

# **Areas for Revision and Further Development in Entergy's Draft Attachment K Compliance Filing**

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# Principal Areas Requiring Revision and Further Development

- Continuing Disconnect between Entergy's Construction Plan and the ICT Base Plan
- Limited and Skewed Economic Planning
- Key Elements Lacking in the Regional Planning Proposal

# Construction Plan vs. Base Plan

- ❑ Attachment K enhancements relate primarily to the ICT Base Plan rather than to Entergy's Construction Plan.
- ❑ These are two potentially very different plans.
  - BP used for allocating upgrade costs
  - CP is basis for system expansion

## Relationship between Construction Plan and Base Plan (cont'd)

- ❑ Although FERC accepted the CP/BP distinction in approving the ICT arrangement, that action predates Order 890.
- ❑ Now on the table: Is the CP/BP distinction compliant with the letter and spirit of Order 890?

## Relationship between Construction Plan and Base Plan (cont'd)

- ❑ Factors to Consider:
  - Potential for Disconnect between CP and BP
    - ✓ §8.1: Procedures for review and discussion of CP/BP differences.
    - ✓ In the end, Entergy decides whether any CP/BP divergence is cured.

## Relationship between Construction Plan and Base Plan (cont'd)

- Limited ICT Involvement in CP
  - ✓ §6.1: Entergy develops the CP.
  - ✓ §6.2: ICT role is only to review the CP for consistency with Planning Criteria.
  - ✓ §3.2.1: Entergy provides ICT with “description” of Planning Criteria.
  - ✓ §3.2.2: ICT reviews Planning Criteria only for whether “sufficiently defined.”
  - ✓ Conclusion: little ICT role in developing the operative expansion plan.

## Relationship between Construction Plan and Base Plan (cont'd)

- Limited Stakeholder Input to Entergy's CP
  - ✓ Entergy presents CP at Summit.
  - ✓ §9.1.2: Stakeholders can comment on CP.
  - ✓ §9.1.4: Entergy and ICT review comments. Entergy makes “recommendations” as to CP changes.
  - ✓ Not a framework for real dialogue with stakeholders about the CP.

## Relationship between Construction Plan and Base Plan (cont'd)

- The key question in considering whether the CP/BP distinction remains viable after Order 890:

Does Order 890 contemplate an “open participatory planning process” that is used for cost allocation but not for developing the operative expansion plan?

# Limited and Skewed Economic Planning Proposal

- ❑ Proposal is limited in that:
  - Economic planning is addressed only superficially. (§ 14)
  - Stakeholders face uncertainty in how costs and benefits will be distributed.
    - ✓ Rules tied to ICT arrangement could change long before an upgrade is completed.

## Limited and Skewed Economic Planning (cont'd)

- Stakeholders get only 2 rolled-in studies per year (Entergy's merchant function gets one additional study of its own).

## Limited and Skewed Economic Planning (cont'd)

- ❑ Proposal is skewed in that:
  - It treats any and all upgrades to cure TLRs as “economic” (§14.1), notwithstanding that TLRs often indicate serious reliability problems.
  - It assigns all cost and risk to requesting customer, even though economic upgrades often provide collateral reliability benefits.  
(See Staff White Paper at p. 16.)

# Key Elements Lacking in the Regional Planning Proposal

- ❑ No ongoing formal inter-system planning process.
- ❑ No detail on how results of the Inter-regional process would be integrated into other Entergy/ICT planning processes.

## Absence of Formal Regional Planning (cont'd)

- ❑ Unclear whether “regional optimization” involves economic or reliability upgrades.
- ❑ No discussion of how “optimization” projects would be vetted with stakeholders, planned, constructed, or cost-allocated among affected systems.