

**BEFORE THE
LOUISIANA PUBLIC SERVICE COMMISSION**

**LOUISIANA PUBLIC SERVICE
COMMISSION, ex parte.**

DOCKET NO. R-37905

**IN RE: DETERMINATION AND
EVALUATION OF PRIVATE USE
ELECTRICAL NETWORKS IN
ORDER TO ENABLE GENERATION
TO SERVE NEW LARGE LOADS
LOOKING TO LOCATE IN
LOUISIANA**

**ENVIRONMENTAL DEFENSE FUND’S
RESPONSES TO STAFF’S FIRST REQUEST FOR INFORMATION**

The Environmental Defense Fund (“EDF”) respectfully submits the following responses to the Louisiana Public Service Commission’s (“LPSC” or the “Commission”) First Request for Information regarding private use electrical networks (“PUENs”).

A. INTRODUCTION

At the April 15, 2026, Business and Executive Session, this proceeding was initiated by the Commission pursuant to a directive to Staff to open a docket to evaluate “private use electrical networks” to enable generation to serve new large loads looking to locate in Louisiana. On April 24, 2022, the Commission published Official Bulletin #1374, establishing the docket number and a 15-day deadline for intervention. On June 18, 2026, Staff issued a Notice of Procedural Schedule and First Request for Information (“RFI”) and set a deadline of July 17, 2026, to response to the RFI.

EDF is a 501(c)(3) non-profit, nonpartisan civic organization working for decades to protect human health and the environment in Louisiana anchored in law, science, economics and

collaboration with many stakeholders. EDF is dedicated to protecting human health and the environment for people, communities, and the natural systems on which they depend by addressing the most serious environmental problems. EDF has numerous members in Louisiana, staff in Louisiana, and has participated in a number of Commission proceedings focused on clean affordable energy that protects human health and the environment and ratepayers.

B. EDF’S COMMENTS ON THE PROPOSED RULES

EDF appreciates the Commission’s thoughtful consideration of this emerging issue and offers these responses to help inform the development of a framework that preserves grid reliability, protects existing ratepayers, supports the deployment of clean energy resources like solar and battery storage, enables greater opportunities for demand-side flexibility, and optimizes the use of existing combined heat and power (“CHP”) projects where such systems can improve efficiency, reliability, and emissions outcomes.

When implemented within a carefully designed regulatory framework, PUENs have the potential to provide meaningful benefits to Louisiana by supporting economic development, encouraging innovation, and facilitating investment in new energy resources while avoiding unreasonable cost shifting and preserving reliable electric service. Certain PUEN configurations may also provide operational benefits similar to those associated with microgrids, including enhanced demand-side flexibility, improved resilience, and more efficient utilization of customer-owned generation and energy storage resources. These capabilities may become increasingly valuable as Louisiana experiences significant projected load growth.

EDF respectfully submits the following responses to Staff’s First RFI in LPSC Docket No. R-37905 regarding PUENs. EDF appreciates the opportunity to participate in this proceeding and

looks forward to continuing to engage with the Commission as it evaluates these important policy questions.

- 1. What is your understanding of “private use electrical networks?” How did you derive this understanding? In providing your understanding explain how the boundaries of the “network” would be defined and whether you believe that network should be allowed to transfer power outside of the network directly to other retail customers, and if so, by what manner.**

For purposes of these comments, the term “Private Use Electrical Network” (“PUEN”) is used because it is the terminology adopted by the Commission in this proceeding. EDF does not understand PUEN to be a settled engineering or industry term. Rather, PUEN appears to describe a proposed regulatory category for privately owned electrical facilities serving defined customer loads outside the traditional bundled retail utility service model.

The concept shares certain characteristics with recognized electrical systems, particularly microgrids, but is not synonymous with them. As discussed further in response to Question 9, a PUEN may incorporate generation, storage, privately owned transmission and distribution facilities, and control systems within defined electrical boundaries while differing from a traditional microgrid in its ownership structure, operational characteristics, and potential customer arrangements.

A PUEN should have clearly defined electrical, operational, and ownership boundaries that identify the facilities and customers comprising the network. Those boundaries should be sufficient to support Commission oversight, utility planning, cost allocation, and reliable operation of both the PUEN and the interconnected electric system.

EDF does not recommend permitting a PUEN to sell electricity outside its defined boundaries to unaffiliated retail customers except through a Commission-approved framework that protects existing utility customers, preserves system reliability, and prevents unreasonable cost

shifting. Depending on how the transaction is physically or contractually structured, certain arrangements may also implicate Federal Energy Regulatory Commission (“FERC”) jurisdiction over wholesale or sale-for-resale transactions. Accordingly, the Commission should consider these potential jurisdictional implications as it develops any PUEN framework.

2. If “private use electrical networks” were to be allowed in Louisiana, how should “private use electrical network” be defined? What specific parameters should be in place in defining “private use electrical networks?” Please be sure to address the following:

These comments respond to the Commission’s policy questions as posed. EDF offers the stated framing principles to support the development of a comprehensive definition of a PUEN.

EDF notes, however, that a threshold legal question of whether certain privately owned networks constitute an “electric public utility” under existing Louisiana law—and, accordingly, the extent of the Commission’s authority over such arrangements—appears distinct from the policy questions addressed below and may warrant separate consideration. In evaluating that question, the Commission may wish to consider factors such as the ownership structure of the proposed network, the contractual relationships among participating entities, whether service is limited to a defined group of customers or offered more broadly, and the nature and operation of the facilities.

a. Whether “private use electrical networks” should be limited to those that serve large load industrial needs, and if it should be so limited, how those limits should be defined including, but not limited to, whether there should be a size limitation, and if a size limitation is proposed, please provide specificity on the size measure to be utilized, *i.e.* acreage, load size, etc.;

EDF generally recommends limiting initial PUEN eligibility to new loads, rather than to any particular customer or industry. Restricting eligibility to new loads allows the Commission and utilities to evaluate proposed PUENs before generation, transmission, and distribution investments are made to serve anticipated demand, thereby reducing the risk of stranded costs and cost shifting to existing ratepayers. Within that framework, the Commission should establish

objective eligibility criteria based on load characteristics, system impacts, operational requirements, and the applicant's ability to satisfy applicable reliability, planning, and cost-allocation requirements. While load size may appropriately inform the Commission's review of a proposed PUEN and the protections that should apply, EDF does not believe eligibility should be determined solely by whether a project exceeds a predetermined megawatt threshold.

EDF does not recommend establishing a fixed minimum load threshold at this stage. Rather, the Commission should retain flexibility to evaluate proposals based on their characteristics, system impacts, and ability to satisfy the Commission's reliability, planning, and cost-allocation requirements, recognizing that the appropriate scale of a PUEN may evolve as Louisiana's electricity system and customer needs continue to change.

EDF does not recommend categorically excluding customer classes that can satisfy the Commission's eligibility criteria and demonstrate that the proposed PUEN will not adversely affect existing utility customers. While the Commission should initially focus any PUEN framework on new loads to reduce the likelihood of stranded utility investments and cost shifting to existing ratepayers, objective eligibility criteria should be based on the characteristics and impacts of the proposed network rather than whether the customer is industrial, manufacturing, a data center, or another qualifying large-load customer.

b. Whether “private use electrical networks” should only be available to new large loads to protect ratepayers against being left with stranded and/or high cost generation and transmission that was procured to serve the current load on the system if existing load were allowed to exit the system;

EDF generally supports limiting initial PUEN eligibility to new loads. Doing so reduces the likelihood that existing utility investments in generation, transmission, and distribution become underutilized as a result of customers transitioning to a PUEN, thereby minimizing stranded-cost and cost-shifting risks for non-participating ratepayers. Over time, if the Commission determines

that existing loads can satisfy the same reliability, planning, and cost-allocation requirements without creating adverse impacts, it may consider expanding eligibility through future proceedings.

EDF further recommends that qualifying PUEN proposals be evaluated sufficiently early in the utility planning process, including through Requests for Proposals (“RFPs”) or other competitive procurement processes established pursuant to the Commission’s market-based mechanism framework, where appropriate. Incorporating PUENs into the planning process would allow the Commission and utilities to evaluate private network proposals alongside traditional utility solutions, promote efficient resource development, and reduce the risk of duplicative or unnecessary infrastructure investments.

If the Commission elects to permit existing customers to establish a PUEN, it should require a clear demonstration that the project will not result in stranded generation, transmission, or distribution investments, cost shifting to non-participating customers, or other adverse impacts on the electric system. Such a demonstration should include coordination with the utility and the Commission regarding current and projected load requirements, identification of potentially underutilized utility investments, and, where appropriate, contractual commitments, financial assurances, or other mechanisms necessary to protect existing ratepayers.

- c. Whether to be qualified as a “private use electrical network,” assets would need to be committed exclusively to serving a particular customer or customers, or whether some lesser commitment should be deemed qualifying, like 50 percent, or some other percentage;**

EDF recommends that, to qualify as a PUEN, assets should be dedicated exclusively to serving the identified customer or customers, rather than only a specified percentage of their load. Requiring a full commitment helps ensure that assets constructed to support a PUEN are not used in a manner that could increase stranded asset risk or shift costs to non-participating ratepayers.

At the same time, the Commission should consider preserving flexibility for PUEN operators to sell excess generation into the wholesale market, provided doing so does not interfere with the network's primary obligation to serve the designated customer or customers.

- d. Whether all assets comprising a “private use electrical network” would have to be located on contiguous property under one owner, or whether there can be more than one owner and locations of assets on non-contiguous tracts of land with required transmission for service;**

EDF recognizes advantages to locating PUEN assets on contiguous property, as this approach minimizes the need for additional transmission infrastructure, reduces operational complexity, and limits the potential for cost shifting to existing utility customers. However, EDF does not believe contiguity should be an absolute requirement. Where a proposed PUEN spans non-contiguous parcels, the applicant should demonstrate that the arrangement will not adversely affect system reliability or impose costs on other ratepayers.

In particular, PUEN customers should bear the full cost of any transmission or other infrastructure necessary to connect and serve the proposed network. Such cost responsibility should encompass the facilities and upgrades required to construct and operate the PUEN, ensuring that existing utility customers are not required to subsidize the project.

- e. Whether a “private use electrical network” could involve one industrial owner of generation who is allowed to enter into contracts for sale to other industrial owners without the need for transmission as between those parties and without the need for co-ownership or a lease arrangement for such arrangements.**

EDF is open to allowing an industrial owner of generation to enter into contractual arrangements with other industrial customers within a PUEN, provided that such arrangements satisfy the Commission's “do no harm” principle. Any framework should ensure that participating customers bear the full costs associated with the arrangement, including any necessary transmission or distribution upgrades, maintain system reliability, and not circumvent otherwise

applicable utility or Commission requirements. The Commission should also clearly define the conditions under which such arrangements qualify as a PUEN to provide regulatory certainty while protecting non-participating customers.

3. Do you support the implementation and recognition of “private use electrical networks” in Louisiana as per your understanding of them expressed above? Why or why not?

EDF supports the implementation and recognition of PUEN mechanism in Louisiana, provided they are implemented within a framework that protects the public interest. At a minimum, any PUEN framework should: (1) protect existing ratepayers from cost shifting and stranded asset risk; (2) preserve the reliability and resilience of the electric system; (3) encourage economically efficient utilization of energy resources, including existing CHP and clean energy and storage resources; and (4) apply objective eligibility standards that evaluate projects based on their characteristics, system impacts, and ability to satisfy the Commission’s reliability, planning, and cost-allocation requirements, rather than the identity of the customer or developer.

When designed with appropriate safeguards, PUENs can provide customers with greater flexibility to deploy innovative energy solutions, improve reliability, support economic development, and facilitate investment in efficient and lower-emitting energy resources. However, these benefits should not come at the expense of existing utility customers or undermine prudent utility planning. Accordingly, the Commission’s framework should balance innovation and customer choice with strong protections against cost shifting, stranded costs, and adverse reliability impacts.

4. Please explain in detail all benefits and/or detriments you believe would result for Louisiana customers if “private use electrical networks” were recognized in Louisiana. Please provide quantification if possible.

Recognition of PUENs in Louisiana could produce meaningful benefits for customers, but only if the Commission adopts strong safeguards to prevent cost shifting, preserve reliability, and ensure that benefits are not limited to a small number of large customers. Potential benefits include lower total system costs, faster development of new, clean generation, better use of existing industrial CHP resources, expanded procurement of renewable energy and storage, improved resilience for critical facilities, and reduced pressure on utility generation and transmission planning. For example, if an industrial customer can use existing, efficient CHP capacity to serve additional load or wheel power between affiliated facilities while paying the full cost of utility transmission and distribution service, that arrangement could reduce the need for new generation and avoid unnecessary system investment.

PUENs could also help large customers procure renewable energy or battery storage more quickly than traditional utility procurement processes, particularly where the customer bears the commercial risk and the resource is additive rather than merely shifting costs. If such resources reduce peak demand, provide capacity value, or defer utility infrastructure, non-participating customers could benefit. However, PUENs also present substantial risks. The most significant detriment is cost shifting. If an existing or forecasted load exits utility service after utility generation, transmission, or distribution investments have been planned or built to serve that load, remaining customers could be left paying for stranded costs. PUENs could also reduce utility sales revenues without reducing fixed system costs, which could increase rates for residential and small commercial customers.

Reliability risks are also material. Large PUENs may require backup, standby, or emergency service from the utility system. If the utility must maintain capacity and grid infrastructure to serve a PUEN during outages or generator failures, those costs must be assigned to the PUEN and not socialized across other customers. This is especially important for very large loads whose sudden return to the grid could create operational stresses materially different from traditional standby service.

PUENs may also create planning challenges if utilities and regulators lack visibility into private generation, load growth, outage risk, and operating practices. Without reporting, interconnection standards, cybersecurity requirements, protection coordination, and emergency operating protocols, PUENs could complicate transmission planning and local reliability.

The Commission should therefore recognize PUENs only where an applicant demonstrates a net public benefit while protecting existing ratepayers. At minimum, the applicant should show that the PUEN will not impose stranded costs or unreasonable cost shifts; will maintain or improve reliability; will fully compensate utilities for transmission, distribution, standby, backup, and ancillary services; and will produce measurable benefits such as new investment, efficient CHP utilization, renewable procurement, storage deployment, peak reduction, resilience, or economic development.

5. Do you believe that stranded costs may result from the implementation of “private use electrical networks” in Louisiana? If the answer is “yes,” please provide a narrative description of those stranded cost risks and quantify if possible. If the answer is no, please explain why.

EDF believes that implementation of PUENs has the potential to create stranded costs, particularly where an existing customer transitions to a PUEN after utility investments in generation, transmission, or distribution have been planned or constructed to serve that customer's anticipated load. In those circumstances, remaining ratepayers could be left responsible for the

costs of underutilized utility assets. By contrast, limiting PUEN eligibility to new loads, and considering PUEN proposals as part of the utility's resource planning or competitive procurement process, where appropriate, can substantially reduce stranded-cost risks by allowing utilities, developers, and the Commission to evaluate alternative approaches before investments are made. Accordingly, any PUEN framework should include safeguards to ensure that existing ratepayers are protected from stranded costs and cost shifting, including, where appropriate, early evaluation through the utility's resource planning or competitive procurement process and other financial, contractual, or regulatory mechanisms commensurate with the risks presented by the proposed project.

6. Do you believe that “private use electrical networks” as per your understanding expressed above would violate the current retail service rights of any public utility in Louisiana? Why or why not? Please cite specific authorities supporting your position.

Not necessarily. Provided the Commission retains appropriate oversight and establishes safeguards to protect existing utilities and non-participating customers, EDF does not believe that properly structured PUENs would inherently violate the existing retail service rights of Louisiana public utilities. Whether a particular PUEN implicates existing retail service rights will depend on the specific characteristics of the proposed arrangement and the framework ultimately adopted by the Commission.

PUENs should be structured to complement, rather than replace, the existing electric system by supporting growing customer demand while avoiding unnecessary duplication of infrastructure and ensuring that participating customers bear the costs associated with their facilities and any required system upgrades. The Commission's regulatory oversight is essential to ensuring that PUENs are implemented in a manner that is consistent with Louisiana law, protects

the public interest, and does not unreasonably impair the rights of existing public utilities or their customers.

- 7. Should a “private use electrical network” be entitled to backup, standby, reliability or other services from any public utility in Louisiana? Please explain why or why not. If a public utility does provide such services to a “private use electrical network,” either because it is required to or is willing to, how should those services be priced? Should that pricing account for system requirements to be able to withstand large surges of load upon the sudden loss of “private use electrical network” generation in a manner different than has been accounted for with prior standby services not designed for such large loads. Please explain whether your responses are consistent with the regulatory principles of cost causation and just and reasonable rates to all customers.**

EDF generally supports allowing PUENs to remain interconnected with the utility system. Maintaining an interconnected relationship enables PUENs to receive backup, standby, reliability, and other ancillary services while also providing opportunities for demand flexibility, improved system resilience, and deployment of customer-sited clean energy resources, including CHP, energy storage, and other distributed technologies. During periods of system stress, appropriately designed PUENs may also reduce demand on the grid through the use of on-site generation, storage, or other distributed energy resources.

Because large PUENs may require significant backup capability in the event of an unexpected outage or loss of on-site generation, applicants should, as part of the Commission’s review process, provide a technical assessment of their anticipated standby and backup service requirements. Such an assessment should include expected firm demand, anticipated frequency and duration of standby service, load characteristics, ramping behavior, and other operational characteristics relevant to utility planning.

Utilities should be permitted to recover the costs reasonably incurred to provide standby and backup service to a PUEN, including the costs of maintaining sufficient generation, transmission, distribution, and ancillary service capability to reliably serve the PUEN’s potential

backup demand. Consistent with the principles of cost causation and just and reasonable rates, PUEN customers should bear both the incremental costs directly attributable to serving the PUEN and an appropriate share of embedded system costs associated with the grid resources from which they continue to benefit.

Pricing for standby and backup service should therefore reflect the actual costs of providing those services, including the utility's obligation to maintain sufficient system capability to accommodate potentially large and rapid increases in load following the unexpected loss of PUEN generation.

8. Are you aware of other jurisdictions that allow “private use electrical networks” either as per your understanding or some other understanding. If so, please provide a narrative explanation of the programs and citations to relevant legislation, regulatory dockets or orders.

Utah's 2025 statutory framework for Closed Private Generation Systems¹ and the Electric Reliability Council of Texas's ("ERCOT") Private Use Network ("PUN") provide close analogues with the PUEN framework under the Commission's consideration. In 2025, Utah enacted SB 132, *Electric Utility Amendments*, which establishes a regulatory framework for serving large electrical loads. The legislation creates multiple pathways for service, including traditional utility service, connected generation systems, and “closed private generation systems.” It also establishes requirements governing large-load customers, large-scale generation providers, cost allocation, Commission oversight, and periodic program review.

SB 132 defines a “closed private generation system” as a privately owned generation system that serves one or more qualifying large-load customers through a direct connection and is

¹ Utah S.B. 132, 2025 Gen. Sess. (Utah 2025), creating Utah Code Ann. §§ 54-26-101 et seq., including § 54-26-504 (Closed Private Generation Systems), <https://le.utah.gov/~2025/bills/static/SB0132.html>.

not connected to a qualified electric utility’s transmission or distribution system. Qualifying customers generally must have an aggregate electrical demand of at least 100 MW.

Although Utah does not use the term “private use electrical network,” SB 132 reflects a similar policy objective by establishing a framework through which qualifying large-load customers may develop dedicated private energy infrastructure outside the traditional utility service model, while maintaining Commission oversight over key aspects of the program and protections for retail customers.

While Utah’s framework differs from the proposed Louisiana approach, several principles may be instructive, including protecting existing ratepayers from cost shifts, distinguishing between electrically isolated and interconnected private systems, establishing clear eligibility criteria for participation, and maintaining Commission oversight over contracts and implementation while allowing flexibility for qualifying large-load customers.

The other jurisdiction with a similar framework is ERCOT, which recognizes a PUN as an electric network connected to the ERCOT System that manages its own generation and load internally.² Although ERCOT’s PUN construct is an operational and market concept rather than a comprehensive statutory framework like Utah’s, it provides another example of a privately managed electrical network.

As described by ERCOT, “[t]he load is behind the meter at a site with a grid-connected generator, making the site a Private Use Network (PUN). In this setup, the load and generator are connected to the grid through the same meter. The generator may serve some or all of the load; only excess generation is offered into the market and settled by ERCOT. The load is served by the grid when generation is not available or insufficient; the load is settled by ERCOT. The load may

² Electric Reliability Council of Texas (ERCOT), ERCOT Grid Insights: About ERCOT, November 24, 2025, <https://www.ercot.com/files/docs/2025/11/24/ERCOT-Grid-Insights-About-ERCOT.pdf>

not have been planned operationally. Studies examine loads individually, generation individually, and load and generation in combination.”³

9. Please state whether the term “private use electrical network” has a recognized engineering, electrical, or planning meaning. If your answer is yes, please provide a detailed explanation of that meaning and identify all sources relied upon. If your answer is no, please explain why the term does not have such recognized meaning and identify any engineering, electrical, operations, planning, regulatory, or industry concepts that are most analogous. In your response, please address:

EDF is not aware of the term “private use electrical network” having a generally recognized engineering, electrical, operational, or planning meaning. The term does not appear to have an established definition in commonly relied-upon IEEE, NERC, FERC or other electric-industry standards. Rather, it appears to be a regulatory and policy construct intended to describe privately owned electrical infrastructure serving one or more customers outside, or partly outside, the traditional public utility service model.

The most analogous recognized concepts include microgrids, customer-owned behind-the-meter systems, distributed energy resources, industrial or campus electrical systems, and statutory constructs such as Utah’s “closed private generation system.” None of these concepts is necessarily identical to a PUEN, and the Commission should therefore establish a clear definition based on objective ownership, electrical, operational, interconnection and regulatory characteristics.

a. Whether a “private use electrical network” can be distinguished from traditional customer-owned facilities located behind a retail meter;

Yes. Traditional behind-the-meter facilities are generally located on the customer’s side of a retail meter and primarily serve that customer’s own load. Such facilities may include customer-owned generation, storage, transformers, internal distribution systems, and load.

³ Texas House Committee on State Affairs, ERCOT Update, committee handout, March 5, 2025, <https://capitol.texas.gov/tlodocs/89R/handouts/C4502025030508001/762f4cfd-90f9-4017-b107-c72b04ddf0dd.PDF>

A PUEN could be distinguished where it serves multiple customers or properties, includes private transmission or distribution facilities extending between customers, permits the sale or allocation of electricity among separate entities, or otherwise functions as a network rather than as the internal electrical system of a single retail customer. The presence or absence of a retail meter alone should not be dispositive. Relevant considerations should include the number of customers served, the ownership and location of electrical facilities, whether electricity is sold or transferred between separate entities, and the nature of the system's interaction with the public utility grid.

b. Whether a “private use electrical network” can be distinguished from a public utility transmission and distribution system from an engineering or operational perspective;

A PUEN may use many of the same types of conductors, substations, transformers, protection systems, control systems, and other facilities used by a public utility transmission or distribution system. The principal distinctions would instead arise from the system's ownership, customers served, electrical boundaries, interconnection points, operational control, and regulatory purpose.

c. The types of electrical facilities that would typically comprise a “private use electrical network,” including generation, transmission, distribution, substations, protection systems, control systems, energy storage facilities, and load;

Other components regarding the nature and operation of PUENs must be defined prior to providing a comprehensive list. Depending on its configuration, a PUEN could include:

- electric generation facilities, including renewable, thermal, CHP, or other generation;
- energy storage facilities;
- transmission or distribution lines;
- substations, transformers, switchgear, buses, and related equipment;
- interconnection facilities and points of common coupling;

- metering and telecommunications equipment;
- protective relays, breakers, grounding systems, and other protection equipment;
- supervisory control, energy-management, and communications systems;
- backup or emergency generation;
- participating customer loads; and
- facilities necessary to synchronize, island, reconnect, or otherwise coordinate with the public utility system, where applicable.

d. Whether there are engineering, reliability, operational, protection, or interconnection characteristics that should be required in order for a system to qualify as a “private use electrical network”;

Yes. A PUEN should be required to have clearly defined electrical boundaries, identified ownership and operational control, documented points of interconnection, appropriate metering, and protection and control systems capable of safely coordinating with the public utility system.

Where a PUEN is interconnected with the public utility system, the applicant should demonstrate that the network will comply with all applicable interconnection, safety, reliability, protection, communications, and operational requirements. The specific requirements should be proportionate to the PUEN’s size, voltage level, generation and storage resources, load characteristics, and potential effects on the broader electric system.

Depending on the configuration of the proposed PUEN, relevant studies and requirements may include load-flow, short-circuit, stability, grounding, power-quality, and protection-coordination analyses; voltage and frequency response; ride-through capabilities; islanding and reconnection protocols, where applicable; communications and telemetry; cybersecurity; emergency operating procedures; and coordination with utility restoration and system-planning processes.

An interconnected PUEN should also provide a technical assessment of its anticipated backup, standby, and reliability-service needs, including the magnitude and speed of any potential increase in utility load following the sudden loss of PUEN generation. These requirements are necessary to ensure that the utility can plan for the PUEN's potential reliance on the broader system and that the PUEN bears the costs associated with the services and system capability it requires.

Qualification as a PUEN should not exempt any facility from engineering or reliability standards that would otherwise apply to similarly situated generation, transmission, distribution, storage, load, or interconnection facilities.

e. Whether the electrical boundaries of a “private use electrical network” can be objectively identified and, if so, how those boundaries would be determined; and

Yes. The electrical boundaries of a PUEN should be capable of objective identification through engineering documentation, including one-line diagrams, points of interconnection, metering locations, and ownership of electrical facilities. The specific methodology will necessarily depend on how the Commission ultimately defines a PUEN in response to the preceding questions. Regardless of the framework adopted, the boundaries should be sufficiently clear to ensure the PUEN does not adversely affect existing utility infrastructure, contribute to stranded assets or shift costs to non-participating customers.

f. Whether any IEEE, NERC, FERC, state regulatory, utility planning, or other industry standards, definitions, or guidance documents recognize concepts similar to a “private use electrical network.” If so, please provide citations and explain their relevance.

Several recognized concepts are analogous. Microgrids are the closest established engineering and operational analogue. The U.S. Department of Energy defines a microgrid as a group of interconnected loads and distributed energy resources within clearly defined electrical boundaries that acts as a single controllable entity with respect to the grid and may operate in either

grid-connected or island mode. A PUEN may resemble a microgrid by combining load, generation, storage, private conductors, protection, and control within identifiable electrical boundaries. However, unlike a traditional microgrid, a PUEN would not necessarily require operation as a single controllable entity and may be structured to serve multiple separately owned customers or properties pursuant to contractual arrangements.

IEEE Standard 1547⁴ establishes technical requirements for the interconnection and interoperability of distributed energy resources with electric power systems. Although the standard neither defines nor comprehensively governs a PUEN, it may provide relevant guidance for individual generation or storage resources within a PUEN that interconnect with the public utility system. Other technical requirements may be necessary depending on the PUEN's size, voltage level, configuration, and use of private transmission or distribution facilities.

Utah's 2025 SB 132 recognizes a "closed private generation system," consisting of private generating facilities and associated transmission infrastructure serving qualifying large-scale electrical loads. Although this is a statutory rather than an engineering definition, it is relevant because it illustrates how another jurisdiction has developed a regulatory framework for dedicated private generation and network infrastructure serving large loads.

Accordingly, EDF recommends that the Commission draw upon applicable microgrid, distributed energy resource, industrial power-system, and interconnection standards when establishing technical requirements, while independently defining "private use electrical network" for purposes of Louisiana law and regulation. The applicable standards should be determined based

⁴ Inst. of Elec. & Elecs. Eng'rs, *IEEE Std 1547-2018: IEEE Standard for Interconnection and Interoperability of Distributed Energy Resources with Associated Electric Power Systems Interfaces* (2018), <https://standards.ieee.org/ieee/1547/5915/>.

on the configuration, voltage level, interconnection status, and operational characteristics of the proposed PUEN.

10. Under current Louisiana regulatory treatment, a customer may generally self-supply electricity using generation that it owns or leases, while third-party sales of electricity to retail customers may be subject to public utility regulation. In your response please address:

- a. Whether current ownership or lease requirements applicable to customer-sited generation create material financial, accounting, tax, financing, operational, or other impediments to the development of large industrial, manufacturing, digital infrastructure, or data center projects in Louisiana;**

EDF has not independently determined whether existing ownership or lease requirements create material impediments to the development of large load projects in Louisiana. Such requirements may affect financing structures, allocation of operational risk, tax treatment, access to third-party expertise, and the ability of customers to contract with specialized generation developers. However, the existence and materiality of any such impediments are likely to depend on the specific project and contractual arrangement.

- b. If so, describe those impediments in detail and quantify them where possible;**

EDF has not independently quantified these potential impediments and therefore does not offer an estimate of their financial effect. Applicants asserting that current requirements materially impeded project development should provide supporting evidence, including information concerning financial costs, tax treatment, project timelines, risk allocation, and reasonably available alternative ownership or lease structures.

The Commission may also benefit from information regarding the existing CHP potential at industrial facilities. Such information would provide additional insight into the extent to which a PUEN framework could facilitate efficient deployment of CHP and other customer-sited energy resources.

c. Whether Louisiana should permit a third party to own generation and sell electricity directly to one or more customers located within a qualified “private use electrical network” without being regulated as a public utility;

EDF does not believe this question can be answered in the abstract. Whether, and under what circumstances, third-party ownership and direct sales within a PUEN should be permitted without regulation as a public utility depends upon the scope and characteristics of the framework ultimately adopted by the Commission. At a minimum, the Commission should establish the eligibility criteria for participation, ownership and operational requirements, interconnection and backup service arrangements, electrical boundaries, cost allocation, and the safeguards necessary to protect existing utility customers before determining the appropriate regulatory treatment of third-party providers.

d. If the answer to subsection (c) is yes, what specific criteria, limitations, or conditions should apply before such an exemption is granted;

If the Commission ultimately determines that an exemption from public utility regulation is appropriate, it should be conditioned upon, at a minimum:

- Clearly defined ownership, operational, and electrical boundaries;
- Compliance with all applicable reliability, safety, protection, interconnection, and operational requirements;
- Demonstration that the project will not result in stranded costs, cost shifting, or other adverse impacts to existing utility customers;
- Assignment of all incremental costs associated with the project to participating customers;
- Financial assurance and contractual commitments sufficient to protect existing ratepayers and preserve system reliability; and
- Appropriate Commission oversight and reporting.

e. Whether any such exemption should be limited to new load, large load, industrial load, data center load, or other specific categories of customers;

If the Commission ultimately adopts such an exemption, EDF generally recommends limiting eligibility to new loads. Restricting eligibility to new load reduces the likelihood that existing utility investments in generation, transmission, or distribution become underutilized, thereby minimizing stranded costs and cost shifting to non-participating ratepayers.

Within that framework, EDF does not recommend limiting eligibility solely by customer industry (e.g., industrial, manufacturing, or data center). Rather, the Commission should establish objective eligibility criteria based on load characteristics, system impacts, and the applicant's ability to satisfy the Commission's reliability, planning, and cost-allocation requirements.

f. What protections, if any, should be implemented to protect existing utility customers from stranded costs, cost shifting, revenue erosion, or other adverse impacts;

At a minimum, the Commission should require that participating PUEN customers bear all incremental costs associated with the project, together with an appropriate share of embedded costs for utility services from which they continue to benefit, including any necessary generation, transmission, distribution, interconnection, backup, standby, and reliability-service costs. The Commission should also require sufficient financial assurances, contractual commitments, and cost-recovery mechanisms to ensure that non-participating customers are not left responsible for stranded utility investments.

In addition, the Commission should require applicants to demonstrate that the proposed PUEN will not result in unreasonable cost shifting, stranded generation, transmission, or distribution assets, revenue erosion that materially affects other customers, or adverse impacts to system reliability. Where appropriate, the Commission should require exit fees, minimum service commitments, collateral, or other mechanisms necessary to protect existing ratepayers.

Finally, PUEN proposals should be evaluated sufficiently early in the utility planning process to allow the Commission and utilities to account for the proposed load before major infrastructure investments are made, thereby reducing the likelihood of unnecessary or underutilized utility assets. Where appropriate, PUEN proposals should be considered through and in the context of utility requests for proposals or other competitive procurement processes established pursuant to the Commission's market-based mechanism framework.

g. Whether any minimum investment, load size, duration of service commitment, dedicated-use requirement, or contractual obligation should be required as a condition of any exemption; and

Rather than prescribing a specific minimum investment or load threshold as a condition of any exemption, EDF recommends that the Commission establish objective eligibility criteria reasonably related to the purposes of the exemption, including protecting existing utility customers, supporting prudent utility planning, maintaining system reliability, and ensuring appropriate cost allocation. Where appropriate, the Commission may also require minimum service commitments, contractual obligations, financial assurances, or other conditions necessary to achieve those objectives.

h. Whether other states have adopted similar exemptions or frameworks. If so, please identify those jurisdictions and provide citations to the relevant statutes, regulations, orders, or policies.

Yes. Utah has adopted a similar, although not identical, statutory framework. In 2025, Utah enacted SB 132, which authorizes qualifying large-scale electrical loads to receive service through utility service, connected generation systems, or "closed private generation systems." The statute also provides that qualifying large-scale generation providers operating under specified conditions are exempt from regulation as public utilities under Utah law.

While Utah's framework differs from the PUEN concept under consideration in this proceeding, it provides a useful example of one state's approach to balancing customer access to dedicated private generation with statutory eligibility requirements, Commission oversight, cost-allocation provisions, and protections for existing utility customers. Louisiana should independently evaluate whether, and under what circumstances, a comparable framework would be appropriate under its own statutory authority and policy objectives.

C. CONCLUSION

EDF appreciates the opportunity to participate in this proceeding and looks forward to continuing to engage with the Commission as it evaluates these important policy questions.

RESPECTFULLY SUBMITTED:



Harry J. Vorhoff (La # 35365)
Megan K. Terrell (La #29433)
Plauché & Carr LLP
450 Laurel Street, Ste. 1850
Baton Rouge, LA 70801
Telephone: (225) 256-4028
Facsimile: (206) 522-4255
Harry@plauchecarr.com
Megan@plauchecarr.com

Kahlida Lloyd (La #39495)
Environmental Defense Fund
2021 Lakeshore Drive Suite 210
New Orleans, LA 70122
Telephone: (212) 616-1265
klloyd@edf.org

Attorneys for Environmental Defense Fund

CERTIFICATE OF SERVICE

I hereby certify that a copy of Environmental Defense Fund's Responses to Staff's First Set of Requests for Information in the above-referenced matter have been served by electronic mail on all parties on the Official Service List.

Baton Rouge, Louisiana this 17th day of July 2026.



Megan K. Terrell