

ENTERGY NEW ORLEANS, INC.  
CITY OF NEW ORLEANS  
Docket No. UD-16-02

Response of: Entergy New Orleans, Inc.  
to the Eighth Set of Data Requests  
of Requesting Party: Alliance for Affordable  
Energy

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Question No.: AAE 8-26

Part No.:

Addendum:

Question:

Please discuss whether and to what extent that each of the following would reduce the stresses to the transmission system that were discussed in Mr. Long's response to Question 9 in his Supplemental and Amending Direct testimony:

- a. increasing the import capability into the ENO area,
  - b. increasing the import capability into the DSG area,
  - c. increasing energy efficiency in the area,
  - d. increasing demand response in the area,
  - e. adding energy storage in the area or
  - f. increasing distributed generation such as solar arrays in the area
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Response:

- a. Increasing import capability into ENO could reduce stress on the transmission system. However, upgrading existing facilities for the purpose of increasing the import capability requires planned outages that create operational risks to reliability and new facilities will also face significant challenges in the process of acquisition of right-of-way (if necessary), transmission infrastructure constructability and wetlands mitigation. In addition, as detailed in pages 16 and 17 of Mr. Long's Supplemental and Amending and Direct Testimony, the additional import capability into the ENO area will be ineffective in solving ENO's supply deficit. Additionally, a local resource can also provide other benefits such reactive power benefits, black-start capability and storm restoration support.

- b. To the extent that any such increased import capability into DSG does not result in incremental constraints on the transmission system upstream of ENO, additional import capability into DSG will help reduce stress on the transmission system. Please also see the Company's response to part a.
- c. To the extent that the increased energy efficiency can reduce the demand in ENO by a significant amount in a specific location, New Orleans East, which would be most impactful to the transmission system, increased energy efficiency could reduce stress on the transmission system. In order for the energy efficiency to have an impact comparable to the proposed NOPS, the demand reduction resulting from the energy efficiency would have to be comparable (approximately 125 MW) in the New Orleans east area near the Michoud substation. The Company has not seen any analysis that indicates that such level of savings, especially in or around a particular neighborhood, is feasible and it would not constitute prudent reliability planning to bet the reliability of the New Orleans area on such uncertainty.
- d. See the Company's response to subpart c; see also Q18 of Mr. Long's Supplemental and Direct Amending Testimony.
- e. Energy storage devices will likely increase transmission system loading and stress during periods where such energy storage devices are charging. Without further details into the implementation of the energy storage devices, including a coordinated control system for these energy storage devices, it is not likely that stress on the transmission system will be significantly reduced.
- f. To the extent that distributed generation resources can generate sufficient electricity such that these resources can help reduce the amount of load that has to be served by the transmission grid, such as generate 128 MW of generation in or around New Orleans east area near the Michoud substation, such resources may reduce stress on the transmission system. To achieve that level of distributed resources, especially in one particular location, is very unlikely and given the intermittent nature of such resources and the resulting uncertainty in generation output of such resources during the times of highest need on the electric grid and the large geographic footprint needed for the installation of distributed generators, the Company cannot state with confidence that the stress on the transmission system can be appreciably reduced. Please also see the response to Q18 of Mr. Long's Supplemental and Direct Amending Testimony.