

**DOCKET NO. 53153**

**ENTERGY TEXAS, INC.'S** §  
**STATEMENT OF INTENT AND** § **PUBLIC UTILITY COMMISSION**  
**APPLICATION FOR APPROVAL OF** §  
**TWO VOLUNTARY RENEWABLE** § **OF TEXAS**  
**OPTION TARIFFS, RIDER SVRO** §  
**AND RIDER LVRO** §

**DIRECT TESTIMONY**  
**OF**  
**ANASTASIA R. MEYER**  
**ON BEHALF OF**  
**ENTERGY TEXAS, INC.**

**JANUARY 31, 2022**

**ENTERGY TEXAS, INC.  
DIRECT TESTIMONY OF ANASTASIA R. MEYER  
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**EXHIBITS**

Exhibit ARM-1	Proposed Small Volume Renewable Option Tariff (Rider SVRO)
Exhibit ARM-2	Proposed Large Volume Renewable Option Tariff (Rider LVRO)

1 **I. INTRODUCTION**

2 Q1. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.

3 A. My name is Anastasia R. Meyer. My business address is 2107 Research Forest Drive, The  
4 Woodlands, TX 77380. I am employed by Entergy Texas, Inc. (“ETI” or the “Company”)  
5 as Manager of Resource Planning.

6  
7 Q2. ON WHOSE BEHALF ARE YOU SUBMITTING TESTIMONY?

8 A. I am submitting this Direct Testimony to the Public Utility Commission of Texas  
9 (“Commission”) on behalf of ETI. ETI is an integrated utility company that provides  
10 bundled generation, transmission, distribution, and customer services to approximately  
11 483,000 retail customers in Southeast Texas. ETI is a subsidiary of Entergy Corporation,  
12 which also owns, among other subsidiaries, Entergy Louisiana, LLC, Entergy  
13 New Orleans, LLC, Entergy Arkansas, LLC, and Entergy Mississippi, LLC (collectively,  
14 along with ETI, the “Entergy Operating Companies”).

15  
16 Q3. PLEASE BRIEFLY DESCRIBE YOUR CURRENT JOB RESPONSIBILITIES.

17 A. I am responsible for the management and administration of ETI’s resource planning  
18 activities. My duties include coordinating the generation resource planning activities for  
19 ETI and implementing the Company’s supply plan for meeting the load and energy  
20 requirements of ETI’s retail customers.

1 Q4. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL BACKGROUND AND  
2 PROFESSIONAL EXPERIENCE.

3 A. I earned a Bachelor of Science degree in Applied Mathematical Sciences from Texas A&M  
4 University in 2008. In May 2008, I joined Entergy Services, LLC (“ESL”)<sup>1</sup> as an Analyst  
5 in the System Planning and Operations (“SPO”) organization, where my duties focused on  
6 resource planning and production cost modeling. Over the course of roughly six years, I  
7 held positions of increasing levels of responsibility over development and analysis of long-  
8 term generation plans and multiple requests for proposals (“RFPs”) that led to transactions  
9 on long-term resources. In October 2014, I was promoted to the position of Project  
10 Manager for Regulatory and Strategic Initiatives within SPO. In that position, I was  
11 responsible for, among other things, developing and enhancing processes for participation  
12 in the markets operated by the Midcontinent Independent System Operator, Inc. (“MISO”)  
13 Regional Transmission Organization. I accepted my current position as Manager of  
14 Resource Planning with ETI in February 2016.

15

16 Q5. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY BEFORE THE COMMISSION?

17 A. Yes. I provided direct and rebuttal testimony in Docket No. 48371, *Entergy Texas, Inc.’s*  
18 *Statement of Intent and Application for Authority to Change Rates*; Docket No. 49916,  
19 *Application of Entergy Texas, Inc. for Approval to Reconcile Fuel and Purchased Power*  
20 *Costs*; Docket No. 50790, *Joint Report and Application of Entergy Texas, Inc. and East*

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<sup>1</sup> ESL, formerly Entergy Services, Inc., is the service company for the five Entergy Operating Companies.

1           *Texas Electric Cooperative, Inc. for Regulatory Approvals Related to Transfers of the*  
2           *Hardin County Peaking Facility and a Partial Interest in the Montgomery County Power*  
3           *Station; and Docket No. 51215, Application of Entergy Texas, Inc. to Amend a Certificate*  
4           *of Convenience and Necessity for the Acquisition of a Solar Facility in Liberty County.*

5  
6 Q6.    WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY?

7 A.     The purpose of my testimony is to support ETI's request for approval of two new renewable  
8     option tariffs: Rider Small Volume Renewable Option ("Rider SVRO") and Rider Large  
9     Volume Renewable Option ("Rider LVRO"). Both Riders SVRO and LVRO are voluntary  
10    offerings that give customers the ability to match up to 100% of their monthly energy usage  
11    with renewable energy credits ("RECs") procured by ETI on their behalf. In particular, I  
12    sponsor Rider SVRO, attached hereto as Exhibit ARM-1, and Rider LVRO, attached hereto  
13    as Exhibit ARM-2, and explain how the proposed Riders SVRO and LVRO are structured,  
14    their mechanics, and the supporting regulatory policy.

15  
16 Q7.    DO YOU SPONSOR ANY EXHIBITS?

17 A.     Yes, I sponsor the exhibits listed in the Table of Contents to my testimony.  
18

19                   **II.    OVERVIEW OF RENEWABLE OPTION PRICING**

20 Q8.    WHAT ARE SOME TYPES OF RENEWABLE OPTIONS THAT A UTILITY CAN  
21     OFFER TO ITS CUSTOMERS?

22 A.     As further described in my testimony below, there are two basic types of renewable options  
23     that can be offered to utility customers: (1) a green pricing option (sometimes referred to

1 as “green power”) based on the use of RECs; and (2) an asset-backed green tariff. The  
2 proposed Riders SVRO and LVRO represent ETI’s first green pricing option to be offered  
3 to its customers.  
4

5 Q9. WHAT IS A GREEN PRICING OPTION?

6 A. With a green pricing option, an enrolled customer would be able to match some or all (*i.e.*,  
7 100%) of their monthly electricity usage with renewable energy sources like wind and  
8 solar. The utility would accomplish this by procuring and/or generating enough RECs  
9 sourced from qualifying renewable energy resources to support the energy (megawatt-hour  
10 (“MWh”)) requirements of the green pricing offering. As defined by a leading clean energy  
11 certification organization, a REC is:

12 “A tradable, contractual instrument that represents the full suite of attributes  
13 of 1 Megawatt-hour of renewable energy generation on the electricity grid.  
14 RECs are the sole means to claim usage of grid-connected renewable  
15 electricity in the United States, and the compliance instrument for  
16 consumption- or delivery-based state Renewable Portfolio Standards.  
17 Renewable electricity generation and use are tracked through RECs, and so  
18 by matching RECs with your electricity service you are using renewable  
19 electricity. A REC represents the environmental benefits of 1 Megawatt-  
20 hour of renewable electricity that can be paired with electricity.<sup>2</sup>

21 As further defined by the Commission’s rules, a Texas REC represents one MWh of  
22 renewable energy that is physically metered and verified in Texas,<sup>3</sup> produced by a facility  
23 meeting the requirements set forth in 16 Tex. Admin. Code § 25.173(e).

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<sup>2</sup> See <https://www.green-e.org/glossary>.

<sup>3</sup> 16 Tex. Admin. Code § 25.173(c)(13).

1           Nationally, demand for green pricing options provided by utilities has increased  
2 substantially in recent years. According to the National Renewable Energy Laboratory, an  
3 estimated 11.6 million MWh of green power was provided to approximately 1,085,000  
4 customers nationally through green pricing options in 2020, representing an increase in  
5 sales of approximately 4% from 2019 and almost 20% from 2018.<sup>4</sup> There are a number of  
6 benefits of green pricing options including:

- 7           • Green pricing helps customers meet goals related to environmental sustainability  
8           and increased use of renewable energy resources.
- 9           • Customers can support increased renewable energy development without having to  
10           make a long-term commitment. Many customers express interest in procuring  
11           renewable energy, but they might not be allowed (in the case of renters or condo  
12           owners) or cannot afford to install their own rooftop solar photovoltaic system.
- 13           • Green pricing options are more flexible given the available market for REC as  
14           compared to initiatives where customer subscriptions are limited by the size of the  
15           underlying renewable resource (*e.g.*, an asset-backed green tariff).

16  
17 Q10. WHAT IS A GREEN TARIFF?

18 A. A green tariff refers to an asset-based program offered by a regulated electric utility and  
19 approved by the state's public utility commission. Although there are many variation of  
20 utility green tariffs, a green tariff generally allows qualifying customers to voluntarily align

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<sup>4</sup> See <https://www.nrel.gov/docs/fy22osti/81141.pdf>, <https://www.nrel.gov/docs/fy21osti/77915.pdf> and <https://www.nrel.gov/docs/fy20osti/74862.pdf>

1           some or all of their electricity requirements with renewable resources by being able to  
2           participate more directly in a renewable energy project along with having the associated  
3           RECs retired on the customer's behalf.

4           In both types of renewable options (green pricing and a green tariff), participants  
5           are able to claim they are "supplied" by renewable energy by virtue of the RECs that are  
6           retired on their behalf by the utility in accordance with their level of enrollment in the  
7           respective option. The key difference between green pricing as compared to a green tariff  
8           is that a green tariff typically combines some form of economic value to the participating  
9           customer from the energy associated with renewable energy sources, whereas green pricing  
10          programs only include retirement of the RECs. As a result, green pricing involves an  
11          additional charge or "premium" on participating customers' bills with no opportunity for  
12          an offsetting credit. By contrast, a green tariff does not necessarily result in an additional  
13          charge or premium over the entire commitment period as those structures typically account  
14          for both the costs of the designated renewable resources as well as associated benefits, *e.g.*,  
15          the energy value generated by the designated resource in a wholesale market like MISO.  
16          Depending upon the design of the green tariff, the net effect of the economic costs and  
17          benefits might result in a net credit to the participating customer under certain market  
18          conditions.

19          It should also be noted that green tariffs typically require more time to develop and  
20          implement, as they entail the procurement, development, interconnection, regulatory  
21          approvals, and/or construction of new renewable resources. That process can take several  
22          years for utility-scale renewable resources. Because green pricing offerings, such as the  
23          proposed Riders SVRO and LVRO, utilize RECs, which are widely traded in Texas and



1 across the country, and do not require the development and construction of a new  
2 renewable resource, a new green pricing offering can be implemented much more quickly.

3 **III. PROPOSED RIDERS SVRO AND LVRO**

4 Q11. PLEASE PROVIDE AN OVERVIEW OF THE COMPANY'S PROPOSED GREEN  
5 PRICING OPTIONS, RIDERS SVRO AND LVRO.

6 A. The Company's proposed green pricing options, Riders SVRO and LVRO, would allow  
7 customers to voluntarily match some or all of their monthly electricity usage with RECs  
8 that are purchased by ETI and retired on the customer's behalf.<sup>5</sup> In that way, up to 100%  
9 of a customer's annual energy usage could be associated with the production of energy  
10 from renewable resources, which, in turn, would allow a customer to state that they are  
11 supporting the use and deployment of renewable resources and reducing Scope 2 emissions  
12 accordingly.<sup>6</sup>

13 Under Rider SVRO, ETI will offer qualifying small volume customers (*i.e.*  
14 Residential, Small General Service, General Service, and Large General Service

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<sup>5</sup> As previously noted, a REC is a tradable instrument that affords the owner the right to claim a corresponding portion of electricity usage was sourced from renewable energy. Each individual REC, once issued, has a unique identifier. Once an entity has claimed a portion of their electricity usage was sourced from RECs, then corresponding RECs must be "retired" within a REC tracking account. Retiring a REC within a tracking account means that unique REC can never be sold or claimed by any other entity in the future.

<sup>6</sup> The U.S. Environmental Protection Agency ("EPA") defines Scope 2 emissions as indirect emissions that occur through the use of purchased electricity, steam, heat, or cooling. In addition, page 2 of this report notes: "EPA encourages organizations to use renewable energy as a way to reduce the environmental impacts associated with the electricity they purchase. Organizations can reduce their market-based scope 2 emissions by purchasing renewable energy, or "green power." They can do this by choosing a differentiated electricity product from their utility or electricity supplier, by contracting directly with a renewable energy generator (if the regulatory rules allow), or by purchasing unbundled renewable energy certificates (RECs). In any case, the RECs must be acquired and retired." See <https://www.epa.gov/sites/default/files/2020-12/documents/electricityemissions.pdf>

1 customers) three levels (tiers) of participation that correspond to the percentage of monthly  
2 electricity usage a customer elects to match to green electricity through RECs (referred to  
3 as their “SVRO Election”). A customer can make an SVRO Election that enables them to  
4 match 25% (Tier One), 50% (Tier Two), or 100% (Tier Three) of their electricity use each  
5 month with RECs, up to 499,999 kilowatt-hours (“kWh”) per month.

6 In addition, ETI will also offer qualifying large volume non-residential customers  
7 (*i.e.* General Service, Large General Service, and Large Industrial Power Service  
8 customers) the opportunity to enroll in Rider LVRO in order to purchase a fixed, large  
9 volume of RECs each month. Under Rider LVRO, a participating customer designates an  
10 amount of monthly electricity usage to match to green electricity through RECs which must  
11 be at least 500,000 kWh (referred to as their “LVRO Energy”), but cannot exceed the  
12 customer’s average monthly usage for the previous year.

13 The SVRO or LVRO charges would be in addition to the charges paid by the  
14 customer under their otherwise applicable rate schedules and riders. Through these Riders,  
15 ETI has sought to design a program that will garner robust participation from interested  
16 customers, while not affecting customers who do not wish to participate.

1 Q12. HAS THE COMMISSION PREVIOUSLY APPROVED A REQUEST BY A TEXAS  
2 UTILITY TO OFFER A GREEN PRICING OPTION TO ITS CUSTOMERS?

3 A. Yes. The Commission recently approved a voluntary REC Rider for Southwestern Electric  
4 Power Company (“SWEPCO”) as part of its base rate case in Docket No. 51415.<sup>7</sup> Similar  
5 to ETI’s proposed Riders, SWEPCO’s REC Rider “is a voluntary rider available to  
6 customers wishing to support the beneficial attributes known as [RECs] derived from  
7 SWEPCO’s investment in renewable energy resources,” through which participating  
8 customers may purchase RECs that are equivalent up to 100% of their total monthly billed  
9 kWh usage.<sup>8</sup> It is my understanding that SWEPCO will file a final REC Rider tariff in a  
10 compliance filing in Docket No. 51415 to reflect a modification to allow a customer to link  
11 its RECs to specific renewable resources.

12 Additionally, the Commission previously approved a provision in Southwestern  
13 Public Service Company’s (“SPS”) Miscellaneous Service Charges Tariff which allows  
14 SPS to transfer RECs to customers for a mutually agreed-upon price.<sup>9</sup>

15

16 Q13. HAS ETI RECEIVED CUSTOMER INTEREST IN GREEN PRICING?

17 A. Yes. As part of the Company’s ongoing outreach with its larger customers, several such  
18 customers have expressed interest in having more renewable options from ETI that could

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<sup>7</sup> *Application of Southwestern Electric Power Company for Authority to Change Rates*, Docket No. 51415, Order at 37 (Jan. 14, 2022); *see* Proposal for Decision at 312-315 (Aug. 27, 2021).

<sup>8</sup> Docket No. 51415, Direct Testimony of Jennifer L. Jackson at 30 (Bates 2254).

<sup>9</sup> *Southwestern Public Service Company’s Statement of Intent and Application to Revise Its Miscellaneous Service Charges Tariff; Section No. IV*, Docket No. 37742, Order (May 19, 2010).

1 help them meet their corporate sustainability or climate goals. The voluntary green pricing  
2 tariffs proposed in this application represent the first step in ETI's efforts to provide  
3 renewable options for all of its customers, including the larger customers that have  
4 expressed particular interest.

5 Q14. WHY IS THE COMPANY PROPOSING GREEN PRICING OPTIONS NOW?

6 A. The Company believes a green pricing offering at this time will provide specific benefits  
7 to participating customers. Green pricing programs are fairly straightforward and simple  
8 to launch. To the extent an asset-backed green tariff program is proposed by ETI and  
9 approved in the future by the Commission, it is unlikely to be available for participation  
10 for several years in light of the time needed to develop new renewable resources.  
11 Therefore, green pricing provides an option for customers that can be made available much  
12 more quickly than renewable options that are tied to specific resources, such as green  
13 tariffs.

14

15 Q15. HAS THE COMPANY PREPARED NEW RENEWABLE OPTION TARIFFS FOR  
16 RIDERS SVRO AND LVRO?

17 A. Yes. Exhibit ARM-1 to my testimony is the proposed Rider SVRO tariff, and Exhibit  
18 ARM-2 is the proposed Rider LVRO tariff. The Company proposes an effective date of  
19 March 28, 2022 to make the green pricing options available to those qualifying customers  
20 who choose to participate on a voluntary basis.

**A. Customer Participation**

1  
2 Q16. WHAT CUSTOMERS WILL BE ELIGIBLE TO PARTICIPATE IN THE TWO GREEN  
3 PRICING OPTIONS?

4 A. Rider SVRO is a voluntary rider that would be available to all small volume customers  
5 (Residential, Small General Service, General Service, and Large General Service  
6 customers) that elect to match a portion of their electricity usage, not to exceed 499,999  
7 kWh per month, with RECs. To participate in Rider SVRO, customers must be taking  
8 metered service, be in good standing with the Company, and meet the eligibility  
9 requirements set forth in the Rider SVRO tariff. Rider LVRO will be limited to large  
10 volume non-residential customers (General Service, Large General Service, and Large  
11 Industrial Power Service customers) that elect to match at least 500,000 kWh per month of  
12 their electricity usage with RECs for a period of at least one year. Like Rider SVRO, Rider  
13 LVRO is limited to customers taking metered service, that are in good standing with the  
14 Company, and meet the eligibility requirements set forth in the LVRO tariff. The Riders  
15 SVRO and LVRO charges would be in addition to the charges paid by customers under  
16 their otherwise applicable rate schedules and riders.

17  
18 Q17. WILL THERE BE ANY LIMITS ON THE NUMBER OF CUSTOMERS WHO CAN  
19 PARTICIPATE?

20 A. Generally, no. ETI anticipates being able to procure sufficient qualifying RECs to support  
21 whatever level of participation ultimately arises. However, to the extent a large volume  
22 customer seeks to match a significant amount of electricity usage through Rider LVRO,  
23 ETI will work with the customer to ensure a sufficient quantity of RECs are available to

1 meet the customer's needs. The terms of Riders SVRO and LVRO allow the Company to  
2 deny or suspend service under the Riders, or limit the quantity of RECs provided to each  
3 participating customer, in the event that the Company is unable to ensure that a sufficiency  
4 quantity of RECs is available to meet a customer's desired participation level.

5 Q18. PLEASE DESCRIBE THE ENROLLMENT PROCESS FOR THESE OPTIONS.

6 A. For Rider SVRO, the priority in the customer enrollment process will be minimizing  
7 barriers to entry, such that customers will only be asked to provide identification  
8 information (such as full name and service address) sufficient to verify eligibility and good  
9 standing as an ETI customer. ETI will facilitate enrollment in Rider SVRO via multiple  
10 channels to accommodate unique customer needs and preferences, including over the  
11 phone as well as online through a dedicated website established to provide information  
12 regarding Rider SVRO.

13 As noted earlier in my testimony, Rider LVRO will be available to large volume  
14 customers committing to purchase a larger volume of RECs for at least one year. Eligible  
15 large volume customers can seek enrollment in Rider LVRO over the phone or by  
16 contacting their applicable customer service representative. For larger industrial  
17 customers, their Industrial Account Executive will be the primary point of contact. For  
18 other eligible commercial and small industrial customers, a representative of the Entergy  
19 Business Center or Customer Service Manager will provide information and assistance.

1 Q19. WILL ANY CUSTOMERS BE REQUIRED TO ENTER INTO A CONTRACT WITH  
2 THE COMPANY FOR PARTICIPATION IN THESE GREEN PRICING OPTIONS?

3 A. For a small volume customer who elects to participate in Rider SVRO, there is no  
4 requirement to enter into a contract with the Company. For a large volume customer to  
5 participate in Rider LVRO, the customer will enter into the Agreement for Large Volume  
6 Renewable Option Rider (“LVRO Agreement”) with the Company included as Attachment  
7 A to the proposed Rider LVRO tariff (Exhibit ARM-2). This Agreement memorializes the  
8 terms under which the participating customer will contract with ETI in order for the  
9 Company to procure a specific quantity of RECs to match the participating customer’s  
10 selected LVRO Energy amount (which must be a minimum of 500,000 kWh per month).  
11 ETI is seeking approval of this LVRO Agreement as part of the proposed Rider LVRO  
12 tariff.

13

14 Q20. IS THERE A MINIMUM TERM FOR PARTICIPATION?

15 A. For customers enrolled in Rider SVRO, there will not be a minimum term for participation.  
16 For those customers, green pricing will be month-to-month until either the customer or ETI  
17 provide written notice of termination to the other, which must be at least 25 days prior to  
18 the requested date of termination. By contrast, customers enrolling in Rider LVRO must  
19 execute an LVRO Agreement with ETI and commit to participate for at least one year to

1 provide the Company adequate time to plan for procurement of larger volumes of RECs.<sup>10</sup>  
2 In addition, customers enrolled in either tariff that withdraw from such tariff will not be  
3 eligible to return to either Rider SVRO or Rider LVRO until after the seventh month  
4 following withdrawal.

5 Q21. CAN CUSTOMERS CHANGE THEIR SVRO ELECTION OR AMOUNT OF LVRO  
6 ENERGY?

7 A. Yes. Customers taking service under Rider SVRO may change their SVRO Election no  
8 more than one time in any six-month period. Likewise, customers taking service under  
9 Rider LVRO may change their designated amount of LVRO Energy no more than one time  
10 in any six-month period (to be effective two billing cycles after the change is requested).

11 **B. Green Pricing Program Administration**

12 Q22. WILL ETI ADMINISTER THE GREEN PRICING OPTIONS?

13 A. Yes. ETI employees (or ESL employees acting on behalf of ETI) will provide assistance  
14 with customer enrollment, customer education, and Green-e<sup>®</sup> certification for the proposed  
15 Riders SVRO and LVRO.

16  
17 Q23. PLEASE EXPLAIN GREEN-E<sup>®</sup> CERTIFICATION.

18 A. RECs purchased for customers participating in Riders SVRO and LVRO will be Green-e<sup>®</sup>  
19 certified. Green-e<sup>®</sup> is a certification developed by an independent, non-profit consumer

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<sup>10</sup> It should be noted that customers enrolled in Rider LVRO that terminate electric service or are no longer eligible to participate in Rider LVRO during the term of their enrollment may be assessed a fee to reimburse the Company for the costs incurred in obtaining RECs to cover the remainder of their year-long subscription.



1 protection organization (the Center for Resource Solutions) that verifies the integrity of  
2 RECs through the entire chain of custody, so customers can be confident in their purchase.  
3 Green-e<sup>®</sup> certification also ensures that certain customer disclosure requirements are met  
4 in product marketing. Through Green-e<sup>®</sup> certification, the renewable energy sourced by  
5 ETI will be validated as being: (a) sourced from facilities that meet quality criteria that  
6 have been endorsed by a diverse stakeholder group; (b) marketed transparently and  
7 honestly; and (c) delivered exclusively to the purchaser of the REC (ensuring that the  
8 renewable attribute of the generation is not double-counted). Green-e<sup>®</sup> certification has  
9 specific minimum criteria related to facility online date, REC vintage, and eligible resource  
10 types, yet it also allows for flexibility in design. This means ETI will be able to further  
11 define the resources used and create an offering that meets its specific customers' needs.

12

13 Q24. WHERE DOES ETI INTEND TO SOURCE THE RECS FOR THE PROPOSED GREEN  
14 PRICING OPTIONS?

15 A. ETI expects to initially source RECs for the proposed program by purchasing a sufficient  
16 quantity of RECs through the market to meet the level of customer demand.

17

18 Q25. WHO WILL ACQUIRE AND RETIRE THE RECS ASSOCIATED WITH RIDERS  
19 SVRO AND LVRO?

20 A. ETI (or ESL acting on ETI's behalf) will acquire and retire the RECs associated with the  
21 green pricing options on behalf of the participating customers.

1                                   **C.       Charges Under Riders SVRO and LVRO**

2   Q26.   HOW WERE THE CHARGES FOR ETI'S PROPOSED GREEN PRICING OPTIONS  
3           DETERMINED?

4   A.     Determining the charges for a REC-based green pricing option is relatively  
5           straightforward. The components that make up the price of a green pricing product are: (1)  
6           program costs; and (2) REC procurement.

7  
8   Q27.   PLEASE DESCRIBE THE PROGRAM COSTS FOR ETI'S PROPOSED RIDER SVRO.

9   A.     The program costs for ETI's proposed Rider SVRO are composed of the costs for Green-  
10          e<sup>®</sup> certification and customer education. First, as previously explained in my testimony,  
11          ETI will utilize Green-e<sup>®</sup> certification to validate the RECs purchased for customers  
12          participating in Rider SVRO. In order to obtain Green-e certification<sup>®</sup>, a fee must be paid  
13          to the Center for Resource Solutions.

14                 Second, the Company will need to provide additional educational materials and  
15                 context to small volume customers about the green pricing option and ensure interested  
16                 customers are aware of the new options. Several tools will be used to educate and engage  
17                 customers, including, but not limited to, targeted email campaigns and other customer  
18                 engagement programs. Customer education is particularly important because not only are  
19                 renewable energy offerings generally new to many customers, but because this is ETI's  
20                 first green pricing option.

1 Q28. PLEASE DESCRIBE THE PROGRAM COSTS FOR RIDER LVRO.

2 A. The program costs for ETI's proposed Rider LVRO are composed of only the costs for  
3 Green-e<sup>®</sup> certification. As previously noted, Rider LVRO is targeted towards large  
4 volume, non-residential customers. Larger customers eligible for service under Rider  
5 LVRO typically interact directly with ETI representatives regarding their account on a  
6 regular basis. For that reason, customer education efforts are expected to be handled  
7 directly as part of those ongoing outreach activities, and no additional cost is expected to  
8 be incurred for customer education.

9

10 Q29. PLEASE DESCRIBE THE REC PROCUREMENT COSTS.

11 A. ETI will purchase the necessary amount of RECs to cover participation for enrolled  
12 customers in both Riders SVRO and LVRO from the REC market. However, under both  
13 Riders SVRO and LVRO, ETI will charge customers a Commission-approved rate based  
14 in part on a fixed REC price, calculated as the most recent available 12-month average  
15 value using the S&P Global Renewable Energy Credit Index for Texas RECs. As  
16 explained later in my testimony, ETI will file annually to true up the difference between  
17 the market price paid by ETI for RECs sourced for participating customers under Riders  
18 SVRO and LVRO and the fixed price for those RECs used to develop the rate paid by  
19 customers during the applicable period.

1 Q30. WHAT ARE THE PROPOSED CHARGES FOR RIDER SVRO?

2 A. Based on the components described above, the pricing for each of the three tier options in  
3 Rider SVRO is composed of the program cost amount<sup>11</sup> specific to the customer's SVRO  
4 Election plus the REC price, which is a fixed dollar per kWh rate (the "Tier Rate"). The  
5 program costs for each tier were developed using a declining rate structure, for the reasons  
6 discussed later in my testimony. As discussed above for Rider SVRO, the fixed REC price  
7 is calculated as the most recent available 12-month average value using the S&P Global  
8 Renewable Energy Credit Index for Texas RECS. In subsequent years, the pricing will  
9 also include a true-up, as discussed below, for any over- or under-collection of costs  
10 associated with the RECs purchased by ETI and retired on behalf of customers participating  
11 in the Company's green pricing options. The total monthly Rider SVRO charge will be  
12 equal to the monthly amount of kWh corresponding to the participating customer's SVRO  
13 Election times the applicable Tier Rate, as shown in the table below and in my workpaper  
14 ARM-WP-1.

15 **Table 1: Rider SVRO Monthly Charge**

	<b>SVRO Election</b>	<b>Tier Rate (per kWh)</b>
Tier One Option	25%	\$0.0153
Tier Two Option	50%	\$0.0127
Tier Three Option	100%	\$0.0101

16  
17 As an example, for a residential customer using approximately 1,000 kWh per month, their  
18 monthly Rider SVRO charge would be approximately \$3.83 if subscribed at the Tier One

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<sup>11</sup> As previously noted, the program costs for Rider SVRO consist of the cost of Green-e<sup>®</sup> certification and customer education.

1 level, \$6.35 if subscribed at the Tier Two level, and \$10.10 if subscribed at the Tier Three  
2 level.

3

4 Q31. WHY HAS ETI PROPOSED A TIER STRUCTURE FOR RIDER SVRO?

5 A. In designing the proposed Rider SVRO, ETI developed the tier structure shown above as  
6 the best option to balance customer needs, encourage participation, and facilitate program  
7 administration. First, having three different tiers will allow customers the ability to  
8 customize their participation in ETI's green pricing option by choosing to match the  
9 percentage of monthly electricity usage to green electricity that best fits their needs and  
10 budget, while resulting in a program that can be efficiently administered. The tiered pricing  
11 structure that declines is designed to encourage customers to choose the higher percentage  
12 options, thus tying more of their electricity usage to green electricity. But recognizing that  
13 Rider SVRO charges would be in addition to the charges paid by the customer under their  
14 otherwise applicable rate schedules and riders, offering a 25% option makes participation  
15 possible for a wider range of customers.

16

17 Q32. WHAT ARE THE PROPOSED CHARGES FOR RIDER LVRO?

18 A. Like Rider SVRO, the pricing for Rider LVRO is composed the program cost amount<sup>12</sup>  
19 plus the REC price, which is a fixed dollar per kWh rate (the "Monthly Rate"). In  
20 subsequent years, the pricing will also include a true-up, as discussed below, for any over-  
21 or under-collection of costs associated with the RECs purchased by ETI and retired on

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<sup>12</sup> As previously noted, the program cost for Rider LVRO consists of the cost of Green-e® certification.

1           behalf of customers participating in the Company's green pricing options. The total Rider  
2           LVRO monthly charge will be equal to the customer's LVRO Energy times the Monthly  
3           Rate, which is proposed to be \$0.0050/kWh for the first year. Please refer to my workpaper  
4           ARM-WP-1 for the calculation of the proposed Rider LVRO charges.

5  
6   Q33. PLEASE EXPLAIN HOW THE COMPANY PROPOSES TO ADDRESS ANY OVER-  
7           OR UNDER-COLLECTION OF REC COSTS FOR RIDERS SVRO AND LVRO.

8   A.   Each year no later than October 1, ETI will file with the Commission the updated Rider  
9           SVRO pricing (updated Tier Rates) and Rider LVRO pricing (updated Monthly Rate) to  
10          be effective with the first billing cycle of the following January billing month. The updated  
11          pricing will also include a true-up that compares the actual cost of RECs purchased by ETI  
12          and retired on behalf of customers participating in Riders SVRO and LVRO, to the  
13          revenues actually collected based on the fixed REC price included in the Commission-  
14          approved rates charged under Riders SVRO and LVRO for the most recent preceding 12  
15          months. The resulting over- or under-collection of REC costs will be incorporated into the  
16          subsequent updated pricing for both green pricing options. This true-up applies only to the  
17          REC portion of the rates. ETI does not propose to true up any over- or under-collection of  
18          the program costs associated with either Rider.

1 Q34. WILL APPROVAL OF RIDERS SVRO AND LVRO AFFECT ANY ETI CUSTOMERS  
2 WHO DO NOT VOLUNTARILY ELECT TO PARTICIPATE IN ONE OF THESE  
3 OPTIONS?

4 A. No. As previously discussed, the rates established under Riders SVRO and LVRO will  
5 only be charged to those customers who voluntarily elect to enroll in one of the Riders.  
6 Furthermore, no costs associated with the administration of these Riders will be imposed  
7 on any customers who have not elected to participate.

8

9

#### IV. CONCLUSION

10 Q35. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

11 A. Yes, at this time.

**SECTION III RATE SCHEDULES**

**ENERGY TEXAS, INC.**  
Electric Service

RIDER SVRO

Sheet No.: 147  
Effective Date:  
Revision: 0  
Supersedes: New Schedule  
Schedule Consists of: Two Sheets

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**SMALL VOLUME RENEWABLE OPTION RIDER**

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**I. AVAILABILITY**

This Small Volume Renewable Option Rider (“Rider SVRO”) is a voluntary Rider available to qualifying customers of Entergy Texas, Inc. (“ETI” or the “Company”) taking service under rate schedules Residential Service (“RS”), Small General Service (“SGS”), General Service (“GS”), and Large General Service (“LGS”). Eligible customers must take metered service and be in good standing with the Company. Prior to taking service under this tariff, participating customers must designate a quantity (either the Tier One Option of 25%, the Tier Two Option of 50%, or the Tier Three Option of 100%) of their monthly energy usage (“SVRO Election”), not to exceed 499,999 kilowatt-hours (“kWh”) per month, to be matched with renewable energy credits (“RECs”).

**II. APPLICABILITY**

Rider SVRO is for an optional service to customers that voluntarily elect to match a portion of their monthly energy usage with RECs. A REC represents the full suite of attributes of one megawatt-hour (“MWh”) of electricity generated and delivered to the electricity grid from a renewable energy source. Service under this Rider provides for the purchase of RECs by ETI and related program costs. The Company will retire all RECs purchased under this Rider on behalf of participating customers. Service under Rider SVRO is in addition to service under other rate schedules that apply to the customer. Service under SVRO does not modify any other applicable rate schedule or provisions for service.

**III. TERMS OF SERVICE**

A customer may not enroll if it is a party to a deferred payment agreement, has received two or more final disconnect notices, or has been disconnected for non-payment within the last twelve (12) months. ETI may terminate service under this Rider to a participating customer who becomes delinquent in any amount owed to ETI with a twenty-five (25)-day notice of termination.

Service under Rider SVRO will be month-to-month and shall be automatically extended for successive periods of one month each until terminated by written notice given by either ETI or the participating customer not less than twenty-five (25) days prior to the requested date of termination.

If a participating customer terminates service and moves from the Company’s service territory, the customer’s service under Rider SVRO will be cancelled immediately and without additional notice. If a participating customer moves to a new location within ETI’s service area and continues to be eligible for service under Rider SVRO, the customer’s service under Rider SVRO will be transferred to such new location unless the customer withdraws from Rider SVRO.

Customers who withdraw from Rider SVRO will not be eligible for service under this tariff until the seventh (7th) billing month following such withdrawal.



The Company reserves the right to deny or suspend service under Rider SVRO, or limit the number of RECs provided to each participating customer, until such time that the Company is able to ensure that a sufficient quantity of RECs is available to meet the customer's desired participation level.

A participating customer's SVRO election may be changed no more than one time in a six-month period.

#### IV. MONTHLY CHARGE

The Rider SVRO monthly charge will be equal to:

SVRO Election x Tier Rate

Where:

1. SVRO Election = The monthly amount of kWh corresponding to the participating customer's Tier Option; and
2. Tier Rate = The rate corresponding to the participating customer's SVRO Election as shown below.

	<u>SVRO Election</u>	<u>Tier Rate (\$ per kWh)</u>
Tier One Option	25%	\$0.0153 per kWh
Tier Two Option	50%	\$0.0127 per kWh
Tier Three Option	100%	\$0.0101 per kWh

On an annual basis, no later than October 1, ETI will file with the Commission the updated Tier Rate for each SVRO Election to be effective with the first billing cycle of the following January billing month. The Tier Rate for each SVRO Election is calculated to be the program costs (customer education and Green-e® certification costs) plus the fixed REC price (calculated as the most recent available 12-month average value using the S&P Global Renewable Energy Credit Index for Texas RECs). The first component of the Tier Rate (program costs) is calculated such that Tier One + Tier Two + Tier Three revenues equal the expected program costs. Structured in the calculation is a regressive schedule in which the Tier Two rate is 75% of the Tier One rate, and the Tier Three rate is 50% of the Tier One rate. The second component of the Tier Rate (fixed REC price) is the same for all tiers. The updated Tier Rate for each SVRO Election will also include a true-up that compares the actual costs of RECs purchased by ETI on behalf of participating customers in Rider SVRO to the revenues collected based on the fixed REC price used to develop the rates charged under Rider SVRO for the most recent preceding twelve (12) months. The resulting over- or under-collection will be incorporated into the subsequent updated Tier Rate for each SVRO Election.

**SECTION III RATE SCHEDULES**

**ENTERGY TEXAS, INC.**

Electric Service

RIDER LVRO

Sheet No.: 148

Effective Date:

Revision: 0

Supersedes: New Schedule

Schedule Consists of: Two Sheets Plus  
Attachment A

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**LARGE VOLUME RENEWABLE OPTION RIDER**

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**I. AVAILABILITY**

This Large Volume Renewable Option Rider ("Rider LVRO") is a voluntary Rider available to qualifying non-residential customers of Entergy Texas, Inc. ("ETI" or the "Company") taking service under rate schedules General Service ("GS"), Large General Service ("LGS"), and Large Industrial Power Service ("LIPS"). Eligible customers must take metered service and be in good standing with the Company. Prior to taking service under this tariff, customers must designate a quantity of energy usage to be matched with renewable energy credits ("RECs") ("LVRO Energy") that is at least 500,000 kilowatt-hours ("kWh") per month but shall not exceed the customer's average monthly energy usage for the previous year.

**II. APPLICABILITY**

Rider LVRO is for an optional service to customers that voluntarily elect to match a designated amount (of at least 500,000 kWh) of their monthly energy usage ("LVRO Energy") with RECs. A REC represents the full suite of attributes of one megawatt-hour ("MWh") of electricity generated and delivered to the electricity grid from a renewable energy source. Service under this Rider provides for the purchase of RECs by ETI and related program costs. The Company will retire all RECs purchased under this Rider on behalf of participating customers. Service under Rider LVRO is in addition to service under other rate schedules that apply to the customer. Service under LVRO does not modify any other applicable rate schedule or provisions for service.

**III. TERMS OF SERVICE**

A customer who wishes to enroll in Rider LVRO must enter an Agreement for Large Volume Renewable Option Rider ("Agreement") with the Company, in the form as set forth in Attachment A.

A customer may not enroll if it is a party to a deferred payment agreement, has received two or more final disconnect notices, or has been disconnected for non-payment within the last twelve (12) months. ETI may terminate service under this Rider to a participating customer who becomes delinquent in any amount owed to ETI with 60-day notice of termination.

The initial term of Agreement under Rider LVRO shall be for a one-year period. This term shall automatically be extended for successive periods of one year each until terminated by written notice given by either ETI or the participating customer to the other not less than sixty (60) days prior to the requested date of termination.

If a participating customer terminates service and moves from the Company's service territory, the customer's service under Rider LVRO will be cancelled immediately and without additional notice. If a participating customer moves to a new location within ETI's

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(Continued on reverse side)

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service area and continues to be eligible for service under Rider LVRO, the customer's service under Rider LVRO will be transferred to such new location unless the customer withdraws from Rider LVRO.

If a participating customer seeks to terminate electric service or withdraw from Rider LVRO prior to the end of the initial one-year term or any successive one-year extensions, the Company reserves the right to assess the customer a fee equal to the cost of RECs obtained by the Company on behalf of the customer for the remainder of the one-year term of the Agreement.

Customers who withdraw from Rider LVRO will not be eligible for service under this tariff until the seventh (7<sup>th</sup>) billing month following such withdrawal.

The Company reserves the right to deny or suspend service under Rider LVRO, or limit the number of RECs provided to each participating customer, until such time that the Company is able to ensure that a sufficient quantity of RECs is available to meet the customer's desired participation level.

The amount of LVRO Energy may be changed no more than one time in a six-month period. The new LVRO Energy election will be effective two (2) billing cycles after the change is requested.

#### **IV. MONTHLY CHARGE**

The Rider LVRO monthly charge will be equal to:

LVRO Energy x Monthly Rate

Where:

1. LVRO Energy = The fixed, monthly amount of kWh contracted by the participating customer; and
2. Monthly Rate = \$0.0050/kWh.

On an annual basis, no later than October 1, ETI will file with the Commission the updated Monthly Rate to be effective with the first billing cycle of the following January billing month. The Monthly Rate is calculated to be the fixed REC price (calculated as the most recent available 12-month average value using the S&P Global Renewable Energy Credit Index for Texas RECs) plus applicable Green-e® certification costs. The updated Monthly Rate will also include a true-up that compares the actual cost of RECs purchased by ETI on behalf of participating customers in Rider LVRO to the revenues collected based on the fixed REC price used to develop the rates charged under Rider LVRO for the most recent preceding twelve (12) months. The resulting over- or under-collection will be incorporated into the subsequent updated Monthly Rate.

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**ENTERGY TEXAS, INC.  
LARGE VOLUME RENEWABLE OPTION RIDER  
RIDER LVRO**

SAMPLE AGREEMENT FOR LARGE VOLUME RENEWABLE OPTION RIDER

This Agreement for service under the Large Volume Renewable Option Rider ("Rider LVRO") is made and entered on the \_\_\_ day of \_\_\_\_\_, \_\_\_\_ by and between Entergy Texas, Inc. ("Company") and \_\_\_\_\_ ("Customer").

WHEREAS, Customer desires to enroll voluntarily in Company's Rider LVRO by designating a specific amount of its monthly energy usage of at least 500,000 kWh to be matched with renewable energy credits ("RECs") to be obtained by Company on behalf of Customer;

WHEREAS, Company has reviewed Customer's request and, based upon the information provided by Customer, has approved Customer's participation in Rider LVRO for Customer's facilities located at \_\_\_\_\_ and served pursuant to Company Account Number \_\_\_\_\_ ("Customer's Facilities");

NOW, THEREFORE, for and in consideration of the mutual covenants set forth herein, Customer and Company agree as follows:

I. Term

The initial term of this Agreement under Rider LVRO shall be for a one-year period ("Original Term") commencing on the Effective Date. The Original Term shall automatically be extended for successive periods of one year each (each a "Secondary Term") until terminated by written notice given by either Company or Customer to the other not less than 60 days prior to the requested date of termination. In the event that the Customer seeks to terminate electric service or withdraw from Rider LVRO prior to the end of the Original Term or Secondary Term, the Company reserves the right to assess the Customer an amount equal to the cost of the RECs purchased on behalf of the Customer for the remainder of the applicable Term of the Agreement.

II. Eligibility

Customer agrees to comply with all conditions of service that are required pursuant to Rider LVRO as such may be modified from time to time.

Customer represents that it has provided all necessary documentation for Company to approve its participation in Rider LVRO. Company reserves the right to request additional information from Customer or to review Customer's previously submitted documentation. Company reserves the right to suspend or revoke Customer's participation in Rider LVRO if it determines that Customer does not meet the terms of eligibility. In such event, this Agreement shall be terminated immediately without any need for additional notice by Company to Customer. Customer shall remain responsible for paying an amount equal to the cost of the RECs purchased on behalf of the Customer for the remainder of the applicable Term of the Agreement.

III. Election of Monthly kWh of LVRO Energy under Rider LVRO

In accordance with Rider LVRO, Customer has agreed to contract for \_\_\_\_\_ monthly kWh of LVRO Energy under Rider LVRO. The amount of LVRO Energy designated by Customer shall be at least 500,000 kWh, but shall not exceed Customer's average monthly energy usage for the previous year. Customer may change its LVRO Energy designation no more frequently than once

in a six-month period. The new LVRO Energy election will be effective two (2) billing cycles after the change is requested.

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IV. Monthly Rate

In addition to payment for the provision of electric service by Company to Customer's Facilities under any other applicable rate schedules, Customer agrees to pay for the RECs corresponding to their designated LVRO Energy and related program costs in accordance with Rider LVRO. Service taken in accordance with Rider LVRO shall be subject to Company's Terms and Conditions Applicable to Electric Service. All applicable rate schedules, including but not limited to Rider LVRO and Company's Terms and Conditions Applicable to Electric Service, are subject to change from time to time by the Company.

V. Company's Right to Suspend Service

Company reserves the right to deny or suspend service under Rider LVRO or limit the amount of LVRO Energy designated by Customer, until such time that the Company is able to ensure that a sufficient quantity of RECs are available to meet the amount of LVRO Energy as designated by Customer in Section III herein.

VI. Miscellaneous

This Agreement shall bind and inure to the benefit of the parties hereto, their successors and assigns, but the Customer shall not assign any of its rights under this Agreement without obtaining the prior written consent of the Company. This Agreement, upon its Effective Date (as defined below), shall supersede all previous contracts between the Company (or its predecessors) and the Customer relative to Rider LVRO. No agreement or representation made by a representative of the Company or Customer, unless reduced to writing or incorporated herein, shall be binding upon either party. All electric service by the Company shall in all respects be subject to the rules, regulations and orders of any and all regulatory authorities having jurisdiction over such service.

VII. Applicable Law

This Agreement shall be governed in accordance with the laws of the State of Texas without reference to the State of Texas principles of conflicts of law.

VIII. Notice

All notices, requests, consents and other communications hereunder shall be in writing and shall be dispatched by nationwide overnight courier service, such as (without limitation) FedEx, or by United States Certified Mail, Return Receipt Requested, postage prepaid, addressed to the parties as follows:

Company:

Customer:

Entergy Texas, Inc.

\_\_\_\_\_

P.O. Box 2951

\_\_\_\_\_

Beaumont, Texas 77704

\_\_\_\_\_

Attention: \_\_\_\_\_

Attention: \_\_\_\_\_

IX. Effective Date

The Effective Date of this Agreement shall be \_\_\_\_\_.

Entered into as of the date first written above.

Customer  
\_\_\_\_\_

Company  
Entergy Texas, Inc.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

N

WORKPAPER FILED ELECTRONICALLY

Workpaper ARM-WP-1 (CONF) to the Direct Testimony of Anastasia R. Meyer has been filed electronically on the PUCT Interchange. This workpaper contains confidential information and will be provided under the terms of the Protective Order in this case.