



December 17, 2025

VIA ELECTRONIC MAIL

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RE: Lightning Initiative

Dear Commissioners,

Thank you for your continued service and for the hard work each of you brings to safeguarding Louisiana's energy future. The decisions before the Louisiana Public Service Commission (LPSC) today carry significant implications for the affordability, reliability, and competitiveness of our electric system—issues that affect every ratepayer and every employer in our state.

I write to offer respectful recommendations regarding the proposed "Lightning Initiative" that's being discussed privately and will be considered publicly before the Commission on December 17. While the intent of the Initiative is understandable—streamlining a process for large load generation and interconnection to respond to increasing electricity demand—the mechanism it employs would centralize even more authority in the hands of big investor-owned monopoly utilities, restrict competitive alternatives, and expose ratepayers to substantial cost and risk. If not considered carefully, the proposed structure could move Louisiana further away from the competitive, modernized energy landscape that our growing economy requires.

Given projected increases in industrial and commercial load—including large-scale data centers, manufacturing facilities, and new energy technologies—Louisiana cannot afford an approach that further limits competition, reduces transparency, or commits customers prematurely to utility-owned infrastructure. We believe a more balanced, market-oriented strategy will strengthen reliability, increase affordability, and position our state for long-term success.

Below, we outline principled concerns with the Lightning Initiative and propose alternative free-market solutions that we urge the Commission to consider:

Concerns with the Proposed Lightning Initiative:

- **Reduced Market Competition:** As we understand, the proposed Lightning Initiative would give incumbent monopoly utilities the ability to bypass the competitive bidding process and construct, procure, and operate new major generation assets and transmission lines within their service territory, effectively suppressing market competition. This constrains opportunities for independent generators, private capital, and competitive procurement, all of which have proven to help keep prices low and reliability high. Unlike vertically integrated monopoly utilities, competitive power suppliers take on investment risk, not

consumers. As AI, economic growth, and electrification drive up demand, competitive markets will be key to delivering affordable, reliable power across the country and here in Louisiana.

- **Increased Costs and Risk to Ratepayers:** By accelerating utility-owned projects outside of a transparent competitive process, the Lightning Initiative could inadvertently shift billions in capital spending directly onto customers. Louisiana ratepayers already shoulder rising bills driven by inflation, aging infrastructure and storm-hardening surcharges. Further suppressing marketing competition risks worsening this trend.
- **Lack of Transparency and Accountability:** Rapid-approval frameworks, without robust modeling or public review, undermine the Commission's role as a check on monopoly power. When utilities face no competitive pressure, ratepayers bear the consequences of cost overruns, delays, and misaligned planning assumptions.

Recommended Alternatives to Strengthen Reliability, Affordability, and Consumer Choice: Rather than adopting the Lightning Initiative's centralized model, the Commission has an opportunity to advance free-market reforms that protect customers while encouraging innovation and private investment.

- **Expand Competitive Procurement for All New Generation and Transmission:** Requiring all major infrastructure projects to go through a transparent and open solicitation process would help lower project costs through competitive pressure. Competitive procurement is already standard practice in many states and has delivered estimated cost savings of 20–40% for ratepayers.
- **Enable Large Load Users to Self-Procure or Self-Generate Power:** Providing structured pathways for large load customers to:
 - Purchase power directly from competitive suppliers
 - Build on-site or co-located generation
 - Develop microgrids or behind-the-meter resources.
- **Modernize the Interconnection Process:** A streamlined, predictable interconnection process—standardized statewide—would help reduce delays in bringing new generation online and support distributed energy resources and microgrids, as well as improve planning accuracy and reduce uncertainty for developers.
- **Strengthen Long-Term Load Forecasting and Integrated Resource Planning:** Before approving major capital investments, the Commission should consider requiring: 1.) Transparent modeling of expected load from industrial projects 2.) Sensitivity analyses reflecting fuel costs, technology trends, and grid constraints and 3.) Public access to modeling assumptions and stakeholder input. Strong planning reduces overbuild risk and ensures ratepayers do not pay for unnecessary infrastructure.
- **Adopt Market Access Reforms That Increase Consumer Choice:** Louisiana's monopoly-driven model limits innovation and cost competition. Incremental steps toward customer choice would increase discipline and encourage utilities to pursue efficiencies.

Louisiana stands at a pivotal moment. Demand for electricity is rising rapidly, and our economic future depends on having a power system that is reliable, affordable, and competitive. The Lightning Initiative, though well-intentioned, risks entrenching structural weaknesses in our electric market and imposing greater costs on the Louisiana families and businesses you represent.

A more competitive, transparent, and market-driven approach would better serve the Commission's mission and position Louisiana as a regional leader in energy innovation and economic development. We respectfully urge the Commission to pursue reforms that foster competition, protect ratepayers, and open the door to private-sector investment that complements—rather than burdens—our regulated utilities.

Thank you for your thoughtful consideration and for your commitment to the people of Louisiana. We would welcome the opportunity to provide additional analysis or participate in future discussions on these important issues.

Sincerely,



Melissa Landry
Director, Center for Energy
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