2021 Integrated Resource Plan Mid-Cycle Update

Responses to Questions Received on November 4

1. What pricing assumptions did EAL use for wind and solar in the new manual portfolios?

   The price assumptions for wind and solar were not changed from the 2021 IRP.

2. Did EAL evaluate Arkansas based wind and imported wind resources in the new manual portfolios?

   EAL only evaluated Arkansas-based wind resources in the new manual portfolios.

3. Why did EAL use the PTC for solar and not the investment tax credit in the new manual portfolios?

   On August 16, 2022, President Joe Biden signed into law the Inflation Reduction Act ("IRA"). Based on initial analysis, taking IRA PTCs for solar resource additions provides more customer benefits than IRA ITCs.

4. What are EAL's natural gas price assumptions in the new manual portfolios?

   The price assumptions for natural gas were not changed from the 2021 IRP.

5. Why did EAL's electric vehicle adoption rate increase in the new manual portfolios?

   The increase in EV energy in the IRP Update Scenario is the result of two factors. The IRP Update Scenario assumed incremental growth from fleet EVs in addition to passenger EVs, the latter of which only was in Future 1 of the 2021 IRP. Additionally, the IRP Update used an adoption curve that assumed 100% of new vehicle sales will be EVs by 2045 whereas the Future 1 scenario from the 2021 IRP used an adoption curve based on 100% of new vehicles being EV by 2055.

6. Why did EAL choose 250 MW of solar additions in 2025 instead of some other number, like 500 MW in the new manual portfolios?

   These didn't change from 2021 IRP. The 250 MW solar addition and 250 MW wind addition are generic placeholders representing the 2021 Renewable RFP.

7. Why did EAL only choose solar additions in 2025 in the new manual portfolios instead of hybrid, battery, or wind resources?

   The solar addition in 2025 is Driver Solar, which is a resource that was approved by the APSC after the completion of the 2021 IRP.

8. In the new portfolios, why did EAL add 900 MW of hybrid resources in 2038, what is driving that quantity, in that specific year, of that specific resource?

   Additional capacity was needed in that time frame to balance the updated load forecast. The solar with storage capacity is a placeholder for future resources.

9. Did EAL place a cap on the amount of wind or solar resources that the model could add in a given year?

   Because the portfolios were manually derived, there was no cap on the amount of solar and wind resources in a given year. Additionally, there was no cap on any resource additions in the capacity expansion modeling in the 2021 IRP that resulted in the optimized portfolios from which the manual portfolios started.

10. Did EAL update the MISO Market (also known as a "Future" or a "Scenario") data to compare against the new EAL data assumptions?

    The 2021 IRP market futures were not updated for the IRP Update.

11. What REC benefit value did EAL assign to renewable energy resources?

    The Solar REC Value was $4.49 ($/MWh, 2022$) and the Wind REC Value was $3.26 ($/MWh, 2022$).

12. Are there other, non-renewable resources that EAL plans to add within the next five to ten years?

    EAL does not currently have plans to add resources that are not identified in the 2021 IRP.

13. Are there other retirements that EAL plans within the next five to ten years?

    EAL does not currently have plans to retire resources that are not identified in the 2021 IRP.