huh.

18 **COMMISSIONER SKRMETTA:** Okay. So who's the third-party?

19 **MR. BENNETT:** That's open for competitive bid and we have not made a
20 decision on who that third-party will be.

21 **COMMISSIONER SKRMETTA:** So are you in the Entergy footprint?

1 **MR. BENNETT:** It'd be Entergy as the utility provider. The electron provider,
2 as far as the virtual power purchase agreement, that is what's open for renewable
3 power itself.

4 **COMMISSIONER SKRMETTA:** Oh, so you're going to be getting renewable
5 power as a balance sheet renewable power, not actual renewable power to run the
6 facility?

7 **MR. BENNETT:** Commissioner, the way that our agreement is worked is to have
8 the facility -- I'm sorry, the group that is dealing out additional capacity of
9 renewable energy, that is a stipulation of the virtual power purchase agreement. So
10 we are not taking renewable power that was already on the grid, it's an additionality
11 clause that would require the additional build out of more renewable power.

12 **COMMISSIONER SKRMETTA:** And I would imagine your facility requires
13 base load power to operate, right?

14 **MR. BENNETT:** It is a large facility, yes, and does require significant amounts
15 of energy.

16 **COMMISSIONER SKRMETTA:** So your renewable power would come from
17 more of a balance sheet renewable power portfolio versus actual renewable power?
18 You're taking your primary power from base load power and then offsetting it with
19 green offset?

20 **MR. BENNETT:** Yes. We are taking the power from the grid from the substation
21 and utilizing the renewable additionality for electrons that would be on the grid.
22 Yes.

23 **COMMISSIONER SKRMETTA:** So it's a --

1 **MR. BENNETT:** Virtual, yes.

2 **COMMISSIONER SKRMETTA:** Right. So it's -- because virtual means
3 something else realistically, but we're talking about balance sheet renewable
4 energy.

5 **MR. BENNETT:** Uh-huh.

6 **COMMISSIONER SKRMETTA:** Right. Okay. The other thing is: Are you
7 aware of the legislature and what Governor Edwards signed on the state's
8 ownership of sequestered CO2 placement after 50 years that just got signed?

9 **MR. BENNETT:** The liability clause, sir?

10 **COMMISSIONER SKRMETTA:** Well, the control of the -- after 50 years of
11 storage, whether it's private land or public land, that the state actually has control
12 of the stored CO2. Are y'all familiar with that?

13 **MR. BENNETT:** Yes, sir. That'd be correct.

14 **COMMISSIONER SKRMETTA:** Okay. Were y'all aware of it, Brandon?

15 **SECRETARY FREY:** I am not. I don't know.

16 **COMMISSIONER SKRMETTA:** Okay. Well, we're looking at it, but y'all
17 might want to look into it, that Governor Edwards signed the bill that provides that
18 the state of Louisiana controls the carbon dioxide capture subsurface facilities after
19 50 years, whether it's private or public. And my understanding, it went through
20 this last session and was signed into law. The other question is: So is it a certainty
21 that everything's going to go into storage or is this CO2 that you're going to capture
22 go in to industrial process, like manufacturing of methanol or other industrial
23 products or is it all going to go into storage?

1 **MR. BENNETT:** Commissioner Skrmetta, I believe that you are talking about the
2 50 years. It's for the liability, the ownership of it, but so that is post-closure of a
3 facility. That would be the liability of the facility owner to have liability of the
4 molecules and then after 50 years it ultimately reverts back to the state. Not the
5 actual ownership, it's not that kind of transaction.

6 **COMMISSIONER SKRMETTA:** Of the subsurface rights issue.

7 **MR. BENNETT:** Yes. And regarding the second question, could you repeat that
8 again?

9 **COMMISSIONER SKRMETTA:** Sure. It's about -- or is it the -- since you are
10 going to be the -- it might be not the question for you. It might be for Mr. Furby or
11 it could be for you. Which is: Is all of the carbon dioxide that you're going to be
12 capturing, is it going to be going into storage or is it going to be some of it sold off
13 for industrial process, whether for manufactured methanol or some other industrial
14 process?

15 **MR. BENNETT:** Commissioner Skrmetta, the Project Cypress, the way our tax
16 credits work out, the way our partners want to capture and sequester it, we want
17 permanent sequestration for those molecules so it will not be used for industrial
18 process.

19 **COMMISSIONER SKRMETTA:** Okay. But when it leaves the capture facility
20 and it gets put into the pipeline, you lose your control over it, right?

21 **MR. BENNETT:** Commissioner Skrmetta, we are actually owning the pipeline
22 from the site to the facility I think under some of those negotiations that we're
23 looking at. So we would not lose title or ownership until the flange of the facility,

1 but with that, the way that the carbon tax credits do work, 45Q, that if it is used for
2 other purposes, you would get a different rate. So you have to track that molecule
3 from cradle to grave. So if it was used for enhanced oil recovery, it would be \$35
4 versus 185 so you see a discrepancy there.

5 **COMMISSIONER SKRMETTA:** Right. So at some point do you lose any
6 interest in the captured CO2 or does -- you maintain some beneficial ownership in
7 it even as it goes into storage?

8 **MR. BENNETT:** Commissioner Skrmetta, when you think about the CO2
9 molecules themselves, as far as monitoring goes and requirements that are put forth
10 by federal governments or even, you know, kind of the credit market -- the private
11 carbon credit market. So if you think about Scope 3 emissions, if you think about
12 the Googles of the world, Microsoft, or even United or Delta Airlines, they are
13 trying to reduce their carbon footprint. Very difficult for some of those sectors.
14 They do look for the private market for some of those credits themselves. So when
15 you think about the liability, not just for the 45Q, but making sure that you are able
16 to track that molecule from cradle to grave for permanent storage is very important
17 to the market.

18 **COMMISSIONER SKRMETTA:** So part of your program will be to capture
19 CO2 out of the atmosphere and offset the disbursement into the atmosphere by other
20 producers such as airlines and other facilities, Google and whatever, so they can
21 take advantage of the tax credits that you helped them offset?

22 **MR. BENNETT:** No, they would -- I'm sorry, Commissioner Skrmetta. They
23 would not benefit from the tax credits. They have liabilities on themselves with

1 their carbon emissions. We are capturing legacy emissions. That is the point of
2 Project Cypress.

3 **COMMISSIONER SKRMETTA:** But they can buy them from you? They can
4 buy the credits from you?

5 **MR. BENNETT:** Not the tax credits. Not the federal tax credits, no. But the
6 molecules that we are sequestering in the subsurface.

7 **COMMISSIONER SKRMETTA:** Uh-huh. So they can wring value from it
8 though?

9 **MR. BENNETT:** They can reduce their carbon footprint by investing in these
10 technologies.

11 **COMMISSIONER SKRMETTA:** Right, okay. And so -- but at some point, does
12 Mr. Furby's end of the equation, y'all are effectively still venture partners in this
13 project together throughout the whole cycle of this, or do you at any point separate
14 in your sort of commonality of venture?

15 **MR. BENNETT:** Commissioner Skrmetta, they would be potentially a vendor.
16 That is a vendor relationship that we'd have with them. As [INAUDIBLE] --

17 **COMMISSIONER SKRMETTA:** So it's really your project then?

18 **MR. BENNETT:** That is correct, sir.

19 **COMMISSIONER SKRMETTA:** Okay, okay, all right. And then Staff can
20 answer this question for me. So to understand sort of the Commission's sort of
21 oversight in this element, we would be looking at this from the Commission's
22 viewpoint. We would have to look at this for the development of a tariff on the

1 pipeline between the facility and the storage facility -- the capture facility and the
2 storage facility for the pipeline, correct?

3 **CHAIRMAN CAMPBELL:** Yeah. I think so, yeah.

4 **SECRETARY FREY:** As of now, I'm going to say no.

5 **COMMISSIONER SKRMETTA:** Okay.

6 **SECRETARY FREY:** And that's because our pipeline jurisdiction is restricted to
7 intrastate -- well, there's two components, but interstate natural gas, sort of the
8 intrastate natural gas pipelines, but then also liquid petroleum. Now I do know --
9 and Commissioner Lewis and I were talking about this because you spoke at a
10 forum and that same question came up. I know the FERC is in discussions
11 potentially about regulating CO2 pipelines and whether that would then transfer
12 some of them, like on the natural gas side, some authority to us. I don't know yet.

13 **COMMISSIONER SKRMETTA:** So we look at ethylene as a petroleum
14 product?

15 **SECRETARY FREY:** Yes, ethylene would be liquid -- I'm looking at Tammy,
16 but ethylene would be -- yes.

17 **COMMISSIONER SKRMETTA:** Tammy's looking back at you not even --

18 **SECRETARY FREY:** Well, Justin's shaking his head yes, so.

19 **COMMISSIONER SKRMETTA:** So Justin's looking too. Justin's all over it.
20 Okay. And so, realistically -- and other than that, it's if the company determined
21 to build its own power resource, that would be --

22 **SECRETARY FREY:** Right. That would definitely be something potentially that
23 we would --

1 **COMMISSIONER SKRMETTA:** And unless they came in and sought a site-
2 specific rate other than the industrial rate.

3 **SECRETARY FREY:** Correct. Right.

4 **COMMISSIONER SKRMETTA:** Okay. All right. Thank you very much.

5 **CHAIRMAN CAMPBELL:** Fourteen.

6 **SECRETARY FREY:** Fourteen. Yeah. Twelve and thirteen were already
7 answered on here, so. And I think we kind of had this answered, but wait, actually
8 --

9 **CHAIRMAN CAMPBELL:** Read it. Fourteen.

10 **SECRETARY FREY:** Fourteen, okay. I understand that you have received or
11 are close to receiving your Class VI well permit from the EPA; is that correct? And
12 what other local, state, or federal permits will be required?

13 **MR. FURBY:** In terms of the Class VI permit, yes, that's correct. We've applied
14 for the Class VI permit with EPA.

15 **CHAIRMAN CAMPBELL:** And are you close to receiving it?

16 **MR. FURBY:** Well, we can't predict how the EPA operates.

17 **CHAIRMAN CAMPBELL:** What my source says that you are, which is good.
18 Which is good. Okay. And if you do, do you anticipate that there will be a DNR,
19 Office of Conservation permits required? Do you think that's going to happen?

20 **MR. FURBY:** I'm not familiar with those permits. I'm not sure if they will be
21 required. All I've been focused on is the Class VI permit.

22 **CHAIRMAN CAMPBELL:** Yeah. Well, it's my understanding that you're going
23 to get the Class VI and I hope you do. And then if that happens, that you'll have to

1 be under the DNR and Office of Conservation to get permits. That goes into -- and
2 I'm not accusing anybody of anything, but that's troubling because of your bosses
3 being the head of this committee that the Governor appointed and he's going to
4 appoint the secretaries and therefore, secretaries who got to say where these permits
5 are going to be located. That's all I've got to say. I'm not saying anymore. That's
6 a conflict that I have, maybe just me. Go ahead, read Number 16.

7 **SECRETARY FREY:** Okay. Number 16 is: What opportunities will the public
8 have to question this project?

9 **CHAIRMAN CAMPBELL:** Go ahead.

10 **MR. BENNETT:** Thank you. Chairman Campbell, Members of the Commission,
11 currently we are in negotiations with the Department of Energy. We had a public
12 meeting just -- was it last week or the week before? In Lake Charles and actually
13 in Sulphur, across the river there. So we invited the community to come out to
14 learn about the project and hear their concerns. We are also implementing a
15 commission that would really be kind of a community engagement commission that
16 would be a council that the community would be a part of. So bringing in
17 stakeholders, whether it's from the general public, education, labor, business
18 community, to all come together to help inform us as Project Cypress, making sure
19 that we can integrate and be a great part of the community moving forward. So
20 taking implementation and information from them and implementing it into the
21 project. But as far as public comment goes, currently, that would be with the
22 negotiations of the Department of Energy.

1 **CHAIRMAN CAMPBELL:** I'm going read Number 18 and 19. I got it from
2 here, okay?

3 **SECRETARY FREY:** All right.

4 **CHAIRMAN CAMPBELL:** And thank you. Thank you, I appreciate it.

5 **SECRETARY FREY:** No problem.

6 **CHAIRMAN CAMPBELL:** And I appreciate this committee because
7 everybody's been civil and nobody's accusatory. They just -- like my old, good
8 friend Senator Rayburn, you never knew. He would say I'm just seeking
9 information. That's all we're doing here. How close is the injection wells to
10 populated communities or sensitive environmental areas? How far to the nearest
11 aquifer that is being used for public drinking water? How close are you? How
12 close are you to an aquifer that they use it for drinking water? Do you know?

13 **MR. FURBY:** Well, from what I understand, this won't impact drinking water at
14 all.

15 **CHAIRMAN CAMPBELL:** I know.

16 **MR. FURBY:** I don't know the distance itself.

17 **CHAIRMAN CAMPBELL:** Well, we need to find that out because a lot of people
18 want to know how does this impact drinking water. And if it doesn't, that's -- we
19 hope it doesn't. I'm on your side. Where's the water coming from? What is the
20 daily estimated water requirement for the project and where is it coming from?

21 **MR. FURBY:** It would be a mixture of ground water and surface water. I believe
22 it's about 100 -- please don't quote me on this. I'll go back to look for better
23 numbers, but roughly around 100 gallons per minute.

1 **CHAIRMAN CAMPBELL:** Well, where is it --

2 **MR. FURBY:** And that'd be the facility -- that would be from surface and ground

3 water both.

4 **CHAIRMAN CAMPBELL:** And you have the water sufficient to do that from -

5 -

6 **MR. FURBY:** Yes, we do. Yes, sir.

7 **CHAIRMAN CAMPBELL:** --wherever in Calcasieu or Cameron parishes they

8 have their water?

9 **MR. FURBY:** Uh-huh.

10 **CHAIRMAN CAMPBELL:** Also, this would interest Mr. Lewis here. I

11 understand the federal government would require that 40 percent of overall benefits

12 are to go to disadvantaged communities. How is that requirement being met? This

13 is a big issue for him and for everybody. It ought to be. A lot of these plants are in

14 communities that don't have a lot of money and they have to breathe all the bad air

15 and all. That's been going on forever and they're trying to -- and I'm glad to see

16 this in the law. Forty percent of the overall benefits are to go to disadvantaged

17 communities. What are y'all doing about that?

18 **MR. BENNETT:** Chairman Campbell, Members of the Commission, you know

19 that's a very important component. And that's really, you know -- I would say

20 historically, before the Bipartisan Infrastructure law, before the Biden

21 Administration's component of the Justice40, a lot of these awards -- always

22 smaller, Bipartisan Infrastructure law created once in a generation opportunity.

23 That's why you see these big numbers kind of popping out at you, but a lot of times

1 these negotiations would be awarded without the public input and a lot of
2 individuals knowing. During this current administration and the current DOE, you
3 know, the Justice40 component is very important in informing and having the
4 community participate throughout the negotiation process. That is why we have
5 been working with the local communities, doing a lot of outreach, and making sure
6 that they know what's going on before the dirt starts getting turned. When people
7 start seeing the dirt being turned and they think the facility's already up, then we
8 can understand, you know, why there may be issues there. And I think that lends
9 into the Justice40 component is that: How do you bring the community along, and
10 participate with and be part of the community? And that really goes through having
11 the benefits flow through to those communities. Instead of coming in and having
12 everything ready, it's about opening your ears and listening and seeing who is the
13 best available community and work force to take advantage of that. As far as
14 Justice40 goes, we don't want to place those facilities in frontline communities, we
15 want to replace them away from frontline communities who have really had the
16 burden of having these facilities located within their communities for generations
17 or centuries as you say. It's removed, but then looking at attracting local work force
18 and vendors who are part of that community and integrating them within the
19 project. And that's how we're trying to meet those Justice40 initiatives as well as
20 for the community engagement council and making sure all voices are heard in
21 these projects themselves.

22 **CHAIRMAN CAMPBELL:** Who's going to do the paying? Your company is
23 three companies that's involved in this and I'm sure you're going to make money

1 and I want you to make money. Surely you guys are going to do the paying. You
2 don't expect the government to do the paying, do you?

3 **MR. BENNETT:** Chairman, paying for what?

4 **CHAIRMAN CAMPBELL:** Paying for this. I understand the federal government
5 will require 40 percent of overall benefits to go toward disadvantaged communities.
6 What do you call benefits? I call benefits money. That's what I want to know. If
7 your companies are going to make money, I'm all for making money, but 40 percent
8 of it is in the federal law has to go to disadvantaged communities. Who's going to
9 do the paying?

10 **MR. BENNETT:** Chairman Campbell, Members of the Commission, Justice40
11 Initiative is larger than one project. It's really a department-wide initiative, so the
12 entire Department of Energy, 40 percent needs to go to that, not just a singular
13 project. We need to make it as close as possible as we can and we want to. That
14 really is about incentivizing local work force. Working with SOWELA, working
15 with McNeese State, you know, developing those programs and having them
16 participate in this opportunity. You know, the great thing about Project Cypress,
17 and even that other project in Texas you mentioned, is that Louisiana will now be
18 at the forefront of a direct air capture technology economy. The first one in the
19 United States really of this size, which means that the opportunities that will come
20 from that potentially will be the manufacturing and seeing how we can have the
21 next mega sized direct air capture facility move forward. So, you know, when you
22 think about this project receiving 600 million and I know projects over there, I mean
23 we're talking about tens of billions of dollars. This is a relatively small plant, but

1 what we're able to hopefully affect and impact is not just the capture and permanent
2 sequestration of those CO2 molecules, but building a brand-new economy and
3 industry to support that technology moving forward.

4 **CHAIRMAN CAMPBELL:** You say it's a relatively small plant. Let me tell you
5 and I'm not trying to be rude. This is Louisiana, we're the poorest state in America.
6 The poorest people, most uneducated folks living right here. Most pollution. When
7 you talk about \$600 million here, that's no little project to us. This is a huge project
8 for us and it's all new science that we know nothing about. I'm just speaking for
9 me and this is what we've heard today. We've heard more today than we had. All
10 we've had is a few lobbyists that are well paid to come by and tell you this is a great
11 thing, blah, blah, blah, these are nice people, this is what we're going to do, we're
12 going to clean up the air, you got any questions? Well, hell no, I don't have any
13 questions. I don't know enough to ask a question. I mean, you know, you come to
14 see me and bring me three nice fellows and tell me this is a great thing and well, I
15 leave. We go eat dinner, it's a great thing. That's basically what happened, but we
16 knew nothing about this. So anyway, when it says that, and I know Mr. Lewis will
17 be -- this is something that I'm sure he'll know about or he'll want to know about.
18 It says right here -- I guess this is in the statute, isn't it? I understand the federal
19 government will require 40 percent of overall benefits are to go to disadvantaged
20 communities. That's in the statute -- in the law -- in the grant, whatever.

21 **MR. BENNETT:** In the grant. It is written into the grant and that is to meet the
22 Justice40 Initiative itself.

1 **CHAIRMAN CAMPBELL:** Well, I'm sure he'll be -- 40 percent of the benefits
2 so you'd call benefits money. You can call it -- I don't know, whatever you want
3 to call it, but he's very aware of environmental concerns for his folks that he
4 represents and I'm glad. So I'm sure he'll be paying close attention to that, but
5 anyway let me just say this --

6 **COMMISSIONER LEWIS:** Chairman, can I respond real quick?

7 **CHAIRMAN CAMPBELL:** Let me just wrap up my part of this, okay? And I
8 know y'all will be glad that I'll shut up. I appreciate you coming today. You were
9 both gentlemen, you're nice. There was some piercing questions that were asked.
10 I'm not accusing anybody of anything, but when I found out that the King Ranch
11 is going to get a facility and they own a million acres of land, the wealthiest people
12 in South Texas. Wow. They're going to get \$500 million from the government
13 and I found out that the Stream family that owns 80 thousand acres of land in
14 Southwest Louisiana is going to be participating in \$600 million. That rang a bell
15 and it should. It should. Not saying they're not all fine. That's not the point. I'm
16 just -- I have a little question when wealthy, wealthy landowners come up with a
17 deal to make them much more wealthy. But they are doing good things for the
18 communities and I'm not saying they're not. But I think it's our job as a
19 Commission to look into all this stuff and make sure that the taxpayers' money is
20 being spent well and that's all I'm doing. I don't know Mr. Stream. I understand
21 he's a nice gentleman. I have been on the King Ranch bird hunting before and I
22 paid dearly to go bird hunting on the King Ranch. It's a hell of an operation. One
23 hundred miles across it. And so when I hear that they're getting 500 million and

1 they make me pay to go bird hunting. They ought to let people go free, but they
2 don't ever do that. But anyway, thank you for coming today. Brandon, thank you.
3 And y'all have done a good job. We all have learned a lot today. I have and I
4 appreciate it. Mr. Lewis.

5 **COMMISSIONER LEWIS:** Yes, sir. Thank you, Mr. Chairman. First, I want
6 to thank you for coming today and also spending quite a bit of time in my office
7 kind of going over this project. I appreciate the invitation you made and I was glad
8 to accept it. Really quickly, I guess to Chairman Campbell's point, are there any
9 more town halls planned? I know the Department of Energy has been doing their
10 Justice40 tour especially in Southwest Louisiana. We were in LaPlace last week.
11 I know they have some subsequent events in Lake Charles, either upcoming or in
12 the hopper, so I just want to make sure you are connected with those events because
13 I think that'd be an appropriate place for especially a bunch of the community
14 around Southwest Louisiana who are interested in this project.

15 **MR. BENNETT:** Yes, Commissioner Lewis. You know, we are working with
16 and have worked with DOE on the meeting here several weeks ago and then know
17 of DOE's meeting here last Thursday, I believe it was. We do plan on having more
18 of those meetings one thing that was clear is that it's a very interested community.
19 They want to hear more about what's going on. We want to make sure that we're
20 explaining better how the technology works and everything that we're doing. So
21 we do plan on having subsequent meetings. I would say we probably want to get
22 through the holidays before we have those, but we've been doing listening sessions

1 and one-off meetings with a lot of the members of the community. But as far as
2 open-houses go, we do plan to have more of those in the future.

3 **COMMISSIONER LEWIS:** Perfect, thank you. And I would just encourage you,
4 in lines with Justice40, when we talk about supplier diversity, looking at those
5 opportunities as we get into the construction and infrastructure phase of this project,
6 that that would be a great place that we could really highlight the Justice40
7 community, as DOE has stated, so. But my office will continue to talk with you
8 and engage with this conversation today and the subsequent meeting we had a few
9 weeks ago in my office, so thank you.

10 **MR. FURBY:** And if I could just respond very briefly to Chairman Campbell's
11 comments. Thank you for the invitation for us to come. I recognize that there were
12 some technical questions that could probably use a better answer. The sequestration
13 is quite complicated so we're glad to answer any of those questions or direct you to
14 some third-parties who can clarify some of the details in carbon sequestration.
15 Thank you.

16 **CHAIRMAN CAMPBELL:** Thank you. Again, thank y'all for your willingness
17 to come. I talked to him yesterday and he knew that we were looking. Nobody got
18 mad, nobody accused anybody, any of that. Said hey, we'd just like to -- like old
19 Senator Rayburn said, we're just seeking information. And I think Brandon learned
20 a lot from this and we know now that we're going to be involved and we want to
21 work with you. But our job basically, what we're all trying to do is make sure that
22 people's bills are as reasonable as possible. Not cheap, reasonable. And the only
23 way we can do is if something comes up like this, we have to know how it's going

1 to affect our ratepayers. Because like I said, we have -- poverty's the worst in
2 Louisiana than it is anywhere in America and utility bills are a big deal, are a huge
3 deal, and we try to keep them down. And that's why I asked all these questions.
4 And I didn't write these questions. Everybody in the audience know that they didn't
5 come from me, but I had some friends who did, who are very qualified, and I
6 appreciate you answering them. Okay.

7 **MR. BENNETT:** And Chairman Campbell, I just wanted to definitely clarify that
8 we will fund the electricity system upgrades at the expense of Project Cypress and
9 we will purchase VPPAs for additional renewable power. So when you talk about,
10 you know, rates and so forth, I just want to let you know that, you know, we're
11 going to be the ones paying for those, we do not want the ratepayers to be on the
12 hook for that.

13 **CHAIRMAN CAMPBELL:** Thank you so much. And we're all -- I'm all for
14 this project. I'm for it. I just want to make sure it works right, that's all. Thank
15 you.

16 **MR. FURBY:** Thank you.

17 **MR. BENNETT:** Thank you, sir.

18 **CHAIRMAN CAMPBELL:** Go ahead.

19 **MS. BOWMAN:** Okay.

20 **SECRETARY FREY:** I did have one announcement I failed to make at the
21 beginning. And I know we emailed this out to most of y'all, but Sarah Rogers, our
22 HR director, had her baby since the last meeting, Elizabeth Jean. And as far as I

1 know, mom and baby are all great, so we're looking forward to her coming back.
2 Wanted to make sure everyone knew that.

3 **MS. BOWMAN:** So moving on to Exhibit Number 2. It's Docket Number T-
4 36678. It's the Commission versus Clark Moving Specialists, regarding an alleged
5 violation of Louisiana Revised Statute 45:161 through 180.1, by engaging in
6 activities related to moving household goods prior to complying with the
7 requirements of Revised Statute 45:164(E) and General Order dated March 16,
8 2021 and for failure to comply with the requirements of General Order dated April
9 3, 2008 as amended. It's a discussion and possible vote on a recommendation of
10 the Administrative Law Judge. Staff conducted an investigation into Clark Moving
11 Specialists in January of 2023 and determined that Clark Moving was not registered
12 with the Commission, but was advertising services as an intrastate household goods
13 mover. Staff mailed a citation to Clark Moving on March 3rd, directing Clark
14 Moving to appear at a hearing, at which Clark Moving did appear and moved jointly
15 with Staff to continue the hearing. At the subsequent hearing, Clark Moving did
16 not appear and present a defense. The recommendation of the ALJ was issued on
17 October 20, 2023. At the hearing, Staff requested that Clark Moving be found
18 guilty of violating Louisiana Revised Statutes by engaging in activities related to
19 moving household goods prior to complying with Revised Statute 45:164(E) and
20 the Commission's 2021 General Order, and be found guilty of violating the 2008
21 Commission General Order, be fined \$2,000, along with the \$25 citation fee. At
22 the hearing, Staff proved that Clark Moving violated the Revised Statutes and the
23 2021 General Order by holding itself out as an intrastate household good moving

1 company without first obtaining Commission authority. Additionally, the
2 advertisements did not list a Commission certificate number in violation of the 2008
3 General Order. Based on the testimony and documents admitted into the evidence
4 at the hearing, the ALJ recommends that the Commission issue an order finding
5 that: 1) Clark Moving be guilty of violating the Louisiana Revised Statute
6 45:164(E)(1) and the Commission's General Order dated March 16, 2021. That
7 Clark Moving be guilty of violating the Commission's General Order dated April
8 3, 2008, as amended. That pursuant to Revised Statute 45:171, General Order dated
9 March 16, 2021, and Commission's General Order August 21, 2008, Clark is fined
10 \$2,000. And pursuant to Commission General Order dated June 7, 2006, Clark is
11 assessed a \$25 citation fee. And that within 60 days of an order in this docket,
12 Clark Moving shall remit the payment of a \$2,000 fine and the \$25 citation fee to
13 the Commission.

14 **CHAIRMAN CAMPBELL:** Is there a motion?

15 **COMMISSIONER GREENE:** Motion to accept Staff recommendation.

16 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Skrmetta, second by me.
17 Okay. I don't want to say Chairman.

18 **COMMISSIONER GREENE:** My name's Greene, but that's okay.

19 **CHAIRMAN CAMPBELL:** I thought it was -- Mr. Greene, I'm sorry. I'll second
20 it.

21 **VICE CHAIRMAN FRANCIS:** Where's this company located?

22 **CHAIRMAN CAMPBELL:** Any objections? [NONE HEARD] No objections.

23 **VICE CHAIRMAN FRANCIS:** Where's this company located?

1 **MS. BOWMAN:** I'm looking at Ms. Burl. It says it's within District II, but I'm
2 not sure where.

3 **MS. TAMMY BURL:** They are located in Lafayette.

4 **VICE CHAIRMAN FRANCIS:** Okay. Commissioner Greene.

5 **CHAIRMAN CAMPBELL:** No objections? [NONE HEARD] Issue's passed.
6 Number 3.

7 **MS. BOWMAN:** Exhibit Number 3 is Docket Number S-36260. It's Entergy
8 Louisiana's application for approval of withdrawal of certain tariffs and
9 modification of others. It's a discussion and possible vote on Staff report and
10 recommendation. On January 21, 2022, Entergy filed an application seeking
11 approval for the withdrawal of 18 rate schedules and riders that are no longer in use
12 by any customers, and the modification of 15 rate schedules and riders. Of the rate
13 schedules and riders that Entergy proposed to modify, 4 were non-lighting related
14 and 11 were lighting related. The proposed modifications fall into three general
15 categories: Language and administrative modifications; updates to rate categories
16 for lighting and pole type; and the closure of a tariff or a rate group to new
17 businesses. On March 28, 2023, Staff filed its report and recommendation into the
18 docket, finding that the proposed modifications be reasonable. Staff recommended
19 additional wording for the lighting tariffs, which would require Entergy to provide
20 written notice to customers under two circumstances. The Commission Staff also
21 recommended that the Commission approve Entergy's request to withdraw 18
22 tariffs identified in Entergy's application, as no customers are being billed pursuant
23 to those rate schedules or riders. On November 8, 2023, Entergy submitted

1 correspondence into the record of this matter noting that it did not object to the
2 findings and recommendations in Staff's report and recommendation. Therefore,
3 Staff recommends that the Commission accept its report and recommendation filed
4 into the record on March 28, 2023.

5 **CHAIRMAN CAMPBELL:** Mr. Lewis.

6 **COMMISSIONER LEWIS:** Yes. Quick questions for Larry or Phil, just about
7 the area lighting tariff. As you can imagine, it's been a hot topic in my district, so
8 I'm just curious about how we're going to, if we discontinue one of the area lights
9 under the tariff, how we're going to engage particularly local government, who
10 have asked significant questions. As you know, we were at East Baton Rouge
11 Parish Metro Council about street lights, so I just wanted to have that conversation
12 a little bit.

13 **MR. LARRY HAND:** Absolutely. Larry Hand on behalf of Entergy Louisiana.
14 I'm joined by Erin Murphy, counsel for Entergy Louisiana. And Commissioner
15 Lewis, I think your question goes to the portion of this regarding discontinuance of
16 serving a particular street light that has experienced multiple outages, as opposed
17 to changing from a sodium vapor fixture to an LED; is that correct?

18 **COMMISSIONER LEWIS:** Correct, yes.

19 **MR. HAND:** So Ms. Murphy, would you address that?

20 **MS. ERIN MURPHY:** Certainly. Commissioner Lewis, but I will say first of all
21 that to my knowledge, that situation has never happened before. We do have the
22 right under the tariffs to do so, but again, to my knowledge, we have never exercised
23 that right, so it is something that we certainly do try to work with our customers on.

1 And in that particular instance, we would do the same thing where we would work
2 with them on an individual as-needed basis.

3 **COMMISSIONER LEWIS:** Perfect. Thank you. That was all.

4 **VICE CHAIRMAN FRANCIS:** Commissioner.

5 **CHAIRMAN CAMPBELL:** Mr. Francis.

6 **VICE CHAIRMAN FRANCIS:** Pendergrass, Marks, y'all have anything to add
7 to your recommendation? Anything new to add to your recommendation?

8 **MR. JUSTIN BELLO:** Commissioner, Justin Bello on behalf of Commission
9 Staff. No, we don't have anything to add. We filed a report back in March, which
10 was agreed to by the company, and it has additional notice requirements that we've
11 all agreed to as well, so we stand by our recommendation.

12 **VICE CHAIRMAN FRANCIS:** Okay. Thank you.

13 **CHAIRMAN CAMPBELL:** Any further questions? If not --

14 **VICE CHAIRMAN FRANCIS:** Make a motion.

15 **CHAIRMAN CAMPBELL:** Mr. Francis makes a motion to approve the Staff
16 recommendation. I second it. Is there any objection? [NONE HEARD] No
17 objection. Next item.

18 **MS. BOWMAN:** Erin, will you just sign the clipboard, please? Thank you.

19 **CHAIRMAN CAMPBELL:** Number 4.

20 **MS. BOWMAN:** Exhibit Number 4 is Docket Number S-36942. It's Atmos
21 Energy Corporation's request for approval of the renewal of the asset management
22 plan for Atmos Energy Corporation's Louisiana Division. It's a discussion and
23 possible vote on a Staff report and recommendation. Atmos submitted a letter to

1 the Commission on July 26, 2023 requesting the Commission approve the
2 renewal for an additional five-year period the Asset Management Plan that was
3 entered into with Trans Louisiana Gas Pipeline and previously approved by the
4 Commission in Order Number S-34879. Notice of the filing was published in
5 the Commission's Official Bulletin without any intervention. After review of
6 Atmos' request and responses to formal discovery, Staff issued its report and
7 recommendation on October 27, 2023. Since 1999, Atmos customers in Louisiana
8 have received significant reduction of gas costs related to the AMP and the 2024
9 AMP will continue to provide these savings. Trans Louisiana Gas will guarantee
10 an annual payment for five years to Atmos, as well as equally shared revenues in
11 excess of a set amount. Atmos' Louisiana Division retains full control and
12 decision-making power over their assets at all times and they do not face any
13 additional costs or adverse risk as a consequence of the 2024 AMP. Based on this,
14 Staff opinion is that the renewing the 2024 AMP is in the best interest of Atmos'
15 customers. Staff recommends that the Commission accept the Staff report and
16 recommendation filed on October 27, 2023.

17 **CHAIRMAN CAMPBELL:** Is there --

18 **COMMISSIONER GREENE:** Motion to accept Staff recommendation.

19 **COMMISSIONER LEWIS:** I'll second.

20 **CHAIRMAN CAMPBELL:** Was that by Mr. Skrmetta? Mr. Greene makes the
21 motion to accept Staff recommendation. Second by Mr. Lewis. Is there any
22 objection? [NONE HEARD] No objection. Next item, Number 6. It's passed;
23 six.

1 **MS. BOWMAN:** Number 5.

2 **CHAIRMAN CAMPBELL:** Is it Number 5? I'm sorry.

3 **MS. BOWMAN:** Exhibit Number 5 is Docket Number S-36945. It's Boomerang
4 Wireless doing business as enTouch Wireless, petition for partial relinquishment of
5 an Eligible Telecommunications Carrier designation for wireless basis. It's a
6 discussion and possible vote on a Staff report and recommendation. On July 28,
7 2023, enTouch filed a petition with the Commission seeking partial relinquishment
8 as an Eligible Telecommunications Carrier pursuant to 47 USC(e)(4) of the
9 Communication's Act, the rules of the FCC, and the rules and regulations of this
10 Commission. Notice of the company's request was published in the Commission's
11 Official Bulletin, with no interventions. Boomerang was designated as a Lifeline-
12 only ETC by Commission Order Number S-32441, and on January 12, 2017, the
13 Commission approved Boomerang's request to extend their designated service
14 areas to include areas serviced by T-Mobile and AT&T Mobility. In February of
15 2022, the corporate ownership of Boomerang officially changed, and as a result,
16 Boomerang no longer utilizes the Verizon and AT&T networks as underlined
17 carriers. Boomerang will continue to utilize T-Mobile network, which, following
18 its merger with the Sprint network, includes an expanded service area. On October
19 19, 2023, Staff filed its report and recommendation on the company's petition into
20 the record. And pursuant to the act, a state Commission shall permit an ETC to
21 relinquish its designation as such a carrier in any area served by more than one
22 ETC. Staff has reviewed the company's request and the requirements of the act,
23 and has confirmed that Boomerang provided advanced notice to the Commission

1 regarding its relinquishment and Staff has confirmed that there are at least eight
2 additional ETCs serving the areas in which the relinquishment is being sought.
3 Staff requests that the Commission accept the Staff report and recommendation
4 filed into the record on October 19, 2023.

5 **CHAIRMAN CAMPBELL:** Is there a motion?

6 **COMMISSIONER GREENE:** Greene motions to accept the Staff
7 recommendation.

8 **COMMISSIONER SKRMETTA:** Second.

9 **CHAIRMAN CAMPBELL:** All right. All right. All these republicans jumping
10 on me, now. Mr. Greene makes a motion, Mr. Skrmetta seconded it. And I'm
11 going to go along with Mr. Lewis, we're going to go along with this. Okay. Any
12 objection? [NONE HEARD] No objections. Next item, please.

13 **MS. BOWMAN:** Exhibit Number 6 is Docket Number S-36961. This is Pointe
14 Coupee Membership Corporation's request for a letter of non-opposition to borrow
15 funds. It's a discussion and possible vote on a Staff report and recommendation.
16 On August 28, 2023 Pointe Coupee filed a request for the Commission
17 authorization to enter into a financial agreement with its lender, CoBank, for funds
18 that would be used to pay the balance on a short-term bridge line of credit that
19 Pointe Coupee acquired because of an emergency transmission line project that was
20 being undertaken. Due to the emergency nature of the project, Pointe Coupee was
21 unable to wait and incorporate the project into the company's RUS work plan
22 scheduled for submission in 2024. The request was published in the Commission's
23 Official Bulletin, with no interventions. On November 3, 2023, Staff filed its report

1 and recommendation into the record, which recommends that the Commission
2 express its non-opposition subject to conditions, which included providing a copy
3 of the signed loan agreement within 30 days of the loan closing, along with any
4 revisions, should they occur; and that the company must file an annual report
5 updating the status of the loan, payment of any principle or interest towards the
6 loan, and status of any capital improvements associated with the loan, until such
7 time that the loan has reached maturity. On November 3, 2023, Pointe Coupee filed
8 its correspondence into the record indicating its acceptance of Staff's report and
9 recommendation without any objections. Therefore, Staff recommends that the
10 Commission express its non-opposition to the request, subject to the conditions laid
11 out in Staff's report and recommendation filed on November 3, 2023.

12 **COMMISSIONER SKRMETTA:** Move to accept the Staff recommendation.

13 **VICE CHAIRMAN FRANCIS:** Second.

14 **CHAIRMAN CAMPBELL:** Mr. Skrmetta moves that we accept the Staff
15 recommendation, second by Mr. Francis. No objections? [NONE HEARD] Next
16 item. It's passed. Next item.

17 **MS. BOWMAN:** Exhibit Number 7 is Docket Number S-36973. It's Central
18 Louisiana Cellular's petition to relinquish its Eligible Telecommunications Carrier
19 designation. It's a discussion and possible vote on a Staff report and
20 recommendation. On September 13, 2023, Central Louisiana Cellular filed its
21 petition with the Commission seeking relinquishment of its ETC pursuant to 47
22 USC(e)(4) of the Communications Act of 1934, the rules of the FCC, and the rules
23 and regulations of this Commission. Notice of the company's request was

1 published in the Commission’s Official Bulletin, with no interventions received.
2 Following the acquisition of two cellular markets from another wireless ETC in
3 Louisiana, the Commission granted a partial transfer of Centennial ETC’s
4 designation to CLC on August 4, 2010. The designation was for a service area
5 consisting of five rural incumbent local exchange carrier study areas and nineteen
6 wire centers in the study area of BellSouth Communications, a non-rural ILEC.
7 Because designation in a portion of the rural ILEC study area was not involved, the
8 designation had immediate effect without the need to obtain FCC concurrence.
9 CLC intends to wind down its network operations on December 31, 2023. In
10 anticipation of that date and to prevent the expenditure of USF support on 5G-ready
11 infrastructure that will not be used, CLC wishes to relinquish its ETC designation
12 as of September 30, 2023. Accordingly, CLC notified the Commission of its intent
13 and requests that the Commission grant its relinquishment effective September 30,
14 2023. On October 19, 2023, Staff filed its report and recommendation into the
15 record. Pursuant to the act, the state Commission shall permit an ETC to relinquish
16 its designation as a carrier in any area served by more than one ETC. Staff reviewed
17 the company’s request and the requirements of the act, and CLC provided advanced
18 notice to the Commission regarding its relinquishment and Staff has confirmed that
19 there is at least one additional ETC serving the areas in which the relinquishment
20 is being sought. Moreover, CLC does not have any Lifeline customers remaining
21 in Louisiana. Accordingly, there is no need to notify subscribers or alternative
22 providers. Staff recommends that the Commission accept the Staff report and
23 recommendation filed into the record on October 19, 2023.

1 **COMMISSIONER GREENE:** Motion to accept Staff recommendation. This is
2 Greene.

3 **CHAIRMAN CAMPBELL:** Mr. Greene, I know who it is. Well, I appreciate it.

4 **COMMISSIONER LEWIS:** I'll second.

5 **CHAIRMAN CAMPBELL:** Mr. Greene has the motion, second by Mr. Lewis.
6 Any objection? [NONE HEARD] No objection. Next item. It's passed. Next
7 item.

8 **MS. BOWMAN:** Exhibit Number 8 is Docket Number U-35985. This is the
9 Commission audit of fuel costs of CenterPoint Energy Resources Corp. doing
10 business as CenterPoint Energy Arkla and CenterPoint Energy Entex associated
11 with the February 2021 Winter Storm event. It's a discussion and possible vote on
12 an uncontested joint report and draft order. On May 11, 2021, Staff filed a notice
13 of the audit of CenterPoint pursuant to a Commission directive at the April 14, 2021
14 B&E, wherein Staff was directed to audit and review the actions taken and
15 decisions made that impacted the fuel costs incurred during the February 2021
16 winter storm by the IOUs and the gas local distribution companies. Notice of the
17 audit was published in the Commission's Official Bulletin and after multiple rounds
18 of discovery and completion of the audit, Staff filed its audit report of Entex into
19 the record on June 7, 2022, which was published in the Commission's Official
20 Bulletin. Staff filed its audit report of Arkla into the record on August 24, 2023,
21 with notice published in the Commission's Official Bulletin and there were no
22 interventions in either publication. In the Entex audit, Entex was not significantly
23 adversely affected by the Winter Storm Uri and the resulting increase in natural gas

1 prices. This was because of the commodity price cap provisions included in its
2 AMA with BP under which Entex purchases nearly all of its gas supply. The
3 commodity price cap was an effective price hedging strategy which significantly
4 mitigated the price increase attributable to the Winter Storm Uri. Therefore, Staff
5 recommended no changes to Entex’s current practices. For the Arkla audit, Staff
6 evaluated whether Arkla’s existing practice of pricing South Pooling Area gas
7 supply purchases resulted in Arkla paying prices that were inconsistent with the
8 prices paid by other market participants for the same area during Winter Storm Uri
9 and contributed to the significant increase in gas costs experienced by Arkla in
10 February 2021. Staff’s review of the Intercontinental Exchange daily price data
11 indicated no material differences in traded prices for the EGT South Pooling Area
12 and Enable Gas-East gas supplies during Winter Storm Uri. Therefore, Staff
13 concluded that the use of the Enable Gas-East index pricing by Arkla to price its
14 pooling areas did not result in Arkla paying prices which were inconsistent with
15 other market participants paid. Staff did recommend that Arkla take a more pro-
16 active approach to diversify its pricing in the future, which would mitigate the
17 adverse price effect of the Permian Area production declines. CenterPoint
18 indicated no opposition to either of Staff’s audit reports, and on November 7, 2023,
19 Staff and CenterPoint filed their uncontested joint reports and draft order.
20 Therefore, Staff recommends that the Commission accept the joint reports and issue
21 the draft order filed into the docket on November 7, 2023.

22 **CHAIRMAN CAMPBELL:** We have a motion by Mr. Greene.

23 **COMMISSIONER GREENE:** Yeah. Motion to accept Staff recommendation.

1 **CHAIRMAN CAMPBELL:** And a second by Commissioner Skrmetta.

2 **COMMISSIONER SKRMETTA:** Yes, sir.

3 **CHAIRMAN CAMPBELL:** All right. No objection? [NONE HEARD] It's
4 passed. Next issue, Number 9. Next item, Issue 9, right?

5 **MS. BOWMAN:** Yes, sir. Exhibit Number 9 is Docket Number U-35990. This
6 is the Commission's audit of fuel costs of Cleco Power associated with the February
7 2021 Winter Storm Event. It is also a discussion and possible vote on an
8 uncontested joint report and draft order. On May 11, 2021, Staff filed its notice of
9 audit of Cleco Power pursuant to the Commission's directive, where Staff was
10 directed to audit and review the actions taken and the impact of fuel costs incurred
11 during the February 2021 Winter Storm Event. Notice of the audit was published
12 in the Commission's Official Bulletin and after rounds of discovery and completion
13 of the audit, Staff filed its audit report into the record on July 21, 2023, with
14 additional notice in the Commission's Bulletin, and Cabot Corporation timely
15 intervened. Staff's audit reviewed the temporary modifications to Cleco Power's
16 FAC authorized by the Commission in Special Order 19-2021; a review of the
17 actions and decisions of Cleco leading up to, and during, the February 2021 Storm
18 Event; and review and analysis of Cleco Power's FAC reports filed with the
19 Commission, to ensure compliance with applicable Commission orders and to
20 review actions taken. Staff ultimately found that Cleco was reasonable and prudent
21 in deciding to use natural gas during the February 2021 Winter Storm Event and
22 that no cost adjustments were required. However, Staff noted in its audit report that
23 while Cleco's actions and decisions were not imprudent, there were areas that Cleco

1 could improve upon, and as such, Staff made recommendations for Cleco to
2 consider for future events. Cleco filed its non-opposition and comments to the audit
3 report on October 20, 2023, accepting Staff’s findings, and including responses to
4 Staff’s recommendations. And on October 30, 2023, Staff and Cleco Power filed
5 an uncontested joint report and draft order, which was not opposed by Cabot.
6 Therefore, Staff recommends that that the Commission accept the joint report and
7 issue the draft order filed into the docket on October 30, 2023.

8 **CHAIRMAN CAMPBELL:** Mr. Lewis.

9 **COMMISSIONER LEWIS:** Could I have a representative from Cleco come for
10 just a few questions?

11 **COMMISSIONER SKRMETTA:** Can I put a motion on the floor?

12 **COMMISSIONER LEWIS:** Yes, I have no objection.

13 **COMMISSIONER SKRMETTA:** Good. Well, I’m going to move to accept the
14 Staff recommendation.

15 **COMMISSIONER GREENE:** Second.

16 **CHAIRMAN CAMPBELL:** There’s a motion by Mr. Skrmetta, second by Mr.
17 Greene. Is there any objections? [NONE HEARD] No objections.

18 **MR. JOHN SHIRLEY:** John Shirley on behalf of Cleco.

19 **CHAIRMAN CAMPBELL:** Mr. Kleehammer.

20 **MR. MARK KLEEHAMMER:** And Mark Kleehammer on behalf of Cleco.

21 **CHAIRMAN CAMPBELL:** I remember when you represented Entergy.

22 **MR. KLEEHAMMER:** Yes, sir.

23 **CHAIRMAN CAMPBELL:** Still smiling, though. That’s good. Go ahead.

1 **COMMISSIONER LEWIS:** Thank you. I just have a few quick questions. I
2 mean, just looking through it. I mean, while I think there's no cost adjustments, I
3 think we could've had lower costs if we had hedged those gas contracts, so I just
4 wanted to know if there -- if you are planning to study the ability and practices
5 around hedging gas for a future storm.

6 **MR. SHIRLEY:** Well, Mr. Kleehammer can speak more to the specifics in future
7 meetings, but I will tell you based upon long-term representation of Cleco that it
8 has always been something that we have had as a part of our study. You know,
9 there have been times when hedging looked like the greatest thing in the world, that
10 ended up being big mistakes. Not mistakes, perhaps, just poor timing and, you
11 know, unlucky timing. Commissioner Campbell and I have had this discussion
12 before, you know. It's a guess a lot of times. But yes, it is very much part of our
13 annual planning at all times.

14 **MR. KLEEHAMMER:** And I will add to that. We do have a comprehensive
15 systematic program. I'll be happy to come over to your office with some of our
16 subject matter experts, but it's very analytically based and very rigid on how we
17 work it.

18 **COMMISSIONER LEWIS:** Great. And then also have you thought about any
19 updates to your emergency system planning? I mean, I think when we kind of --
20 when I looked at the review, it seems there could have been a little bit more
21 adequate freeze management to avoid some of this. So I just wanted to see if,
22 subsequent since Winter Storm Uri, have there been any changes or discussions
23 around your emergency plan?

1 **MR. SHIRLEY:** I'll defer to Mark on that.

2 **MR. KLEEHAMMER:** Yes, I believe so. I believe that those have been filed
3 most recently perhaps in August of this year.

4 **COMMISSIONER LEWIS:** Okay. I believe those are all my -- I think the last
5 question that I would pose is are you looking at any cost of better winterizing your
6 units? I mean, natural gas survived but there were some units that you reported
7 failed, so I'm just curious if you had been looking at how you could better winterize
8 your units.

9 **MR. KLEEHAMMER:** Yes, sir. Yes. And again, I think those are covered in
10 those [INAUDIBLE] reports. Yeah.

11 **COMMISSIONER LEWIS:** Perfect. Thank you.

12 **MS. BOWMAN:** And gentlemen, both sign the clipboard for me, please.

13 **CHAIRMAN CAMPBELL:** No objections? [NONE HEARD] It's passed.

14 **MS. BOWMAN:** Exhibit Number 10 is Docket Number U-36966. This is Sage
15 Geosystems' petition for reservation of capacity under Entergy Louisiana's rate
16 schedule for renewable energy pilot purchases. It's a discussion and possible vote
17 on a draft order pursuant to Rule 57 of the Commission's rules of practice and
18 procedure. On August 29, 2023 Sage filed a petition for reservation of capacity
19 under Entergy Louisiana's rate schedule for renewable energy pilot purchases.
20 Sage petition requested that the Commission reserve an amount not to exceed five
21 megawatts of capacity under Entergy Standard Offer Tariff option for new
22 renewable resources. Sage filed an amended petition on September 5, 2023 and
23 notice of the docket was published in the Commission's Official Bulletin, and

1 Entergy was the sole intervenor. Sage is seeking to build and operate a geothermal
2 baseload generation unit located in Jefferson Davis Parish and seeks the reservation
3 prior to making significant financial investment in the construction and operation
4 of the generation project. The completed unit is expected to begin commercial
5 operations no later than December of 2027. On November 2, 2023, Staff, Sage,
6 and Entergy filed a joint motion for consideration of draft order by the Commission
7 pursuant to Rule 57, and in that draft order, the parties requested the Commission
8 approve the request for reservation of five megawatts of capacity under Entergy's
9 Standard Offer Tariff under certain construction milestone conditions. As there are
10 no unresolved issues, the parties respectfully request that the Commission: 1)
11 Exercise its original and primary jurisdiction under Rule 57 and consider this
12 matter; and 2) Accept the draft order filed into the record as Exhibit A on November
13 2, 2023, finding that Sage is authorized to reserve five megawatts of capacity
14 authorized for the Entergy Louisiana, Standard Offer Tariff Option for New
15 Renewable Resources, subject to conditions.

16 **COMMISSIONER SKRMETTA:** Move to bring the matter up under Rule 57.

17 **VICE CHAIRMAN FRANCIS:** Second.

18 **CHAIRMAN CAMPBELL:** There's a motion by Mr. Skrmetta and a second by
19 Mr. Francis to bring this up under Rule 57. No objections? [NONE HEARD]

20 **COMMISSIONER SKRMETTA:** Move to accept the draft order.

21 **VICE CHAIRMAN FRANCIS:** Second.

1 **CHAIRMAN CAMPBELL:** Mr. Skrmetta makes a motion to approve the order,
2 second by Mr. Francis. No objection? [NONE HEARD] It's approved. Number
3 11.

4 **MS. BOWMAN:** Exhibit Number 11 is Docket Numbers U-34951, U-35205, U-
5 35581, U-36092, and U-36831. This is Entergy Louisiana's 2017, 2018, 2019,
6 2020, and 2021 test year formula rate plan filings. It's a discussion and possible
7 vote on an uncontested stipulated settlement pursuant to Rule 57. Pursuant to
8 Entergy's approved formula rate plan, the company filed its '17, '18, '19, '20, and
9 '21 test year evaluation reports for Commission review and approval within the
10 timeframes prescribed in the company's FRP. And upon the filing of each of those
11 evaluation reports, the same was published in the Commission's Official Bulletin,
12 with Louisiana Energy Users Group, Marathon Petroleum Company, and Wal-Mart
13 intervening in some or all of the dockets. With each evaluation report filing, Staff
14 conducted discovery, engaged in conversations with Entergy, and filed reservations
15 and/or disputes for each test year filed. After extensive negotiations, Entergy and
16 Staff executed an uncontested stipulated settlement which would, subject to the
17 terms of the settlement, resolve the evaluation of Entergy's formula rate plan test
18 years '17, '18, and '19 and partially resolve the evaluation of Entergy's formula
19 rate plan test years '20 and '21. The settlement finds that Entergy complied with
20 the formula within the terms of its formula rate plan approved in Order Number U-
21 34361, and that if the settlement is approved, Docket Numbers U-34951, U-35205,
22 and U-35581 can be closed subject to the settlement terms. The settlement terms
23 are summarized as follows: It would be closing the evaluation of Test Year '17,

1 '18, and '19, while reserving both parties' positions, rights, and claims as applicable
2 law affords; allow Entergy to recover its losses in connection with Special Order
3 Number 09-2017 in Test Year 2017; and authorize a \$5.8 million credit to
4 customers for issues raised associated with the treatment of accumulated deferred
5 income taxes in Account 282 subject to FASB Interpretation Number 48, which
6 applies to test years prior to and including 2021. LEUG, Marathon, and Wal-Mart
7 do not oppose the uncontested stipulated settlement. Given the parties' resolutions
8 and no opposition from any intervenor, Entergy and Staff filed an unopposed joint
9 motion for consideration of the proposed uncontested stipulated settlement by the
10 Commission pursuant to Rule 57 on October 31, 2023. Staff recommends that the
11 Commission: 1) Exercise its original primary jurisdiction pursuant to Rule 57 of
12 the Commission's rules of practice and procedure; and 2) Accept the uncontested
13 stipulated settlement filed into the record on October 31, 2023.

14 **COMMISSIONER SKRMETTA:** I move to bring the matter up under Rule 57.

15 **COMMISSIONER GREENE:** Second.

16 **CHAIRMAN CAMPBELL:** There's a motion to bring the item up under Rule
17 57, a second by Mr. Greene. No objections? [NONE HEARD]

18 **COMMISSIONER SKRMETTA:** Move to accept the uncontested stipulated
19 settlement.

20 **COMMISSIONER SKRMETTA:** Mr. Skrmetta moves to accept the uncontested
21 settlement. Mr. Greene seconds it. No objection? [NONE HEARD] It is accepted.

22 Number 12.

1 **MS. BOWMAN:** Exhibit Number 12 is Docket Number X-37003. It's
2 Southwestern Electric Power Company's request for proposal for the purchase of
3 diverse generation and capacity resources, and associated with the Market Based
4 Mechanism Order. It's a discussion and possible vote to retain outside counsel.
5 RFP 23-22 was issued in response to SWEPCO's notice and we received two
6 qualifying bids. The first was Patrick Miller for 219,000 in fees and 10,000 in
7 expenses, for a total budget not to exceed of \$229,000. And the second was Stone
8 Pigman for 390,000 in fees and 7,500 in expenses for a total budget to exceed of
9 \$397,500. And Staff makes no formal recommendation as both bidders are
10 qualified.

11 **CHAIRMAN CAMPBELL:** I make a motion that we accept Patrick Miller for
12 \$219,000.

13 **COMMISSIONER GREENE:** Is that what the quote is, 219?

14 **CHAIRMAN CAMPBELL:** Two-nineteen --

15 **MS. BOWMAN:** A total of 229; 219 for fees and 10,000 for expenses.

16 **CHAIRMAN CAMPBELL:** Three-ninety for the other one. All right.

17 **COMMISSIONER GREENE:** Second.

18 **CHAIRMAN CAMPBELL:** There's a motion and a second. Any objection?

19 [NONE HEARD] No objection. Patrick Miller at \$219,000 and some fees, right?

20 Total 348; is that correct?

21 **MS. BOWMAN:** No. Sorry. The briefing sheet -- the incorrect number. So the
22 total budget not to exceed is \$229,000.

23 **CHAIRMAN CAMPBELL:** Okay. Accepted. Next one.

1 **MS. BOWMAN:** Exhibit Number 13 is a docket to be determined. This is 1803
2 Electric Cooperative's formula rate plan annual report based upon test year ending
3 December 31, 2023. It's a discussion and possible vote to retain an outside
4 consultant. This was Exhibit 9 on April's Business and Executive Session. In
5 Commission Order Number U-36268 authorized a three-year formula rate plan for
6 1803 beginning with Test Year 2023. And Staff issued RFP 23-11 seeking an
7 outside consultant to review each of the three upcoming test years and three
8 qualifying bids were received. The first is J. Kennedy and Associates for 89,000 in
9 fees and 2,000 in expenses, for a total budget not to exceed of \$89,000. The second
10 is London Economics for \$111,435 in fees and \$8,112 in expenses, for a total
11 budget not to exceed of \$119,547. And the third is United Professionals Company
12 of 130,000 in fees and 1,500 in expenses for a total budget not to exceed of
13 \$131,500. And Staff makes no recommendation as all bidders are qualified.

14 **COMMISSIONER SKRMETTA:** I move to accept the bid of United
15 Professionals for a total bid of \$131,500 because it's a three-year test period.

16 **COMMISSIONER GREENE:** Second.

17 **CHAIRMAN CAMPBELL:** There's a motion to accept United Professional
18 Company and a second by Mr. Greene. A motion was made by Mr. Skrmetta. Any
19 objections? [NONE HEARD] No objections. Accepted. All right. Number 14.

20 **MS. BOWMAN:** So Exhibit Number 14 has a possible executive session. We do
21 have two other exhibit items after 14. I don't know, Chairman, would you like to
22 move the executive session to the end?

23 **CHAIRMAN CAMPBELL:** Let's get rid of the -- not get rid of --

1 **MS. BOWMAN:** The other two?

2 **CHAIRMAN CAMPBELL:** Let's do the other two. Okay. Yeah.

3 **MS. BOWMAN:** So moving to the rest of Exhibit Number 15, under reports,
4 resolutions, discussions. The first is a report on the federal funding opportunities
5 for electric utilities, and Mr. Frey was going to handle that.

6 **SECRETARY FREY:** And Commissioner Lewis, I don't know if you wanted to
7 say something first or just kind of summarize?

8 **COMMISSIONER LEWIS:** Thank you. Thank you, Mr. Chairman, and thank
9 you, Secretary Frey. As you all know, I issued a directive on federal funding
10 opportunities. Just on Thursday within my district, at LaPlace, we had the
11 Honorable Secretary of the Department of Energy, Jennifer Granholm at New Wine
12 Fellowship where we opened a community lighthouse using federal dollars to
13 ensure that community would have some relief and resiliency during any potential
14 storm. So I want to first thank Together Louisiana for that work in making the
15 progress of what funds and federal funds can do to make our system more resilient.
16 I also, after that, had a chance to talk with Secretary Granholm and Undersecretary
17 of Infrastructure, David Crane, about all of these potential funding for our state.
18 And I think it is extremely important when we talk about how we utilize and build
19 a more resilient system that we utilize federal dollars to ensure that there's no
20 ratepayer impact. I would really, strongly encourage all of our utilities to look at
21 adders in the production and investment tax credits to be given full consideration
22 because we know so many of our areas, especially in my community, energy
23 communities, meet the DOE criteria that would establish these 10 to 20 percent tax

1 credits that would be -- I was pleased to read majority of your responses and I'll
2 have Secretary Frey summarize those. For all of those responses that were not filed
3 confidentially, I do ask that they be placed into the record for the public to be aware.
4 And I just want to say, I will be keeping an extremely close eye on this particular
5 issue because this is extremely important to me, as we talk about building a better
6 system, as how can we do this in a way that does not impact our ratepayers. And
7 the investment -- the IJA and the IRA have given significant amount of
8 opportunities for us to find innovative ways to build a stronger system that does not
9 require impact on our people and I will be using that and your process about
10 applying as a way of review to ensure transparency and accountability to ensure
11 that Louisiana's got the best deal. And so I will yield now to Secretary Frey to kind
12 of summarize what our electric utilities provided and then we'll take any questions
13 or call some if there's any questions from there.

14 **SECRETARY FREY:** So we received written responses from essentially all the
15 utilities but two, who were under the impression that they were going to give an
16 oral report, but they forwarded their information to me, so I'll summarize that as
17 well. And I know the Chair loves acronyms so I'm going to use all of them I can,
18 but no, I'm actually going to use some of these out. One kind of big thing I wanted
19 to announce first is that the HERO program, which stands for Hubs for Resilient
20 Energy Operations, the state received a \$250 million grant. And that was through
21 a partnership, all of our utilities were part of that as well as the PSC, the Department
22 of Energy, the Division of Administration, the Governor's office, GOHSEP, there
23 was a huge group that worked together. No specific projects have been funded yet,

1 that'll be coming, so the utilities could have access to some of those projects. They
2 could be third-parties like the community lighthouse that Commissioner Lewis
3 referred to, so that's funding that has been received already. And some of the
4 utilities mentioned about their role in partnering with that. But I'll start with the
5 IOUs and go down to the co-ops. So Entergy has applied for grant funding in
6 multiple projects, both under GRIP, HERO, HALO, BRIC, etcetera. SWEPCO
7 actually received about 3 million in GRIP funding and was also a HERO partner.
8 Cleco is working with a third-party expert on grants to identify all potential projects
9 and its resilience that could apply. They were also a HERO partner. The co-ops,
10 we got responses from SLEMCO, Pointe Coupee, Concordia, the 1803 group,
11 DEMCO, and ALEC. Part of the 1803 is confidential so I won't go into specifics
12 of that, but all of the co-ops are looking at New Era funding, which is empowering
13 rural America and it provides tax credits for certain renewable power, so they're all
14 looking at the opportunities to receive that funding. 1803 is looking at additional
15 programs as is DEMCO, Jeff Davis, and SLECA were partners in a GRIP
16 application that unfortunately wasn't granted in round one, but there will be
17 additional GRIP funding and they're hopeful that that project can be approved then.
18 That's for some much-needed transmission upgrades that, to your point, would be
19 funded by the federal government, not the ratepayers. So that kind of summarizes
20 at the high level. If you have specifics about any of them, I know most of them are
21 here and can provide info, but it's encouraging that they are looking at the funding,
22 is what we -- you and I have both seen. And we will post all those on the website.

1 **COMMISSIONER LEWIS:** Thank you. And I want to thank all of the utilities
2 for their responses to this directive, and then also your engagement in federal funds.
3 As you know, I've been a big supporter of Entergy Louisiana's GRIP application,
4 particularly in North Baton Rouge, and I'm encouraged that we will continue to
5 work on that in this new phase. I made a direct plea to the Secretary myself about
6 that, so we'll see if she heard, but I also mentioned the co-ops as well. And so I
7 think this is an important time for us in this industry, and so I just want to encourage
8 all of us, once again, to be as creative as possible, innovative as possible, but also
9 utilizing these federal funds to not put a lot of what we know we need to do in
10 investments on the back of our Louisiana ratepayers. As we know, our rates are
11 low here in Louisiana, but the cost of energy and security and energy burden is only
12 going to continue to rise if we do not do it as correct. And so I look forward to
13 continuing working with you all and thank you for your responses to this directive.
14 **CHAIRMAN CAMPBELL:** Any other questions? [NONE HEARD] A motion?
15 **SECRETARY FREY:** No motion. Just a report.
16 **CHAIRMAN CAMPBELL:** Okay. What's next.
17 **MS. BOWMAN:** So we have two vote ratifications also under Exhibit Number
18 15. The first is a discussion and possible vote to ratify a vote taken by
19 Commissioner Greene via proxy acting as the Commission's representative on the
20 Board of Directors of the Organization of MISO States. Staff followed the
21 protocols set forth in Special Order 17-2019 to consult with the Executive Secretary
22 and the Chairman and to make a recommendation to Commissioner Greene prior
23 to the vote. The protocols also require that the votes taken be ratified at a following

1 B&E. OMS prepared comments supporting MISO's Reliability Based Demand
2 Curve filing at FERC Docket Number ER23-2977. The MISO filing seeks to
3 change its annual Planning Reserve Auction design from a vertical demand curve
4 to an administratively designed downward sloping demand curve. This likely will
5 result in a higher auction clearing price, and it may require load serving utilities to
6 acquire more than the one day in ten-year loss of load requirement. Based on
7 Commission Staff's recommendation, the Commission voted "no" on these
8 comments. Staff recommends that the Commission ratify Commissioner Greene's
9 vote via proxy taken on October 26, 2023.

10 **COMMISSIONER SKRMETTA:** Move to ratify the vote by Commissioner
11 Greene by proxy.

12 **COMMISSIONER LEWIS:** I'll second.

13 **COMMISSIONER GREENE:** I abstain.

14 **CHAIRMAN CAMPBELL:** Motion to ratify the action Mr. Greene took and
15 second by Mr. Francis -- not Mr. -- well, Mr. Francis will do.

16 **VICE CHAIRMAN FRANCIS:** Yeah. I'll second. I do.

17 **COMMISSIONER GREENE:** I abstain.

18 **CHAIRMAN CAMPBELL:** All right. It's passed. Any objection? [NONE
19 HEARD] No objections.

20 **MS. BOWMAN:** Also under Exhibit Number 15, there's a discussion and possible
21 vote to ratify votes taken by Vice Chairman Francis acting as the Commission's
22 representative on the Regional State Committee of the Southwest Power Pool. Staff
23 followed the protocols set forth in Special Order 17-2019 and the protocols also

1 require that the votes taken be ratified at a following B&E, and there were six
2 substantive voting items before the RSC. The first voting item was a motion to
3 allow the cost of certain byway transmission facilities paid under SPP's
4 highway/byway cost allocation regime to be reallocated and charged to all
5 customers in the SPP region. Vice Chairman Francis voted no to this motion, in
6 accordance with Staff's recommendation. The second voting item was two related
7 motions to modify eligibility for Safe Harbor funding of base plan upgrades under
8 the SPP tariffs. Vice Chairman Francis voted no to both of these motions, in
9 accordance with Staff's recommendation. The third voting item was a motion to
10 establish accreditation of renewable resources based on their Effective Load
11 Carrying Capability. Vice Chairman Francis voted yes to this motion, in
12 accordance with Staff's recommendation. The fourth voting item was to establish
13 capacity accreditation for conventional resources using a performance based
14 accreditation approach. Vice Chairman Francis voted yes to this motion, in
15 accordance with Staff's recommendation. The fifth voting item was a motion to
16 endorse a demand response accreditation policy to provide directional guidance for
17 future policy development. Vice Chairman Francis voted in favor of the motion.
18 The sixth voting item was a motion to endorse a policy direction taken by the
19 Supply Adequacy Working Group on accreditation and operational requirements
20 for fuel assurance. Vice Chairman Francis voted in favor of the motion. Staff
21 recommends that the Commission ratify Vice Chairman Francis' votes taken on
22 October 30, 2023 as the Commission's representative to the SPP RSC.
23 **CHAIRMAN CAMPBELL:** Mr. Francis.

1 **VICE CHAIRMAN FRANCIS:** I'd like to abstain from this vote. And also some
2 very complicated votes, folks. And thank goodness for good help like Dana Shelton
3 and Lane Sisung, who assisted me with this work. I abstain from the vote.

4 **CHAIRMAN CAMPBELL:** Move to ratify the vote of Commissioner Francis.

5 **COMMISSIONER GREENE:** Second.

6 **CHAIRMAN CAMPBELL:** Mr. Skrmetta moves to ratify the vote, second by
7 Mr. Greene. Is there any objection? [NONE HEARD] No objection. The vote is
8 ratified. Now let's go back, right?

9 **COMMISSIONER SKRMETTA:** Actually one more.

10 **MS. BOWMAN:** One more.

11 **CHAIRMAN CAMPBELL:** All right. One more. What's the next one?

12 **MS. BOWMAN:** Exhibit Number 16 is Docket Number U-36812. This is Utility
13 Inc. of Louisiana's formula rate plan annual report for the 2022 test year. It's a
14 discussion and possible vote on a joint report and draft order. UIL filed its annual
15 formula rate plan report for the test year ending December 31, 2022 on May 23,
16 2023, in compliance with Commission Order Number U-36003 and notice was
17 published in the Commission's Official Bulletin, with no intervenors. UIL's FRP
18 provides for an ROE rate bandwidth with a lower limit of 9 percent and an upper
19 bandwidth of 10 percent. And should the ROE fall below the bandwidth or above
20 the bandwidth, it is reset to the lower limit of 9 -- excuse me, it's reset. In its 2022
21 FRP Annual Report, UIL requested an increase in water revenues of \$365,440 and
22 an increase in wastewater revenues of \$798,991, for a total revenue increase of
23 \$1,164,431. This equates to approximately a 5 percent increase in water rates and

1 a 6.6 percent increase in wastewater rates. Staff filed its report and
2 recommendation on August 24, 2023 and Staff's examination resulted in
3 adjustments to the allocation percentages between water and wastewater in regards
4 to annualized compensation and related benefits. Staff recommended an increase
5 in water revenues of \$331,260 and an increase in wastewater revenues of \$754,189,
6 for a total revenue increase of \$1,085,449. UIL filed its correspondence into the
7 record on August 29, 2023 advising Staff that UIL accepts the findings. On October
8 13, 2023, Staff and UIL filed their joint report and draft order summarizing the
9 proceedings. As there are no unresolved issues, Staff recommends that the
10 Commission accept the joint report and issue the draft order, both filed into the
11 record on October 13, 2023.

12 **COMMISSIONER SKRMETTA:** Move to accept Staff recommendation.

13 **COMMISSIONER GREENE:** Second.

14 **COMMISSIONER SKRMETTA:** Mr. Skrmetta made a motion to move to
15 accept Staff recommendation, second by Mr. Greene. No objections? [NONE
16 HEARD] Accepted.

17 **MS. BOWMAN:** So we are moving back to Exhibit 14. I'm going to read it into
18 the record. I ask that everybody please stay seated until we have it read into the
19 record and a motion to go into executive session. It's FERC Docket Numbers
20 EL21-56 and EL18-152, which is the Commission versus System Energy
21 Resources. And then it's a possible executive session to discuss litigation strategy
22 pursuant to Louisiana Revised Statute 42:16, et seq. And we'll entertain a motion
23 to go into executive session.

1 **COMMISSIONER GREENE:** Motion to go into executive session.

2 **COMMISSIONER SKRMETTA:** Second.

3 **MS. BOWMAN:** And if everybody would please leave the room.

4 **[OFF THE RECORD]**

5 **[BACK ON THE RECORD]**

6 **MS. BOWMAN:** We are back on the record, so we'll entertain a motion to come
7 out of executive session.

8 **COMMISSIONER SKRMETTA:** Move to come out of executive session.

9 **COMMISSIONER LEWIS:** Second.

10 **CHAIRMAN CAMPBELL:** Let me just say this, too. I hope y'all have a nice
11 Thanksgiving and I hope y'all all come up to Natchitoches. I've told you this a
12 hundred times, like a teacher. Natchitoches is the oldest city in the --

13 **UNIDENTIFIED SPEAKER:** Louisiana Purchase.

14 **CHAIRMAN CAMPBELL:** Louisiana -- there you go, Louisiana Purchase. It's
15 two years older than New Orleans. So y'all come up there. It's a nice city, we'll
16 have a nice time. I'll buy y'all a meat pie. See you there.

17 **MS. BOWMAN:** Wait. We need to entertain a motion to adjourn.

18 **COMMISSIONER SKRMETTA:** Move to adjourn.

19 **COMMISSIONER LEWIS:** Second.

20

21 **(WHEREUPON THE MEETING WAS ADJOURNED)**

22

1 I certify that the forgoing pages 1 through 85 are true and correct to the best
2 of my knowledge of the Open Session of the Business and Executive Meeting
3 held on November 20, 2023 in Baton Rouge, Louisiana.

4 *****

5 **Rough Draft prepared by:**

6 *Kayla Fiorenza* November 29, 2023
7 Kayla Fiorenza, Date
8 Court Reporter

9 *Clarisa Findley* November 29, 2023
10 Clarisa Findley, Date
11 Court Reporter

12 *Kathy Dykes* November 29, 2023
13 Kathy Dykes, Date
14 Court Reporter

15 *****

16 **Proofed by:**

17 *Clarisa Findley* November 30, 2023
18 Clarisa Findley, Date
19 Court Reporter

20 **Finalized by:**

21 *Kayla Fiorenza* December 1, 2023
22 Kayla Fiorenza, Date
23 Court Reporter