

RESOLUTION

R-14-__

CITY HALL: _____

**BY: COUNCILMEMBERS HEDGE-MORRELL, HEAD, GUIDRY AND GISLESON
PALMER**

**RESOLUTION AND ORDER TO ESTABLISH PROCEDUAL SCHEDULE
IN UTILITY DOCKET NO. UD-13-02 TO EXAMINE POTENTIAL OPPORTUNITEIS
OF RENEWABLE TECHNOLOGIESIN THE CITY OF NEW ORELANS**

DOCKET NO. UD-13-02

WHEREAS, pursuant to the Constitution of the State of Louisiana and the Home Rule Charter of the City of New Orleans (“Charter”), the Council of the City of New Orleans (“Council”) is the governmental body with the power of supervision, regulation and control over public utilities providing service within the City of New Orleans; and

WHEREAS, pursuant to its powers of supervision, regulation and control over public utilities, the Council is responsible for fixing and changing rates and charges of public utilities and making all necessary rules and regulations to govern the terms and conditions of service, and applications for the fixing and changing of rates and charges of public utilities; and

WHEREAS, Entergy New Orleans, Inc. (“ENO” or “Company”) is a public utility providing electric service to all of New Orleans, except the Fifteenth Ward (“Algiers”), and gas service to all of New Orleans; and

WHEREAS, Entergy Louisiana, LLC (“ELL”) provides electric service to the Algiers section of New Orleans; and

WHEREAS, through Council Resolution R-10-142 the Council adopted the Electric Utility Integrated Resource Plan Requirements of the Council of the City of New Orleans (“IRP Requirements” or “IRP Filing Requirements”), which clarified and expanded upon the IRP framework established in Council Resolution R-08-295, clarified the components required with

respect to IRP filings, revised the reporting requirements filing periods and deadlines, and extended the IRP filing requirements to all electric utilities subject to the Council's jurisdiction; and

WHEREAS, pursuant to Resolution R-10-142, ENO and ELL filed their first Triennial IRP Plans on October 19, 2010; and

WHEREAS, in Resolution R-11-301, the Council rejected the October 2010 filings, finding the proposed resource plans by ENO and ELL (“Companies”) did not adequately integrate demand-side management (“DSM”) programs into their supply plans, directed the Companies to make their next Triennial IRP Filing no later than October 30, 2012, and directed the Advisors to hold quarterly technical conferences with the Companies and the Interveners in the instant docket commencing in September 2011; and

WHEREAS, on October 30, 2012 ENO submitted its IRP Filing pursuant to Council Resolution R-10-142.

WHEREAS, in Resolution R-12-393, the Council assured the continuity of future funding and implementation of the DSM and energy efficiency programs contained in the IRP by directing ENO and ELL to file supplemental implementation and cost recovery plans by March 31, 2013; and

WHEREAS, Council Resolution R-13-17, in part, directed ENO to conduct a public technical conference on the 2012 ENO IRP, established a 15-day period following the technical conference for informational questions from the public, directed ENO and ELL to make supplemental implementation and cost recovery filings for future energy efficiency and DSM programs contained in their IRP filings, directed Interveners in this proceeding to file any comments they may have regarding the merits of ENO and ELL's 2012 IRPs and supplemental implementation and cost recovery filings, directed the Advisors to convene a community hearing

to allow the public to express its views regarding ENO and ELL's 2012 IRPs and supplemental implementation and cost recovery filings, directed ENO and ELL to file responsive comments, and directed the Advisors to file their recommended treatment of ENO and ELL's 2012 IRP; and

WHEREAS, on February 20, 2013, ENO conducted a public presentation of its IRP; the participants present at the public presentation included ENO, Entergy System Planning and Operations, ICF, Alliance for Affordable Energy (“AAE”), Council Staff, CLEAResult, Green Grants, Global Green, the Advisors to the Council, and various public citizens; and

WHEREAS, on April 1, 2013, ENO and ELL filed their Supplemental Implementation and Cost Recovery filing (“Supplemental Implementation and Cost Recovery Filings”); and

WHEREAS, on April 19, 2013, the Advisors held a community hearing with respect to the 2012 ENO IRP the results of which were presented to the Council Utility Committee at its meeting of May 9, 2013; and

WHEREAS, on April 30, 2013, AAE filed comments (“AAE Comments”) addressing various aspects of ENO's IRP Filing; and

WHEREAS, on May 30, 2013, ENO filed Reply Comments (“ENO Reply Comments”); and

WHEREAS, on September 6, 2013, the Advisors filed a report of their assessment of ENO’s and ELL’s 2012 IRP filings (“Advisors’ Report”); and

WHEREAS, the Advisors' Report notes that at the February 20, 2013 public meeting hosted by ENO, the questions from the public related to supply-side issues generally pertained to the lack of renewable resources (e.g. wind, solar, biomass, etc.) in ENO's preferred portfolio. The Advisors' Report found that ENO adequately answered these questions in light of the IRP process, and explained that many renewables were screened out during the technology assessment phase of the IRP, but that it was clear from the questions that there is a strong interest

in renewable technologies; and

WHEREAS, the Advisors' Report also noted that while the Companies' IRP process considered only large, utility-scale renewable energy projects, there was a clear public perception that the IRP also analyzed smaller-scale customer renewable projects that are net metered (such as customer solar installations); and

WHEREAS, the Advisors' Report further noted that in the public comments at the April 19, 2013 Community Hearing, the comments were overwhelmingly in favor of more reliance on renewable resources and energy efficiency measures; and

WHEREAS, in light of the strong interest in increased renewables in New Orleans expressed by the public, the Council established Docket No. UD-13-02 through Resolution R-13-363 to examine all issues associated with the implementation of renewable energy technologies in (i) ENO and ELL-Algiers supply portfolios, which include utility-scale renewables, and (ii) consumer installed renewables resources, such as distributed generation, as well as the impact of renewable technologies on future IRP Filings by the Companies; and

WHEREAS, AAE believes it would be constructive for the Council to look into creating a feed-in tariff for local solar energy, which would provide more stable and predictable rates for larger solar installations than will a net metering rate standing alone; and

WHEREAS, in Council Resolution R-13-363 we directed that rate issues related to renewable energy, such as the rate impact on New Orleans ratepayers on increasing the amount of renewable technologies in the ENO and ELL-Algiers supply portfolios, the effects of feed-in tariffs on solar energy and net metering, as well as the effects on all-participants and non-participants of the implementation of such rate policies should also be examined in the instant docket; and

WHEREAS, Council Resolution R-13-363 required the Advisors to propose a

procedural schedule in the first quarter of 2014 to consider all issues related to (i) increased net benefits from renewable energy technologies in the ENO and ELL-Algiers supply portfolios, (ii) the impact of renewable technologies on the IRP, and (iii) rate issues such as rate impacts, feed-in tariffs and net metering; and

WHEREAS, the Advisors circulated a draft procedural schedule to all parties on March 31, 2014; now therefore:

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS THAT:

1. The potential opportunities to deliver increased net benefits from renewable energy technologies in the City of New Orleans, including but not limited to, utility-scale renewables, consumer installed renewables resources, the impact of renewable technologies on the IRP, and rate issues such as rate impacts, feed-in tariffs and net metering, should be considered in this docket.
2. ENO, ELL, the Council's Advisors, and all of the Interveners in Docket No. UD-08-02 (Alliance for Affordable Energy, Jacobs Technology, Inc., the Folger Coffee Company, U.S. Gypsum, and the Sierra Club) are designated or deemed parties to these proceedings. Additionally, a period of 20 days from the adoption of this Resolution is established for interventions in this docket by individuals not herein designated a party. Persons desiring to intervene shall do so by filing an intervention request with the Clerk of Council, with a copy submitted to Director, Council Utilities Regulatory Office, Room 6E01 City Hall, 1300 Perdido Street, New Orleans, LA 70122; and to persons on the Official Service List of this Docket, which can be obtained from the Council Utilities Regulatory Office. All fees associated with the filing of interventions are hereby waived, in accordance with Section 158-286 of the City Code. Objections to intervention requests

shall be filed within 7 days of such requests. Timely-filed intervention requests not objected to within that time period shall be deemed **GRANTED**.

3. All parties are directed to meet in a series of no more than three Technical Conferences/Workshops within 90 days from the adoption of this resolution, to explore and identify potential opportunities for the best types of renewable resources and characteristics regarding specific renewable technologies in the City of New Orleans and the effects on rates in the community, in an attempt to reach consensus on the feasibility of increasing renewable energy technologies in Companies' IRPs through various regulatory mechanisms.
4. The renewable technologies to be considered in the Technical Conferences/Workshops, are the following:
 - a. Biomass – any organic material not derived from fossil fuels, including agricultural crops, agricultural wastes and residues, waste pallets, crates, dunnage, manufacturing, and construction wood wastes, landscape and right-of-way tree trimmings, mill residues that result from milling lumber, rangeland maintenance residues, sludge derived from organic matter, and wood and wood waste from timbering operations.
 - b. Biodiesel – Biodiesel is a type of biofuel made by combining animal fat or vegetable oil (such as soybean oil or recycled restaurant grease) with alcohol and can be directly substituted for diesel.
 - c. Fuel cells using renewable fuels – electricity produced from the creation and breakdown of hydrogen. If the hydrogen source is a renewable fuel, this technology should be considered a renewable technology.
 - d. Digester gas – gas from the anaerobic digestion of organic wastes.
 - e. Geothermal – natural heat from within the earth, captured for production of electric power, space heating, or industrial steam.
 - f. Landfill gas – gas produced by the breakdown of organic matter in a landfill (composed primarily of methane and carbon dioxide), or the technology that uses this gas to produce power.
 - g. Municipal solid waste – As defined by City ordinance, solid waste is "garbage, rubbish, refuse, or other discarded solid or semisolid materials resulting from domestic, commercial, industrial, agricultural activities and governmental operations, excluding solids or dissolved material in domestic sewage or other significant pollutants in water resources such as silt, dissolved or suspended solids in industrial wastewater effluents, dissolved materials in irrigation return flows, or other common water pollutants."

- h. Ocean wave – an experimental technology that uses ocean waves to produce electricity.
 - i. Ocean thermal – an experimental technology that uses the temperature differences between deep and surface ocean water to produce electricity.
 - j. Tidal current – energy obtained by using the motion of the tides to run water turbines that drive electric generators.
 - k. Solar Photovoltaic – a technology that uses a semiconductor to convert sunlight directly into electricity.
 - l. Small hydroelectric (30 megawatts or less) – a facility employing one or more hydroelectric turbine generators, the sum capacity of which does not exceed 30 megawatts.
 - m. Solar thermal – Use of concentrated sunlight to produce heat that powers an electric generator.
 - n. Wind – energy from wind converted into mechanical energy and then electricity.
5. Within 90 days of the last Technical Conference/Workshop, the Companies are directed to file their proposal of future plans on the integration of renewable technologies into their next IRP filings (“Proposed Plan on Renewable Technology”). The Companies Proposed Plan on Renewable Technology shall: (1) evaluate utility-scale renewable technologies, and identify potential sources of power generated from such renewable technologies, both currently existing and reasonably foreseeable; (2) explain in detail how small-scale customer renewable projects are treated in the IRP demand forecast, and discuss plans to incorporate appropriate renewable technologies in the next IRP filing due on October 31, 2015; (3) address rate impacts on New Orleans ratepayers of increasing the amount of renewable energy in the Companies’ IRPs, feed-in tariffs, net metering and any additional issues discussed during the Technical Conferences; (4) include an analysis of both the rate impacts and the net benefits of increasing the amount of renewable energy in the Companies’ portfolios for low, moderate, and high cases; (5) contain an analysis of the impact of increased distributed generation and small-scale customer renewable projects upon the Companies’ distribution systems, whether the Companies are sufficiently equipped to manage reasonably expected levels of variable power output, voltage imbalances, harmonics and similar challenges, and the extent to which

reinforcement of the Companies' distribution systems may be necessary in order to accommodate significant levels of distributed generation and small-scale customer renewable projects; and (6) address the aggregation of geographically dispersed small-scale renewable resources and how such systems may be optimized. To the extent that the Companies take the position that any particular renewable resource is inappropriate for inclusion in the IRP, the Companies must identify with specificity why such resource is inappropriate, what, if any, obstacles (whether economic, technical or regulatory) would need to be removed to render it appropriate.

6. Within 60 days of the receipt of Companies' Proposed Plan on Renewable Technology, Interveners in this proceeding are directed to file any comments they may have regarding the merits of the Proposed Plan on Renewable Technology.
7. The Companies are directed to file any responsive comments within 45 days of the receipt of Interveners' comments.
8. The Advisors shall file with the Council their report on the position of the parties not later than 90 days after the Companies' responsive comments.
9. It is anticipated that during the proceeding, the parties may be required to produce documents or information that are deemed confidential and/or highly sensitive and, accordingly, the Council adopts for use in this docket its Official Protective Order adopted by Resolution R-07-432, a copy of which can be obtained from the Council Utilities Regulatory Office.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS THAT:

Upon receipt of the Advisors' report, the Council will take such further action in the matter as it deems appropriate.

**THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED
ON THE ADOPTION THEREOF AND RESULTED AS FOLLOWS:**

YEAS:

NAYS:

ABSENT:

AND THE RESOLUTION WAS ADOPTED

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