

Entergy Louisiana: Power for growth, or flexibility for the future?

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This is a hypothetical strategy exercise based on public information. It does not describe an actual internal assignment, reveal a later regulatory decision, or report project outcomes after the cutoff.

The decision

In fall 2026, Entergy Louisiana, LLC (ELL) is seeking Louisiana Public Service Commission (LPSC) approval to build two large gas-fired power stations and recover eligible costs from customers. The plants would take years to complete. The utility argues that its system needs more dispatchable capacity as demand grows and older resources retire. Critics question whether the forecasts, project costs, and proposed alternatives justify committing to both plants now.

You are advising a hypothetical ELL strategy team as it prepares for the next stage of LPSC review. Should the utility continue to pursue both projects on the filed schedule, seek staged or conditional approval, or reopen its comparison of resources and timing? What evidence should be sufficient to move forward, and who should bear the risk if demand, cost, or schedule differs from plan?

This is a utility planning and regulatory strategy question. Entergy Corporation (ETR) is the listed parent. ELL is the applicant and regulated utility. Keep their decisions, customers, costs, and regulatory positions distinct.

Two proposed plants

In February 2026, ELL applied in LPSC docket U-37853 for approval and certification to construct two nominal 754-megawatt combined-cycle combustion turbine (CCCT) units:

- **Waterford 6**, at ELL's existing Waterford site near Killona, Louisiana.
- **Westlake**, at ELL's existing Roy S. Nelson site in Westlake, Louisiana.

ELL estimates construction costs of \$2.027 billion for Waterford 6 and \$2.091 billion for Westlake, about \$4.118 billion combined. These are estimates in the [application](#), not approved budgets or guaranteed final costs. ELL says it is considering third-party financing for Waterford 6; it has not described that consideration as a financing commitment. The [Q2 2026 Form 10-Q](#) repeats ELL's estimates and projected in-service dates.

ELL projects Waterford 6 in service by July 2030 and Westlake by October 2030. Its application assumes certification in December 2026 and specified full notices to proceed in early 2027. ELL describes equipment reservations and contractor commitments intended to manage schedule and performance risks, but some details are confidential. The dates remain company projections, not Commission-approved milestones.

ELL's case for investment

ELL says it needs new dispatchable resources to meet forecast demand and replace older generation as it retires. Its application cites the 2023 Final Integrated Resource Plan and a January 2026 forecast that projects Entergy Louisiana's summer coincident peak at 13,915 MW in 2030 and 14,740 MW in 2035. Those figures are company forecasts, not observed demand or a sum of signed customer contracts. See the [ELL application](#), pp. 3-6; the underlying January 2026 data filing is not included in the materials reviewed for this case.

ELL also cites announced industrial investments, including Hyundai steel, ammonia projects involving CF Industries, JERA and Mitsui, and Woodside LNG. These projects may create significant demand, but an announcement does not establish the amount or timing of electric load, whether ELL has a service commitment, or how much coincident peak each project would add. ELL says its need is broader than any single large customer. That is the company's position in testimony, not an independent finding.

ELL says a 2024 CCCT request for proposals sought up to 2,000 MW and that the two proposed self-build units emerged from that process after tolling negotiations did not reach commercial terms. ELL describes Merrimack Energy Group as monitor for the RFP. That role does not establish an independent evaluator assignment in U-37853. Confidential bids and scoring details are not available in the public materials for this exercise, so students cannot reproduce the selection. See the [application](#), pp. 5-8.

ELL describes the sites as useful for serving two local planning areas and says new generation could reduce import dependence and help restoration and voltage support. The application discusses interconnection paths, replacement-generator rights, and transmission upgrades that still require further process and study. ELL also describes possible future hydrogen co-processing and carbon capture at the sites. Those are company-described design possibilities, not current plant capabilities, approved retrofits, or established emissions outcomes.

Cost recovery is part of the strategy

ELL proposes to recover generation and generator tie-in costs through its Additional Capacity Mechanism and Formula Rate Plan. It proposes to recover Westlake interconnection upgrades through its Transmission Recovery Mechanism and regular Formula Rate Plan process. If recovery is delayed, ELL asks to defer certain costs, including carrying charges, and later recover them over two years. These are requested treatments; the LPSC has not granted them in the evidence available here.

The recovery proposal raises a strategic question alongside the resource question. If new capacity benefits the system broadly, shared recovery could be appropriate. If a material share of demand is concentrated in new large customers, the Commission may ask whether those customers should provide stronger commitments or bear more of the costs and risks. The public materials reviewed for this case do not establish a customer-specific guarantee, final cost allocation, approved tariff, or customer bill impact.

A pending decision, an incomplete public record

The **LPSC portal** lists U-37853 as open and describes it as ELL's request to construct the two plants and recover costs. The **initial application record** lists the Commission's Staff and several other participants, including customer, environmental, labor and industry groups. The participant list establishes who appears in the matter; it does not reveal any participant's position on the merits.

ELL's July 2026 Form 10-Q reported hearings scheduled for October and November and requested Commission consideration by its December meeting. The accessible LPSC page for this exercise does not expose a complete docket history or current hearing calendar. It also does not display the full docket filing record. Therefore, the schedule in the quarterly report is a company-reported schedule, not a verified current calendar. Do not infer that no later filings, testimony, or orders exist.

The initial application and listed exhibits include confidential and public-redacted material. The January 2026 load-forecast filing, full RFP and scoring record, detailed project cost schedules, and complete set of later Staff and intervenor submissions are not in the public case packet. The accessible materials do not establish a Staff recommendation, independent evaluator filing, Commission merits finding, or current final procedural schedule. A public summary describes a Sierra Club witness's concerns, but the underlying testimony was not available for full review here; do not treat the summary as an independent analysis.

What the research can and cannot establish

Research on capacity value says a resource's contribution depends on its availability and the rest of the system, not its nameplate capacity alone. Zachary and Dent's peer-reviewed study (**DOI**) develops that mechanism and illustrates it using Great Britain wind data. Its observations above 90% of ACS peak are not an Entergy capacity estimate.

Joskow's peer-reviewed article (**DOI**) explains why levelized cost alone may not capture the time and location value of electricity. Its longer author manuscript uses hypothetical two-period examples, not observed Louisiana costs or outcomes. Ishii and Yan's 2004 study is a preliminary working paper about independent power producers during U.S. restructuring; it does not show that regulatory uncertainty caused delay in a regulated utility's current proceeding. Lawrence Berkeley National Laboratory's large-load tariff report describes design practices but does not test their effectiveness or establish ELL's tariff terms. None of these sources ranks the two proposed plants or provides an Entergy-specific estimate.

To compare the alternatives, you would need a consistent forecast of load, retirements and already-approved or pending resources; hourly or seasonal capacity contributions; fuel and operating assumptions; transmission deliverability; cost sensitivities; and the terms of any relevant customer commitments. You would also need to understand how delay, underuse, cost overruns and changing load would be allocated among ELL, large customers and other customers.

Your assignment

Prepare a recommendation for ELL's posture in U-37853. Choose one path or a clearly specified hybrid:

1. Continue to seek approval for both plants on ELL's proposed timetable.
2. Seek phased or conditional approval, with explicit load, cost, reliability or schedule gates.

3. Reopen the resource comparison or procurement sequence before committing to both plants.

For your chosen path, state:

- What evidence would justify construction of both units, one unit, or neither on the proposed timetable?
- Which costs and risks should be borne by ELL, large-load customers, or other customers, and through what commitments or recovery conditions?
- How should the utility handle forecast error, project delays, cost escalation, underuse, fuel exposure, and interconnection uncertainty?
- What evidence should the Commission or utility require before each irreversible commitment?
- Which facts are company forecasts or advocacy, which are independently tested, and which remain unknown?

There is no single answer in the public record. A defensible recommendation must make its assumptions visible and explain what new evidence would change it.