

APPENDIX F

ANALYSIS OF SELF-BUILD OPTIONS

**2004 RFP for
Capacity and Energy Resources**

Cleco Power LLC



Appendix F

LPSC General Order R-26172 requires the soliciting utility to submit, among other things:

- Estimated costs for self-build generation construction proposals including supporting documentation;
- Revenue requirement impacts; and
- Supporting information and documentation justifying the types of resources the utility proposes or expects to construct and/or acquire, along with resource alternatives considered but rejected.

Cleco Power is finalizing the cost estimates for the 9 self-build options presented in Subsection 3.7 of this RFP. Detailed construction cost estimates and fully defined project scope and performance data will be filed confidentially with the Commission prior to the date indicative bids are due in this RFP. That information will include:

- Self-build cost estimates including major component construction and financing cost detail, construction timeline estimates, fuel source and projected fuel pricing estimates, review of design parameters, technologies, operating characteristics and attendant permitting and regulatory approval requirements;
- Transmission system impact studies to evaluate deliverability and potential capital investments required to enable dispatch of Cleco Power's self-build proposals;
- Other components of Cleco Power's Integrated Resource Plan (IRP) in support of its self-build proposals, the role of transmission infrastructure relative to supply options and the development of the requested products and megawatt volumes contained in Section 3 of this RFP;
- Existing unit operating assumptions incorporated to produce the production cost base case for comparison to self-build and market proposals;
- Forward fuel and power price assumptions used to produce the production cost base case for comparison to self-build and market proposals;
- Capitalization assumptions used to develop incremental borrowing costs for self-build and asset sale proposals;
- Revenue requirement estimates for Cleco Power's self-build proposals; and
- An estimate of the impact each self-build proposal would have on residential customer prices assuming levelized cost recovery.

Confidential filing with the Commission will be based on (1) the LPSC's Rule 12.1 governing the "Treatment of Information Designated as Trade Secret, Proprietary, or Confidential" and/or (2) the FERC's Standards of Conduct governing the sharing of transmission information.