



Southern Renewable Energy Association

P.O. Box 14858, Haltom City, TX 76117

February 4, 2019

Ms. Terri Lemoine Bordelon
Records Section
Louisiana Public Service Commission
Galvez Building, 12th Floor
602 North Fifth Street
Baton Rouge, LA 70802

RE: LPSC Docket No. I-34693. *Integrated Resource Planning (“IRP”) Process for Cleco Power, LLC Pursuant to General Order Dated April 20, 2012*

Dear Ms. Bordelon,

Please find an original and four copies of the Southern Renewable Energy Association (SREA) stakeholder written comment in LPSC Docket No. I-34693 in Re: Cleco Power LLC, 2017 Integrated Resource Planning process Pursuant to the General Order R-30021 (Corrected) issued April 20, 2012.

Sincerely,

Simon Mahan
SREA Executive Director



Dear Cleco,

The Southern Renewable Energy Association (SREA) is an industry-led initiative that promotes responsible use and development of wind energy, solar energy, energy storage and transmission solutions in the South. SREA has been an active stakeholder in the Cleco Integrated Resource Planning (IRP) and we appreciate Cleco's thoughtful consideration of stakeholder comments.

SREA recommends that Cleco forego a Request for Information (RFI) and instead should immediately issue its Request for Proposals (RFP) for renewable energy and energy storage resources. The federal Production Tax Credit (PTC) and Investment Tax Credit (ITC) for wind energy and solar energy are both currently phasing out. Wind energy projects that become operational by the end of 2020 are likely to deliver the full PTC savings for ratepayers. Solar energy projects must begin construction by the end of 2019 to deliver the full ITC savings for ratepayers. The Southwestern Electric Power Company (SWEPCO) has already issued a 1,200 MW RFP for wind energy in response to their IRP analysis regarding the PTC/ITC, even though that IRP has not concluded in the Louisiana IRP process. Issuing an RFI first, and then an RFP later, will delay procurement and potentially increase costs to Cleco ratepayers by potentially resulting in non-PTC/ITC eligible projects.

RFPs are better than RFIs. Developers will likely withhold proprietary information in an RFI process, knowing that potential competitors may use that information in the later RFP process. Also, an RFP leads to contractual negotiations whereby both Cleco and its preferred bidders can specify the most favorable contract terms. No such negotiations take place in an RFI process. Finally, like an RFI, RFPs are nonbinding. An RFP is a no-risk process for Cleco.

SREA requests that Cleco issue an RFP based on the IRP results. Cleco's Draft IRP evaluated several various scenarios and sensitivities. Below are a few of those results.

- Nine of eleven scenarios (82% of scenarios) selected more than 500 MW of renewable energy resources, beginning in 2019.
- Seven of eleven scenarios (64% of scenarios) selected at least 1,400 MW of renewable energy resources, beginning in 2019.
- By 2025, the Robust Growth scenario shows a need of approximately 2,000 MW of wind energy and over 1,000 MW of solar energy.

Cleco's proposed RFP represents a good first step, but the quantity is not based on IRP results. Cleco's IRP shows an economic need for gigawatts worth of renewable energy. SREA recommends that Cleco issue an RFP for 1,400 MW of renewable energy resources, immediately.

In 2016, Entergy Louisiana issued a 200 MW RFP for renewable energy resources, but that process artificially constrained technology types, made it difficult for bidders to remain in the process, and took too long; that is why Entergy Louisiana's previous RFP largely failed. Cleco's RFP should allow bidders a high level of flexibility regarding project location, size, technology type, and contractual abilities so as to maximize benefits for ratepayers. Cleco could allow bids

for a variety of operational dates to stagger when, and how much, renewable energy resources become available.

SREA recommends that any energy storage proposal selected from the RFP process should not be counted against the RFP megawatt-threshold. Cleco's IRP identified a near-immediate 1,400 MW need of renewable energy resources, but the IRP does not appear to select energy storage as a near-term resource, potentially due to the Aurora model's inability to model sub-hourly energy storage dispatch. Therefore, any energy storage proposal selected through the RFP would already be considered additional to the 1,400 MW of renewable energy need.

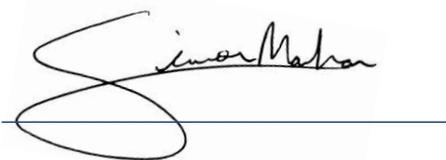
Recommendations

SREA hopes this comment letter encourages Cleco to expeditiously proceed with its plans to procure substantial renewable energy resources, in accordance with its IRP. By the time the stakeholder comments are due in this lengthy IRP process and Cleco begins to implement its Action Plan, many months will have passed and Cleco's window of opportunity to maximize benefits for ratepayers will begin to close. SREA plans to file additional comments at a later date, but by issuing a large, flexible RFP, SREA's later comments can help inform that process. SREA recommends that Cleco should:

- Forgo a RFI and should immediately issue an RFP
- Request up to 1,400 MW of renewable energy, based on IRP results
- Allow for maximum flexibility for bidders' proposals regarding location, size, technology type, contractual abilities and operational dates
- Encourage energy storage, but not count energy storage against the RFP threshold

CERTIFICATE OF SERVICE

I hereby certify that I have this 4th day of February, 2019 served copies of the foregoing pleading upon all other known parties of this proceeding, by email.

A handwritten signature in black ink that reads "Simon Mahan". The signature is written in a cursive style. Below the signature is a horizontal blue line that extends to the right.

Simon Mahan