

Jonathan Bourg
Director, Resource Planning &
Market Operation

June 23, 2021

Via U.S. Mail and Hand Delivery

Thomas Harris, Secretary Louisiana Department of Natural Resources P.O. Box 94396 Baton Rouge, Louisiana 70804

Re: Senate Bill 185

Dear Secretary Harris:

D. E. Shaw Renewable Investments (DESRI) and Entergy Louisiana, LLC (ELL) jointly submit this letter to the Louisiana Department of Natural Resources (DNR) regarding Senate Bill 185 of the 2021 Legislative Session, which has been sent to the Governor for signature. As you may be aware, SB 185 amends La. R.S. 30:1154 to enable the DNR to create proposed rules governing large, utility scale solar developments in Louisiana.

While both DESRI and ELL are supportive of SB 185 and the goals it seeks to achieve, we write to express our concerns regarding the impact of SB 185 on current DESRI and ELL solar projects being developed in the State. Specifically, the concern arises from the inherent delay in the administrative rulemaking process. We understand that it will take time to develop and finalize the DNR's regulations pertaining to utility scale solar projects. It is this unavoidable delay in developing the applicable regulations that places DESRI and ELL in a precarious position with regards to near-term solar projects.

DESRI is currently in the advanced development stages with respect to several solar projects in Washington and St. James Parishes, which when complete will generate nearly 500 total Megawatts of electricity—enough to power tens of thousands of homes in south Louisiana. ELL may be the offtaker of electricity generated by these projects. DESRI has substantially completed two solar projects in Louisiana (i.e., Iris Solar in Washington Parish and St. James I Solar in St. James Parish), representing an investment of over \$80 Million dollars in this state. These new projects, when complete, may result in an additional \$400 Million dollar investment by DESRI in Louisiana.

The development of utility scale solar projects is a multi-year process, involving multiple layers of regulatory requirements, including lengthy review by both the Midcontinent Independent System Operator (MISO), whose authorization is required to inject the electricity produced into the grid, and the Louisiana Public Service Commission. In addition, the funding of the construction for these projects is dependent upon the execution of off-take contracts between the

developer, in this case DESRI, and the off-taker, in this case ELL. These new projects (St. James II, St. Jacques, and Vacherie Solar Energy Center in St. James Parish and Sunlight Road in Washington Parish) are all in the late stages of that process. They have been in the MISO review process since 2018, and executed off-take contracts with ELL are expected to be in place shortly. Likewise, executed leases have been in place since 2018 with the owners of the land on which these projects will be built. Any delay to the current project timeline could result in termination of those leases and failure of the project. To comply with its obligations under the off-take contracts and the leases, DESRI must begin construction on these projects by early to mid-2022 and they must be completed no later than mid-2023.

The regulatory uncertainty created by the rulemaking process places in doubt DESRI's ability to secure funding for the construction of these projects, and thus its ability to comply with its obligations under the off-take contracts. This would almost certainly result in the cancellation of these projects, at great cost to DESRI and ELL, and also to St. James and Washington Parishes through lost tax revenue. Due to the advanced status of these projects and the existing, binding commitments of the parties, DESRI and ELL respectfully request that DNR grant "grandfather" status to the St. James II, St. Jacques, Vacherie Solar Energy Center, and Sunlight Road projects, exempting them from the forthcoming regulations promulgated pursuant to amended La. R.S. 30:1154.

DESRI and ELL look forward to your response to this request, and we are available at your convenience to provide any additional information or answer any questions you may have regarding these projects and the negative impacts they will suffer if grandfather status is not approved.

Sincerely,

Jonathan Bourg

Entergy Louisiana, LLC

Director, Resource Planning & Market Ops

Hy Martin DESRI

Chief Development Officer

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cc: Blake Canfield, Executive Counsel, Louisiana Department of Natural Resources