Cleco Power LLC

2007 Integrated Resource Plan

Abridged Version

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Section 1 Executive Summary

This report documents the process and results of Cleco Power's (the Company) 2007 Integrated Resource Plan (IRP). The Company's objective is to provide the best economic value to our customers by providing reliable electricity at a stable competitive cost.

Cleco Power's philosophy is to focus the 2007 IRP on long-term resource needs that address key concerns of the Company such as deliverability, reliability, cost, price volatility, fuel diversity and stability, regional transmission concerns, environmental issues, and market price volatility. Currently, Cleco Power fulfills its capacity and energy requirements through its existing generation fleet and short-term firm power contracts. When economically viable, spot market purchases provide an additional source of energy supply. Inherent in this "short-term strategy" are potentially volatile natural gas prices and uncertainty associated with deliverability of power to Cleco's control area.

Another potentially significant risk for the electric utility industry is deregulation. In 2002, the Louisiana Public Service Commission (LPSC) found retail choice not to be in the public interest of Louisiana, but directed the LPSC Staff to continue to review competitive developments, excluding the Electric Reliability Council of Texas (ERCOT) market. While the LPSC ultimately may order some level of retail choice in Louisiana, such a decision, if made, could be many years away. Several states recently have announced plans to re-regulate electric utilities, with the Montana and Virginia legislatures approving bills to implement such plans. Regardless of any assumptions as to a potential date for retail choice in Louisiana, and the nature, degree, and material details of such deregulation, the regulated utility remains the load-serving entity until that time. Accordingly, Cleco Power has not reflected the potential impact of any retail choice programs in the 2007 IRP.

Consistent with any IRP process, the Company first assessed the status and capability of its existing and planned generating fleet, including expected retirement dates. Cleco Power economically dispatches its current assets in regard to system constraints. System operators routinely call upon Teche Station Unit 3 and Rodemacher Station Unit 1 during certain market conditions and periods of transmission system constraints to ensure reliability and system stability. Table A.1 lists the Company's existing fleet of generation assets.

Table A.1

Existing Generation Fleet-2007 EIA 411 Filing

Station/Unit	MegaWatts Capacity	Fuel	In Service Date
Franklin	7	Natural Gas	1973
Teche 1	19	Natural Gas	1953
Teche 2	38	Natural Gas	1956
Teche 3	326	Natural Gas	1971
Rodemacher 1	419	Natural Gas	1975
Rodemacher 2	148	Coal	1982
Dolet Hills Unit 1	321	Lignite	1986
Rodemacher 3	600	Petcoke	Late 2009 *
* Projected date for commercial operations			

The Company then developed a base case scenario as a baseline to evaluate potential projects. This approach provides a balanced and objective view of a complex and dynamic problem. The Reference Base Case is intended to represent or assess the long-term outlook for identifying incremental resource needs with respect to the Company's current short-term strategy. The Reference Base Case consists of the Company's existing generation assets, along with capacity and energy purchases from the market for the planning period of 2010 thru 2039. Over the 30-year planning period, energy and demand is forecasted with an annual growth rate of approximately 1.3 percent per year. Beginning in 2010, the Company's forecasted peak system demand with planning reserves is 2,221 MW and ends with demand equal to 3,318 MW in 2039.

Next, the Company identified potential obstacles in providing competitively-priced and reliable power to its customers. A significant obstacle for the Company is the inadequacy of this region's bulk power transmission system. Specifically, the lack of

import capability of electric energy into Cleco's control area drastically isolates the Company from firm market supplies.

Due to these transmission constraints and the long development and construction period associated with transmission projects, the Company selected a 15 percent planning reserve margin throughout the 2007 IRP. Although the Southwest Power Pool requires participating companies to maintain a 12 percent capacity margin, the Company believes that a 15 percent planning reserve margin is prudent and a reasonable assumption given these risks.

Another key planning issue is the Company's dependence on the natural gas market. In 2006, approximately 29 percent of the Company's energy costs are due to the Company's purchase of natural gas to fuel its owned natural gas fired generation resources. An additional 60 percent of energy costs are indirectly related to the natural gas market via short-term and spot market purchases, making natural gas approximately 89 percent of the Company's total fuel cost. The natural gas market is volatile in nature and has produced average daily prices from a low of $1.98 to a high of $18.60 per MMBtu from 2002 through 2006. Natural gas prices have averaged $6.00/MMBtu over the same time period.

The Company derived two potential solutions to help address the limitations discussed previously:

- Secure long-term contracts for market supply via a Request for Proposal (RFP) process
- Build and/or convert generation assets within the Company's control area

As stated earlier, the Company's objective is to provide the best economic value to our customers by providing reliable power at a stable, competitive price. The scope of the 2007 IRP is to identify a mix of resources, including new generation and/or fuel conversion projects, which create a long-term strategy that mitigates risks and minimizes our customer's costs. To implement the results of the 2007 IRP, the Company, in accordance with the LPSC's Market-Based Mechanism Order (MBM)

(General Order Issued February 16, 2004 in Docket No. R-26172) will issue a RFP to the power market to fill the Company's projected capacity shortfall. The Company will also develop and bid self-build projects into the RFP.

To start the IRP process, a long-term system dispatch including a build-out of potential resources within a fundamental market model provided the first indication of the types of generation assets to be considered during the evaluation. The Company then considered individual resource alternatives using a dispatch optimization model to determine total benefit considering capital cost, rate impact, and fuel savings. As a result of the process, a shortlist of the most viable stand-alone projects was developed. Next, portfolios of the stand-alone products were designed and evaluated. As a result of this analysis, the Company narrowed its selection to best-fit portfolios that were evaluated under different load and market assumptions. Demand Side Management (DSM) was also considered as part of the IRP. The initial results from the DSM study showed the potential to offset demand, but in very small quantities. It is also recommended that the Company pursue renewable options as economics justify in order to be prepared for future mandates.

Self-Build Options

Cleco Power has identified potential self-build options as part of its ongoing resource planning process. Evaluations of the potential self-build projects are ongoing and include transmission impact and planning studies. In compliance with the requirements of the LPSC's MBM Order and subject to the confidentiality protections provided in Rule 12.1 of the LPSC's Rules of Practice and Procedure, the Company will provide cost estimates and supporting documentation for self-build options that are bid into a subsequent RFP. Detailed construction cost estimates, fully defined project scopes, and performance data will be submitted confidentially to the LPSC prior to the date bids are due from the market in this RFP.

Each of these analyses is highly dependent on capital costs, market constraints, and forward market prices. The final analysis addresses such risks as:

- capital cost
- fuel pricing and price volatility
- fuel availability
- deregulation
- environmental issues
- transmission deliverability
- loss-of-load scenarios

Although the Company believes our assumptions are reasonable, substantial changes in the assumptions may warrant reconsideration of some of the original portfolios.

Section 2 Load Forecast

Overview of Annual Load Forecast Process

The planning period for the 2007 IRP covers 2010 through 2039. A 30-year load forecast was developed using a two stage process originating with an energy component (by month) that was shaped into an hourly forecast for the entire planning period.

Energy

The Energy Forecast is based on both econometric and customer specific data. Historical climatic temperatures and customer data are used to develop regression equations to forecast the major retail classes of Residential, Commercial, Industrial, Street Lighting, and Public Authorities. Climatic temperature data from the National Oceanic and Atmospheric Administration (NOAA) is weather normalized over the 30-year planning period.

Existing and new retail customers with demands greater than 1 MW and full requirements wholesale customers are forecasted individually. Historical data as well as marketing intelligence are incorporated into these forecasts. The complete Energy Forecast combines both the major retail classes and all individual forecasts producing a forecast of energy consumption by month over the planning period.

Demand

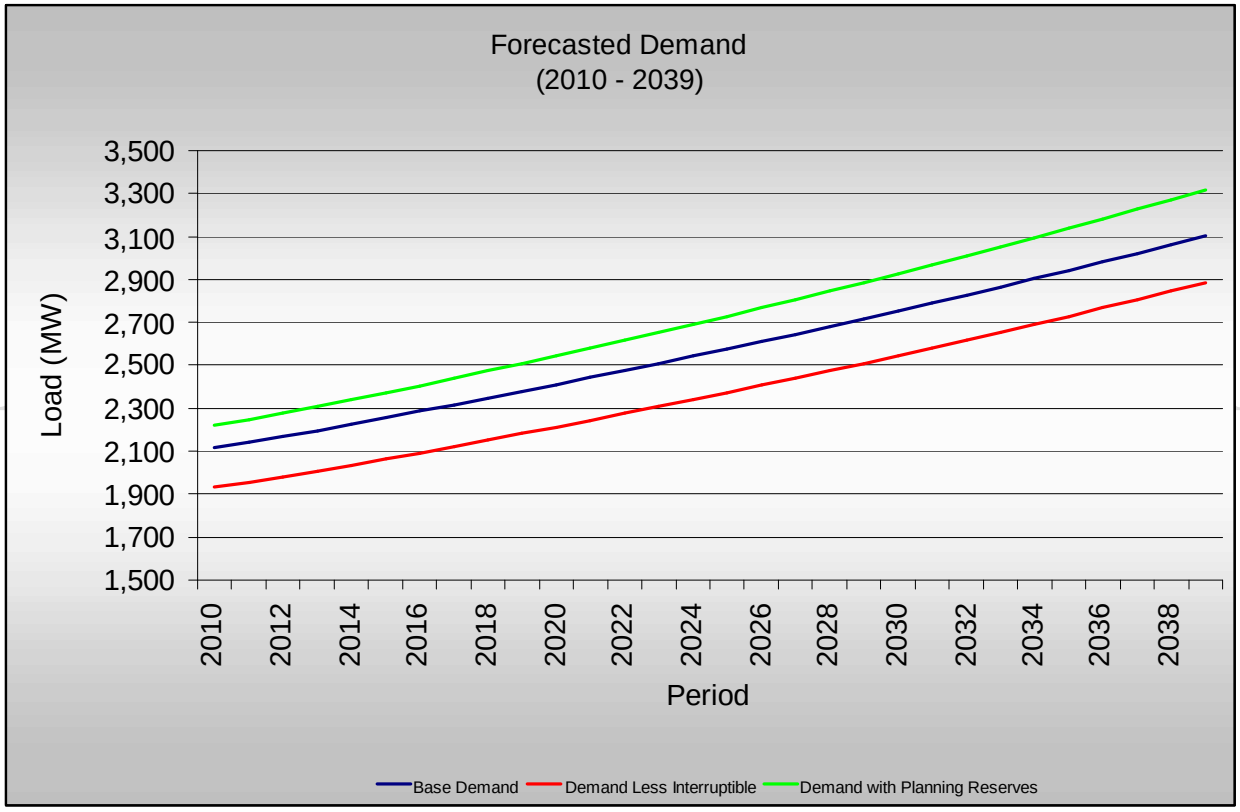
Energy demand based on an hourly load factor is identified from historical data and projected by applying statistical forecasting methods. Historical demand, climatic temperature, and monthly energy values along with the energy forecast are used to determine the statistical forecast.

Summary

In general, over the 30-year planning period energy demand is forecasted with an annual growth rate of approximately 1.3 percent per year. Chart A describes the forecast of annual system peak demand, including planning reserves for the 30-year planning period. Beginning in 2010, the Company's forecasted peak system demand with reserve requirements is 2,221 MW and ends with a demand of 3,318 MW in 2039.

Chart A

Long-Term Reference Base Case Forecasted Demand with Reserve Requirements



Section 3 Generation

Generation Overview

For purposes of the IRP process, existing generation assets are projected to run to failure. Sufficient incremental investments are assumed to maintain reliable capacity performance for TPS3. Throughout the evaluation, various supply options are evaluated with key consideration given to deliverability, reliability, and fuel diversity. This section discusses the Company's historical supply mix, energy position, and capacity position.

Supply Mix

Historically, a supply mix consisting of self-owned solid fuel and gas generation, long-term contracts, and spot market purchases were used to meet Cleco Power's energy and capacity requirements.

Energy Position

The following Chart B depicts four load duration curves for years 2010, 2019, 2029, and 2039. As you can see from the charts, there is 700 to 1,100 MW of minimum continuous load or base-load energy requirements over the 30-year planning period (2010 – 2039). The base-load energy requirements represent about 75 percent of the total energy requirements due to its lowest cost. At the start of the planning period, 2010, Dolet Hills Unit 1, Rodemacher Unit 2, and Rodemacher Unit 3 (RPS-3) provide approximately 1,070 MW of this base load capacity. Chart C depicts Cleco Power's projected weather normal peak with a 15 percent planning reserve margin and the resources used to serve that load. The PPA and RPS-3 are the results of a previous long-term RFP process.

Chart B

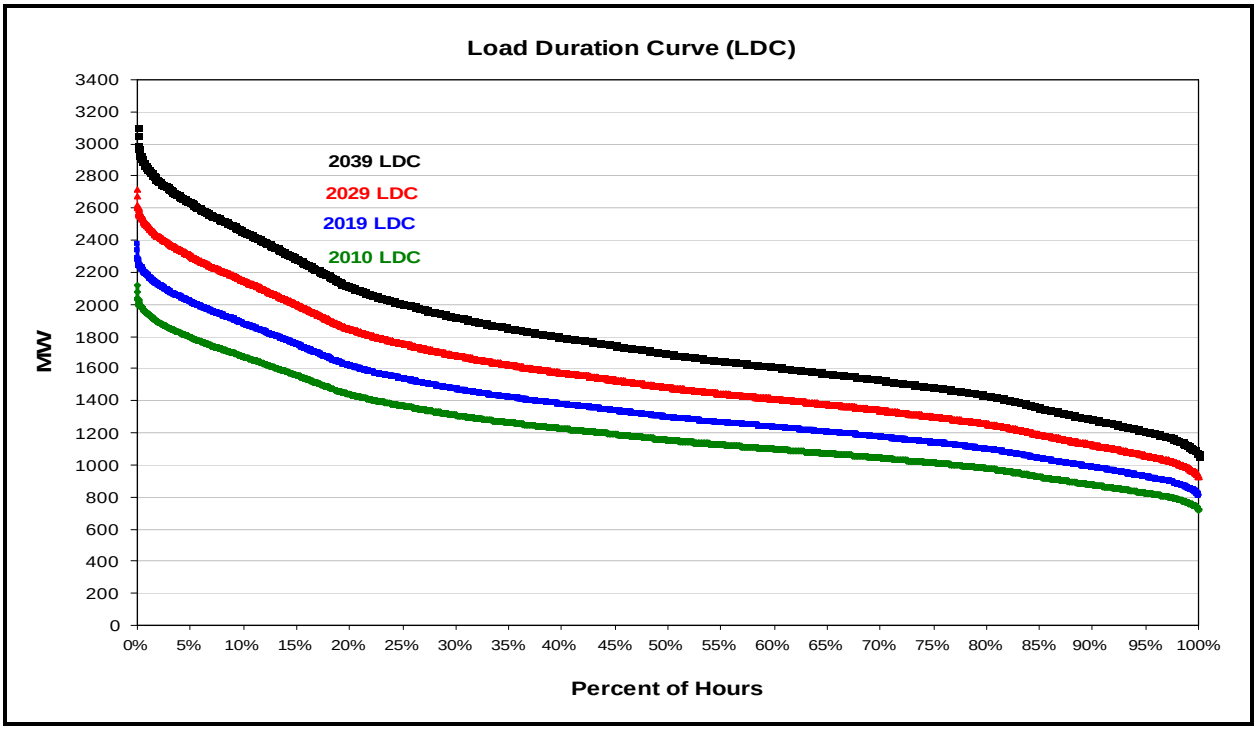
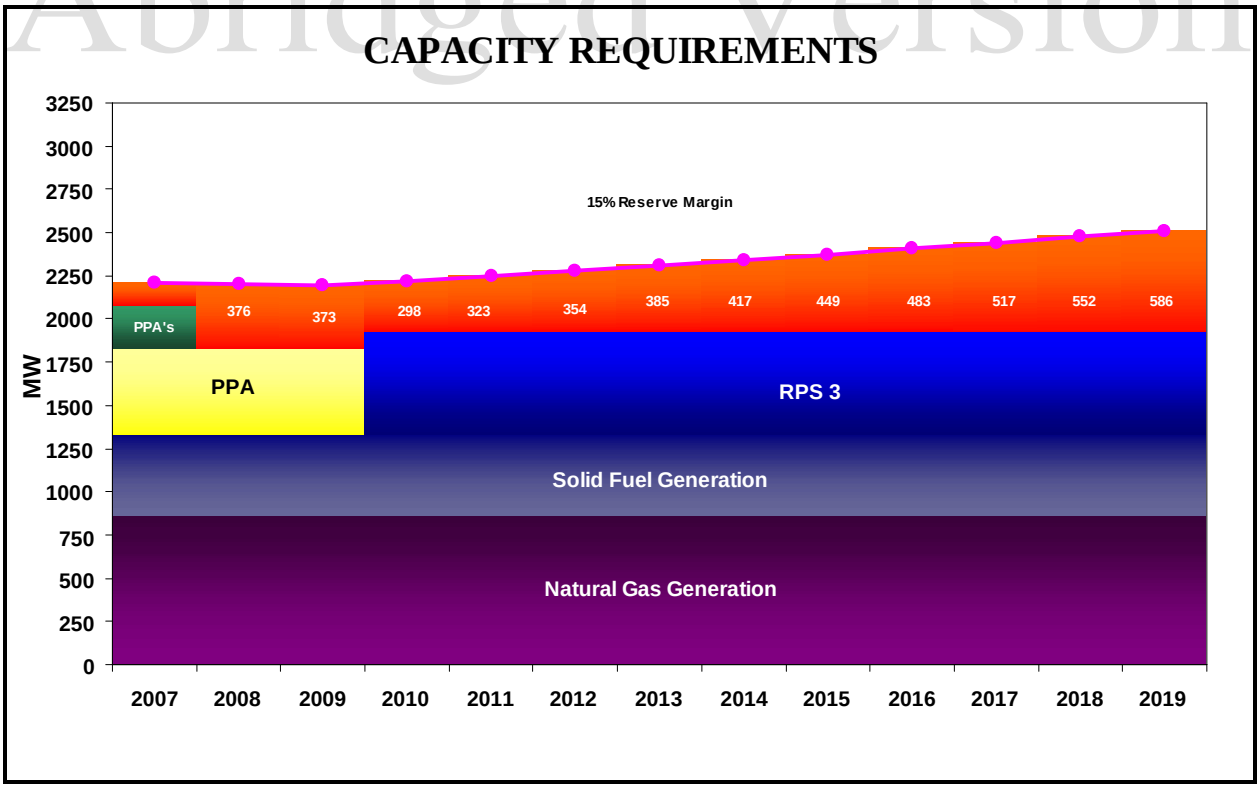


Chart C



Capacity Position

The Company selected a 15 percent planning reserve margin for the 30-year planning period. As a member of the Southwest Power Pool, Cleco Power is required to maintain a minimum 12 percent capacity margin. A significant amount of construction is required to improve system stability and power flow in the region. The projects currently proposed provide very limited (if any) improvement to Cleco's access to firm market supply. Therefore, the Company believes that a 15 percent planning reserve margin is a prudent and reasonable assumption given the long development and construction period associated with transmission projects. Another key driver of the Company's capacity position is its expected run-to-failure assumption for existing generation resources, based on sufficient financial investments to maintain reliable capacity. However, financial, regulatory, and/or environmental changes may cause unit retirements.

Solid Fuel Considerations

The Company's existing solid-fuel supply portfolio consists of 50 percent ownership in Dolet Hills Power Station, located near Mansfield, Louisiana and 30 percent ownership in Rodemacher 2 Power Station in Boyce, Louisiana. Combined, the two stations provide 469 MW of firm capacity supplying base-load energy at approximately an 80 percent capacity factor for the period 2003-2006.

Dolet Hills utilizes lignite from its adjacent mine, while Rodemacher 2 burns coal purchased and transported via rail from the Powder River Basin (PRB) in Wyoming. PRB coal is transported to Rodemacher under a transportation contract that utilizes rail cars leased by Cleco Power pursuant to various long-term agreements.

RPS-3, a product of the 2004 IRP, is a new solid-fuel unit capable of burning petcoke and various other coals and solid fuels with a projected commercial operation date of late 2009. It will add approximately 600 MW net solid-fuel capability bringing the Company's base-load capacity total to approximately 1,069 MW.

Section 4 Renewable Energy

Overview

Renewable energy is defined as energy derived from resources that are regenerative or for all practical purposes cannot be depleted. Some of man's earliest attempts to harness nature's power sources included the use of falling water, and wind energy. The use of water to produce hydroelectric power has been utilized for over a century, and while there are some environmental issues at specific facilities, it remains a significant source of renewable energy generation. Likewise, the harnessing of wind energy to produce electricity has grown dramatically in recent years.

In addition to these traditional sources of renewable energy are more recent technologies, including solar, geothermal, landfill gas, and biomass. The recent shift toward increased production of electricity using renewable energy sources has become more commonplace due to a number of factors, including concerns about global climate change, emissions, and the exhaustion of fossil fuel resources. In addition, the Energy Policy Act of 2005 included tax incentives for renewable energy technologies.

Cleco Power currently has under construction a new 600 MW circulating fluidized bed (CFB) technology generating unit that will burn petroleum coke as the primary fuel. Petroleum coke is a by-product of the crude oil refining process. Cleco Power's new CFB generating unit will have the capability of burning biomass material as an alternative fuel or mixed with petcoke.

The commercial applicability of renewal energy technologies varies significantly by region of the U.S. and by technology. Renewable energy technologies such as wind and solar energy have somewhat limited track records regarding costs, availability, and reliability, while others such as biomass, bio-diesel and ethanol are less developed.

One recurring criticism of renewable sources is their intermittent nature which puts into question its reliability of these sources for providing consistent and sustainable supply to

the transmission grid. For example, sunlight is available only during the day when the sun is well above the horizon; wind energy is typically available much less than half of a typical day and in a limited number of regions of the U.S.

Louisiana's most viable option for renewable energy appears to be biomass. The resource is available in greater quantities and is capable of producing power with more efficiency than other renewable resources. Some of the other renewable options may depend on technology improvements. The Company will continue to monitor renewable resource technology for further opportunities.

Section 5 Demand Side Management (DSM)

Overview

During the first quarter of 2007, Cleco Power engaged a consulting group to quantify the market potential for demand side management (DSM) in its territory. The objective of the study was to determine the extent to which DSM resources could contribute to Cleco's future resource strategy. The potential for DSM is based on an analysis of Cleco's customer base, achievements at comparable utilities, and currently available DSM technologies.

Methodology

The study approach provides estimates of market potential using data from Cleco's projection of sales and the DSM achievements of other Southern U.S. investor owned utilities (IOU) of comparable size that have been actively pursuing DSM. The results achieved by these utilities, in terms of savings as a percentage of sales, provide a range of likely potential in the near-to-medium term for Cleco.

This analysis was developed starting with Cleco's baseline load forecast. Consumption was then broken out by end use, based on housing type for the residential sector and primary building activity for the commercial and industrial sectors. This provides the basis for estimating technical potential and also allows for the market potential impacts to be reported back within Cleco's load forecast framework. The final step in this phase of the analysis incorporated screening criteria to identify the candidate DSM measures recommended for inclusion in the modeling of market potential.

Description of Usage Characteristics

To form estimates of market potential for DSM programs, it is first necessary to understand the ways in which Cleco's customers use electricity. Since Cleco Power does not have data on customer end use characteristics, the consultant relied on third-

party survey data to disaggregate Cleco's estimates of customer-class electricity consumption. The data came from surveys collected by the U.S. Division of Energy, Energy Information Administration's energy consumption surveys: the Residential Energy Consumption Survey, Commercial Business Energy Consumption Survey and the Manufacturing Energy Consumption Survey.

Description of Potential Measures

A comprehensive list of potential DSM measures was developed based on a review of several DSM programs in various Southern states. To make the data-intensive modeling process more manageable, measures in the residential and commercial sectors were subjected to a screening process to identify the most appropriate measures for Cleco. Technologies were screened on five dimensions relevant to Cleco's service territory:

- commercial availability and technological barriers
- reduction in summer demand
- market potential from states with similar climates
- savings potential relative to the end use contribution to total consumption
- whether the measure is an ENERGY STAR partner product.

For the residential sector, the measures identified as the most likely candidates for inclusion in the quantitative analysis tended to be related to cooling measures or building envelope measures that would reduce cooling load and lighting measures.

For the commercial sector, the measures identified as the most likely candidates for inclusion in the quantitative analysis tended to be lighting, cooling, or refrigeration-related measures. These measures were selected because they contribute significantly to the end-uses that consume the greatest percent of energy in Cleco's territory, and because they have relatively low market barriers.

For the industrial sector, the approach focused on custom initiatives relevant for the industrial sectors in Cleco's territory that consumed the most energy:

- paper and wood product manufacturing
- chemical manufacturing
- petroleum and coal products manufacturing
- fabricated metal products manufacturing
- plastics and rubber products
- food manufacturing.

Demand response options were also identified in the screening process of comparable utilities but because these program options are reasonably straightforward, it was not necessary to screen them for applicability to Cleco's customer sectors.

Results

The analysis plan for this study has been designed to estimate the market, or achievable potential for DSM. The term "achievable potential" encompasses those energy savings that are technically feasible, cost-effective when compared to the cost of generation, and likely to be accepted by the market. Market acceptance takes into account the level of spending on those programs and the duration of program implementation. It is important to remember that estimates of market potential may not be realized in the event of unforeseen outside interventions that significantly reduce or eliminate projected potential.

The preliminary, high-level estimates presented in this phase of the consulting engagement represent what Cleco might expect as the outcome. The initial potential estimates are based on Cleco's sales forecasts and also reports by other utilities in the Southern U.S. on achieved impacts in 2005. Therefore, the estimates are predicated on the types of DSM program options currently being implemented by comparable utilities. Whether the experiences of these utilities are transferable to Cleco will depend on such factors as differences in demographics or utility economics. The process of considering these local factors was begun in this first phase of the analysis.

Next Steps

The market potential of prototype DSM programs using assumptions about the level of investment deemed most appropriate to Cleco (i.e., program budgets, incentive levels and degree of marketing) will require further economic analysis. A future phase of the consultant's initial engagement work will detail program costs from various perspectives—the end user, Cleco Power, and customers—so that Cleco can determine which programs it may wish to pursue and at what level of investment. Included in that next phase will be identification of approaches that are most consistent with Cleco's objectives including the relative costs, the level of effort required of Cleco staff, and the level of dependence on trade allies and/or energy service companies.

Section 6 Environmental Issues

Overview

All generating resource projects are subject to federal, state, and local laws and regulations governing the protection of the environment. All necessary environmental permits for these projects must be obtained in order to meet applicable environmental laws and regulations. These projects must take into consideration new legislation, administrative actions, and judicial interpretations with respect to environmental and economic impacts. All options being considered in the IRP process are evaluated in conjunction with the existing and proposed environmental rules, regulations, and programs.

Air Quality

The State of Louisiana regulates air emissions from generating units through the Air Quality regulations of the Louisiana Department of Environmental Quality (LDEQ). In addition, the LDEQ implements programs initially established by the federal Environmental Protection Agency (EPA). The LDEQ has established standards of performance and/or requires permits for certain emission sources in Louisiana.

Existing and future generating units could be affected by multi-pollutant legislation pending in Congress, including the Clear Skies Initiative. There is also the possibility of legislation to include carbon dioxide as a regulated pollutant but the outcome and the manner in which it would be regulated is uncertain. The timing and final outcome of this legislation is difficult to predict. However, future projects will have to consider the impacts of these regulations once they become final.

Under EPA's Clean Air Mercury Rule, EPA has established standards of performance for mercury emissions from new and existing coal-fired Electric Generating Units (EGUs) under Section 111 of the Clean Air Act. Under this approach, mercury is regulated via a cap and trade program. EPA had considered regulating mercury

emissions under Section 112 and utilizing a maximum achievable control technology (MACT) approach. EPA's final rules are under legal challenge by a number of states and environmental groups. Regardless of which approach is ultimately undertaken, the EPA intends to require reductions in the emissions of mercury from coal fired EGUs. LDEQ is in the process of incorporating these requirements into the state's regulations.

The federal Clean Air Act (CAA) established a regulatory program to address the effects of acid rain and imposed restrictions on sulfur dioxide emissions from generating units. The CAA essentially requires that generation stations must hold regulatory "allowances" for each ton of sulfur dioxide emitted.

EPA promulgated the Clean Air Interstate Rule, which imposed obligations on states to address the interstate transport of pollutants. EPA is requiring certain upwind states including Louisiana, to revise their State Implementation Plans to require the reduction of SO_2 and NOx emissions. LDEQ is in the process of incorporating these requirements into the state's regulations.

Water Quality

The LDEQ has been delegated the National Pollutant Discharge Elimination System (NPDES) program and issues Louisiana Pollution Discharge Elimination System (LPDES) permits requiring discharges from electric utilities to meet Steam Electric Effluent Guidelines. Any changes to discharges or new outfalls which would result from a project would require an LPDES permit application to be submitted to the LDEQ for review and approval.

The federal Clean Water Act contains provisions requiring the EPA to evaluate all bodies of water within its jurisdiction to determine if they meet water quality standards and to establish a program to bring non-compliant bodies of water into compliance with the standards. The EPA implemented Total Maximum Daily Loading (TMDL) for all impacted streams in Louisiana. The TMDLs will restrict the amount of specific covered pollutants, which may be discharged under new or modified LPDES permits. Any new

projects will be evaluated for potential impacts due to TMDL limitations and existing facilities may likewise be impacted.

Section 316(b) of the Clean Water Act regulates adverse environmental impacts due to impingement and entrainment of all aquatic species due to water intake structures. These regulations establish requirements applicable to the location, design, construction, and capacity of cooling water intake structures and will have to be addressed in any future projects. Existing facilities may also be impacted by these provisions of the Clean Water Act as their permits are renewed.

Section 316(a) of the Clean Water Act regulates effluent limitations for the control of the thermal component of any discharge in order to assure the protection and propagation of a balanced, indigenous population of shellfish, fish, and wildlife in and on a body of water. Any new projects will be evaluated for potential impacts due to these regulations. Existing facilities may also be impacted by these provisions of the Clean Water Act as their permits are renewed.

Solid Waste Disposal

The Solid Waste Division of the LDEQ has adopted regulations and a permitting system for the management and disposal of solid waste generated by power stations. Any new projects will be evaluated for potential impacts due to these regulations.

Hazardous Waste Generation

The Hazardous Waste Division of the LDEQ regulates these wastes and issues identification numbers to the sites where such wastes are generated. Cleco does not treat, store long-term, or dispose of these wastes on-site at any of its facilities; therefore, no permits are required. Any hazardous wastes produced by the new projects will be properly managed and be disposed of at federally permitted hazardous waste disposal sites.

Toxics Release Inventory

The Toxics Release Inventory (TRI) is a part of the Emergency Planning and Community Right to Know Act and is administered by the EPA. The TRI is an annual reporting requirement for industrial facilities on about 650 substances that they release into air, water, and land. The TRI ranks companies based on how much of a particular substance they release on a state and parish (county) level. Utilities were exempt from the reporting requirements of the TRI until the EPA added seven new industry groups, including electric utility facilities, to the TRI in May 1997. Annual reports are due to the EPA on July 1 following the reporting year end.

Section 7 Modeling/Methodology

Overview

Integrated resource planning considers many alternatives when identifying an optimum portfolio of resources to match future load obligations. Business risks associated with the power industry have become quite evident over the past 10 years. Many of the risks such as transmission availability and natural gas volatility have very tangible impacts on the performance of generation resources in the area. Exposure to other risks such as emissions legislation and regulatory changes are much harder to quantify but also have potential impact. Notwithstanding, inherent in any business are risks, and part of this process is to identify, understand and reasonably mitigate those risks. The Company has adopted a long-term integrated resource planning strategy that addresses issues based on short-term and long-term needs for energy and capacity. Accordingly, the 2007 IRP includes current and future assessments of the marketplace. The Company's objective is to provide our customers reliable power at a reasonable cost. Periodically, the Company assesses its sources of supply for capacity and energy in order to evaluate the competitiveness of fuel, and non-fuel costs, in conjunction with reliability.

Approach

The Company used a fundamental based electric market model to conduct a long-term capacity expansion analysis, which provided an estimate of the types of resources that should be considered in the development of an optimal supply stack. The company developed economic estimates for supply resources, including renewable energy alternatives. The supply resources and economic estimates were further refined into a portfolio of site-specific resource projects.

Many of these projects were eliminated based on capital costs and other limitations, resulting in a short-list of viable site-specific projects. Next, various combinations of the resources in the short-list were developed, resulting in 12 portfolios of energy products.

The fuel cost, rate impact due to capital investment and incremental O&M costs were determined for each of the portfolios. Finally, the portfolios were ranked according to their total benefit to the Cleco system on a dollar per kilowatt-year ($/kW-year) basis. The top performing portfolios were selected for additional modeling and sensitivity analysis with stress tests conducted on various risks such as fuel prices, loss of load, and capital costs.

Key to any evaluation are the models and the underlying assumptions utilized in the models. The Company selected PCI GENTRADER® and AURORA$_{XMP}$®, two widely accepted hourly generation dispatch optimization and forecasting programs. The AURORA® long-term forecasting software establishes the energy market forecast for the planning period 2010 thru 2039. AURORA® has the capability of performing long-term analyses and optimizing resources to meet demand over the long-term period. Based on our assumptions of fuel prices, capital costs, transmission constraints, etc., the values of supply resources in the region are determined. New resources that create value are added, while existing resources that are unable to maintain a positive value are considered for potential mothballing or retirement.

PCI GENTRADER®, an hourly economic dispatch model, was used to determine the fuel implications of each portfolio. Each portfolio was modeled in conjunction with Cleco's current generation fleet and load obligations. PCI GENTRADER® optimizes and integrates the new portfolio with existing resources for the entire study period. Next, portfolios are ranked based on total system benefit. The top performers were selected for continued analysis.

Reference Base Case

The final step in evaluating the portfolios is a comparison to a long-term Reference Base Case. The Reference Base Case is used as a baseline for the evaluation of new resources.

Evaluation

Each portfolio was evaluated to determine its impact on Cleco Power's operations and in meeting the objective of the 2007 IRP; provide a portfolio of resources that provide reliable power at a competitive price. The portfolios were ranked to determine the best cost benefit analysis using dollars per kilowatt-year ($/kW-yr) and 5-, 10-, 15- and 20-year net present value calculations.