

**SUBSTITUTE RESOLUTION**

**NO. R-17-623**

**CITY HALL: December 14, 2017**

**BY: COUNCILMEMBERS WILLIAMS, HEAD, GUIDRY, BROSSETT AND GRAY**  
**IN RE: RESOLUTION REGARDING PROPOSED RULEMAKING TO ESTABLISH**  
**INTEGRATED RESOURCE PLANNING COMPONENTS AND REPORTING**  
**REQUIREMENTS FOR ENERGY NEW ORLEANS, INC.**

**DOCKET NO. UD-08-02**

**RESOLUTION AND ORDER REGARDING THE APPLICATION OF ENTERGY NEW**  
**ORLEANS, INC. FOR APPROVAL OF THE SUPPLEMENTAL AND AMENDED**  
**IMPLEMENTATION PLAN FOR PROGRAM YEARS 7 THROUGH 9 OF THE**  
**ENERGY SMART PLAN**

**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 applications to govern applications for the fixing and changing of rates public utilities; and

**WHEREAS**, Entergy New Orleans, LLC<sup>1</sup> ("ENO"), effective December 1, 2017, is a public utility providing electric and natural gas service to all of New Orleans; and

**WHEREAS**, ENO is a wholly owned subsidiary of Entergy Corporation ("Entergy");<sup>2</sup>  
and

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<sup>1</sup> Pursuant to a Council-approved restructuring, that was effective December 1, 2017, Entergy New Orleans, Inc. is now operating as Entergy New Orleans, LLC.

## Background

**WHEREAS**, since the establishment of the Energy Smart program, ENO has worked with the Council and stakeholders, through the Council's Integrated Resource Plan ("IRP") process, to promote energy efficiency and conservation measures throughout New Orleans via the Energy Smart Program; and

**WHEREAS**, on January 12, 2017, the Council in Motion M-17-26 directed ENO to submit to the Council its proposed Energy Smart Program design for Program Years ("PY") 7 through 9, including the programs to be included, the budgets, and the Council's kWh savings goals and incentives, including increasing kWh savings by 0.2% of kWh sales annually until the incremental annual kWh savings reaches 2% of kWh sales; and

**WHEREAS**, on February 13, 2017, in accordance with Council Motion M-17-26, ENO filed its *Application of Energy New Orleans, Inc. for Approval of the Implementation and Cost Recovery Plan for Program Years 7 through 9 of the Energy Smart Plan* ("Initial Filing"); and

**WHEREAS**, the Alliance for Affordable Energy ("AAE") submitted a response to the Initial Filing on March 10, 2017, arguing that the Council should move forward and approve the Energy Smart plan that corresponds to the 2% targets described in ENO's application as Scenario 2; and

**WHEREAS**, on March 14, 2017, the Advisors submitted their *Observations & Conclusions for Council Consideration of ENO's February 13, 2017 Filing for Approval of Energy Smart Program Years 7-9* ("Advisors' Observations"); and

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<sup>2</sup> The other four Entergy operating companies are Entergy Arkansas, Inc. ("EAI"), Entergy Louisiana, L.L.C. ("ELL"), Entergy Mississippi, Inc. ("EMI"), and Entergy Texas, Inc. ("ETI"). The five operating companies together are referred to collectively as the Entergy "Operating Companies."

**Council Action on ENO's Initial Filing - Resolution R-17-176**

**WHEREAS**, in response to ENO's Initial Filing, on April 6, 2017 the Council issued Resolution No. R-17-176, which found that Scenario 2 presented in ENO's Implementation and Cost Recovery Plan was consistent with the incremental kWh savings goal of 0.2% per year of annual sales described in Resolution No. R-15-599 and approved the individual programs as proposed; and

**WHEREAS**, Resolution No. R-17-176 directed ENO to continue funding the ENO Legacy Energy Smart programs using the \$11.8 million balance of Energy Smart funds for the ENO Legacy Energy Smart Program as of April 1, 2017 until Council action on incremental ratepayer funding is required, as anticipated in 2018; and

**WHEREAS**, Resolution No. R-17-176 also directed that until such time that a universal funding mechanism is approved by the Council for both ENO Legacy and Algiers, the Algiers Energy Smart programs are to continue to be funded through the Algiers Fuel Adjustment Clause; and

**WHEREAS**, Resolution No. R-17-176 approved an interim budget to be implemented for Program Year 7, with a final budget to be approved pending Council review of the results of several technical conferences and Council action on a Supplemental and Amended Implementation Plan; and

**WHEREAS**, Resolution No. R-17-176 required ENO to host a minimum of three Technical Conferences to determine if a consensus could be reached on a number of unresolved matters as outlined in the stakeholders' and Advisors' Comments related to the Initial Filing; and

WHEREAS, Resolution No. R-17-176 directed that no later than October 1, 2017, ENO file with the Council a Supplemental and Amended Implementation Plan for PYs 7 through 9, which shall contain:

- a. Any new program definitions resulting from changes in program design addressing any consensus reached in the technical conferences regarding Stakeholders' and Advisors' Comments and the technical conferences that include, but are not limited to, a Residential HVAC replacement program and combining the Home Performance with Energy Star program budget with the Low Income program budget;
- b. The results of modifications that resolve the inconsistencies between the Implementation Plan's DSM measure level costs and savings and those in the DSM Portfolio of the 2015 Final IRP;
- c. The results of modifications that resolve the inconsistencies between the Scenario budget analysis and supporting models of the Application;
- d. Recommendation on the level of implementation of the Residential Direct Load Control Pilot, Behavioral Pilot, and Algiers Smart Thermostat Pilot the new programs based on a complete assessment of collected data;
- e. An updated total budget that considers any new program design changes while maintaining the kWh savings goal approved in this Resolution for PY 8 and 9 and the nine months (April 2017 through December 2017) of PY7; and
- f. Any consensus of the parties related to the current status, adequacy, and specific use of the New Orleans Technical Reference Manual ("NO TRM") as a critical resource in supporting the design and performance evaluation of all Energy Smart measures and programs and a final time for its completion;
- g. A recommendation based on any consensus of all parties for incorporating an additional program year goal relating to peak kW reduction into the evaluation of all Energy Smart measures and programs for future PYs and PY filings;
- h. Analysis that includes the Utility's Cost Test and complete documentation for all cost/benefit calculations that demonstrates to customers that the benefits outweigh the costs; and
- i. The specific customer class allocation and bill impact cost recovery mechanism related to any incremental ratepayer funding that will be required for PYs 8 and 9 based upon the Advisors' recommendation as contained herein; and

**WHEREAS**, while Resolution No. R-17-176 directed ENO to recommend the level of implementation of the Residential Direct Load Control Pilot, Behavioral Pilot, and the Algiers Smart Thermostat Pilot based on a complete assessment of collected data, no complete assessment of Pilot results were provided during the period of the technical conferences or in the Supplemental Application; and

**WHEREAS**, consensus was reached between ENO, Intervenors and the Advisors that further adjustments to PYs 8 and 9 (and recommendations regarding the corresponding budgets) should be deferred until the results of the Pilot Programs are completed and evaluated; and

**WHEREAS**, the Council believes that further specific comments and recommendations from all parties are needed regarding any additional changes to specific programs or increased budget to the PY 8 and 9 Implementation Plan; and

**WHEREAS**, in the Technical Conferences, consensus was reached between ENO, Intervenors and the Advisors regarding the specific use of the NO TRM as a critical resource, but Version 1 of the NO TRM was filed by ENO on September 19, 2017, and there was no allotted time for ENO to consider any evaluation of the NO TRM by all parties prior to the filing of its Supplemental Application; and

**WHEREAS**, the Council supports the plan for a semi-annual review of the NO TRM and believes that further specific comments and recommendations are needed from all parties regarding the NO TRM and related Evaluation, Measurement, & Verification (“EM&V”) budget to support NO TRM updates; and

**WHEREAS**, until such time as the Council considers the NO TRM and EM&V budget, EM&V should continue to be funded at 6.5%, and further specific comments and

recommendations are needed from all parties toward a consensus regarding the metrics and methodologies used in estimating kWh and kW reductions for Energy Smart consistent with estimating the DSM potential for integrated resource planning; and

**WHEREAS**, based on consensus reached during the Council-directed Technical Conferences, ENO will calculate energy efficiency cost-effectiveness using ENO's Weighted Average Cost of Capital ("WACC"); and

**WHEREAS**, in Technical Conference Four, ENO expressed reservations about adding a kW demand reduction goal beyond what would result from possible achievement of the incremental kWh savings goal of 0.2 percent per year of annual sales; and

**WHEREAS**, the parties recognized ENO's concern and a consensus was reached to defer recommendations regarding the implementation of a kW target;<sup>3</sup> and

#### **ENO's Supplemental Application**

**WHEREAS**, on September 29, 2017, ENO submitted to the Council its *Application of Entergy New Orleans, Inc. for Approval of the Supplemental and Amended Implementation Plan for Program Years 7 through 9 of the Energy Smart Plan* ("Supplemental Application") in Council Utility Docket No. UD-08-02; and

**WHEREAS**, in its Supplemental Application, ENO proposed the following programs:<sup>4</sup>

#### **Residential Programs**

- a. Home Performance with Energy Star ("HPwES")

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<sup>3</sup> *Application of Entergy New Orleans, Inc. for Approval of the Supplemental and Amended Implementation Plan for Program Years 7 Through 9 of the Energy Smart Plan*, Exhibit 1 at page 16.

<sup>4</sup> As detailed in the *Application of Entergy New Orleans, Inc. for Approval of the Supplemental and Amended Implementation Plan for Program Years 7 Through 9 of the Energy Smart Plan*, Exhibit 2 at pages 4-10.

- b. Energy Smart for Multifamily
- c. High Efficiency AC Tune Up Program
- d. Residential Lighting and Appliances
- e. Residential Direct Load Control (“DLC”)
- f. Behavioral Program
- g. Green Light New Orleans
- h. NOLA Wise School Kit and Community Outreach Program
- i. Low Income Program

Commercial Programs

- a. Large Commercial & Industrial Solutions
- b. Small Business
- c. Publicly Funded Institutions

**WHEREAS**, in its Supplemental Application, ENO presented its proposed targeted savings and program costs that are consistent with an incremental kWh savings goal of 0.2 percent per year, described in Council Resolution No. R-15-599. The potential PY 7 through 9 kWh savings and program costs proposed by ENO are as follows:

<b>Energy Smart Projected Savings and Program Costs<sup>5</sup></b>						
	kWh			\$		
	Legacy	Algiers	Total	Legacy	Algiers	Total
PY 7	18,572,876	1,375,801	19,948,677	\$ 6,069,881	\$ 554,185	\$ 6,624,066
PY 8	42,988,811	3,110,496	46,099,307	\$11,430,500	\$ 968,779	\$12,399,279
PY 9	50,266,105	3,628,289	53,894,394	\$13,340,182	\$1,073,538	\$14,413,720
<b>Total</b>	<b>111,827,792</b>	<b>8,114,586</b>	<b>119,942,378</b>	<b>\$30,840,563</b>	<b>\$2,596,502</b>	<b>\$33,437,065</b>

WHEREAS, these projected program costs relate to a representative average monthly bill impact for residential, commercial, and industrial customers for each Energy Smart PY shown for both ENO – Legacy and ENO - Algiers as follows:

<b>ENO - Legacy</b>					
<b>Representative Average Monthly Bill Impact for Each Energy Smart PY by Customer Class</b>					
	Residential	Small Commercial	Large Commercial	High Voltage	Municipal Building
2017 Incremental Bill Impact	\$2.39	\$12.59	\$128.15	\$4,922.64	\$21.54
2018 Incremental Bill Impact	\$2.52	\$22.48	\$236.71	\$9,092.96	\$39.80
2019 Incremental Bill Impact	\$2.82	\$25.05	\$290.13	\$11,145.37	\$48.78

<b>ENO – Algiers</b>			
<b>Representative Average Monthly Bill Impact for Each Energy Smart PY by Customer Class</b>			
	Residential	Small Commercial	Large Commercial
2017 Incremental Bill Impact	\$1.62	\$14.78	\$147.78
2018 Incremental Bill Impact	\$2.24	\$20.40	\$204.04
2019 Incremental Bill Impact	\$2.59	\$23.67	\$236.70

WHEREAS, in its Supplemental Application, ENO requested that the Council issue a Resolution:

<sup>5</sup> The program costs presented here do not include the utility performance incentive currently authorized by the Council in Resolution R-15-140.



1. Approving the programs contained in ENO's Supplemental and Amended Implementation Plan, as proposed in this Supplemental Application, through December 31, 2019;
2. Approving the level of funding and associated kWh savings recommended for the programs set forth in the Supplemental and Amended Implementation Plan;
3. Approving a Utility Performance Incentive ("UPI") amount that increases the amount set forth in Resolution R-15-140<sup>6</sup> by an appropriate amount proportional to kWh savings goals projected under Scenario 2, while maintaining the incentive structure of R-15-140;<sup>7</sup>
4. Approving one of the interim cost-recovery mechanisms proposed in the Supplemental and Amended Implementation Plan Report to fund the Energy Smart programs and UPI until base rates are adjusted to incorporate these costs;
5. Granting ENO the opportunity to revise elements of the Supplemental and Amended Implementation Plan should material changes to circumstances and expectations arise;
6. Granting all other general and equitable relief that the law and the nature of this proceeding may permit or require; and

#### Annual Budget for Program Years 7 through 9

WHEREAS, ENO stated that the Third Party Administrator ("TPA") developed the budgets and savings estimates detailed in the Supplemental Application's implementation plan utilizing available historical results and through incorporating best practices of energy efficiency programs to provide aggressive, yet achievable program savings targets that provide significant benefits to ENO's customers;<sup>8</sup> and

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<sup>6</sup> Resolution R-15-140 provides a UPI of \$530,000 for ENO Legacy and \$49,000 for ENO Algiers upon reaching 100% of the Council approved savings goal.

<sup>7</sup> The incentive structure established by Resolution R-15-140 is a performance-based incentive mechanism that begins when the company reaches 95% of the kWh goal set by the Council, with a cap at achieving 120% of the goal.

<sup>8</sup> *Application of Entergy New Orleans, Inc. for Approval of the Supplemental and Amended Implementation Plan for Program Years 7 Through 9 of the Energy Smart Plan*, Exhibit 2 at page 13.

**WHEREAS**, ENO stated that due to the shortened PY 7 time period, energy savings that were originally targeted for achievement in PY 7 were reallocated to PY 8 while still achieving the combined pro-rated energy savings targets for PYs 7 and 8;<sup>9</sup> and

**WHEREAS**, the Advisors note that ENO has not provided any supporting models to demonstrate the reallocation of energy savings and corresponding PY budget originally forecasted for achievement in PY 7 to PY 8, and the Advisors recommend that ENO provide such supporting work papers that demonstrate such reallocations while still achieving the combined pro-rated energy savings targets and budget for PYs 7 and 8; and

**WHEREAS**, the Advisors have analyzed the revised total program budgets and projected kWh savings and related supporting work papers of Energy Smart PYs 7 through 9, in ENO's Supplemental Application; and

**WHEREAS**, the Advisors recommend that the Council accept the revised Energy Smart Program Year 7 through 9 budget and corresponding kWh savings as proposed in the Supplemental Application and summarized herein; and

#### **Funding Requirements and Additional Potential Funding Sources**

**WHEREAS**, Resolution No. R-17-176 authorized the continued use of the \$11.8 million balance of Energy Smart funds for the ENO Legacy Smart program as of April 1, 2017, and ENO estimates that incremental ratepayer funding will be required by June of 2018;<sup>10</sup> and

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<sup>9</sup> *Application of Entergy New Orleans, Inc. for Approval of the Supplemental and Amended Implementation Plan for Program Years 7 Through 9 of the Energy Smart Plan*, Exhibit 1 at page 11.

<sup>10</sup> *Application of Entergy New Orleans, Inc. for Approval of the Supplemental and Amended Implementation Plan for Program Years 7 Through 9 of the Energy Smart Plan* at page 6.

**WHEREAS**, any required implementation of ratepayer funding may be deferred based on availability of additional potential funding sources and the Council’s decision regarding the use of such additional potential funding sources for Energy Smart funding; and

**WHEREAS**, the Advisors note that the potential exists for two additional sources of funding for Energy Smart that were not mentioned in ENO’s Supplemental Application, and which the Council may wish to consider to offset the incremental funding requirements from ratepayers for PYs 8 and 9; and

**WHEREAS**, pursuant to Resolution No. R-17-228 in Docket No. UD-16-03, the ENO Restructuring Agreement in Principle specifically provides that customers will receive certain Guaranteed Customer Credits and have the potential to receive certain Contingent Customer Credits as a result of the ENO Restructuring;<sup>11</sup> and

**WHEREAS**, a second potential funding source may consist of Entergy Arkansas (“EAI”) damages payable to ENO,<sup>12</sup> with ENO Legacy and ENO Algiers receiving refunds, pending a final Federal Energy Regulatory Commission (“FERC”) order and any appeal thereof; and

**WHEREAS**, prior to the actual implementation of any required incremental ratepayer funding and cost-recovery mechanism, the Council will re-examine the status of the two additional potential funding sources mentioned herein no less than sixty days prior to such implementation and based upon a report of its Advisors; and

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<sup>11</sup> Agreement in Principle in Docket No. UD-16-03, Paragraph 2.

<sup>12</sup> FERC Docket EL09-61-004 (LPSC v. EAI re: EAI’s improper sales of power out of the Entergy System Agreement.) The July 27, 2017 initial decision in the above docket awarded the damages from EAI as follows: ENO Legacy will receive \$4.7 million, and assuming the ELL allocations to Algiers in the 2013 ELL-Algiers rate case, Algiers would receive approximately \$0.24 million. On September 22, 2017, EAI’s request to FERC for reconsideration was denied. FERC has not yet issued a final order, and EAI may appeal any FERC decision to a federal court, resulting in the delay of damages payments.

### Interim Cost Recovery Mechanism

**WHEREAS**, in Resolution No. R-17-176, “[T]he Advisors recommended that ratepayer funding requirements should be allocated to each customer class based upon the cost of the Energy Smart programs or program expenditures projected for each customer class, as determined within the final, approved Energy Smart detailed program design so as to reflect the regulatory principle of the benefits and burdens test. Within each customer rate class, the additional ratepayer funding would be recovered from individual customers on the basis of the non-fuel (base rate) portion of the monthly bill...”<sup>13</sup>; and

**WHEREAS**, the Supplemental Application included the specific customer class allocation and bill impact cost recovery based upon the Advisors’ recommendations; and

**WHEREAS**, based on these allocations to determine the amount of program funding that may be required from each customer rate class and from individual customers within each rate class, ENO proposed three separate customer cost recovery mechanisms using the same cost allocation methodology, but representing three different billing options or treatments for applying the required funding from each ratepayer to the individual customer bills; and

**WHEREAS**, in ENO billing Option 1, ENO proposes a stand-alone charge for an energy efficiency cost recovery (“EECR”) rider that “would appear as a new and separate line item on customers’ bills and, therefore, would provide customers with the ability to have a transparent understanding of the costs of the Energy Smart Program”; and

**WHEREAS**, in ENO billing Option 2, ENO proposes a cost recovery calculation for individual bills using the Midcontinent Independent System Operator (“MISO”) Rider as a

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<sup>13</sup> Resolution R-17-176 at page 23.

collection vehicle to recover the incremental funding required for Energy Smart from individual ratepayers in a non-transparent manner; and

**WHEREAS**, the Advisors note that Energy Smart is unrelated to any MISO charges or the recovery of MISO costs specified in the MISO Rider Tariff; and

**WHEREAS**, in ENO billing Option 3 the costs for Energy Smart funding would be added to the calculated fuel charge on the monthly bill and included in the fuel adjustment charge (“FAC”) line item in a non-transparent manner; and

**WHEREAS**, the Council recognizes that for an interim period the Energy Smart Program for the former ELL-Algiers customers is being funded through the separate ELL-Algiers FAC, given the absence of any other collection mechanism at the time of implementation and the need to provide the same opportunity for those customers to the benefits of the Energy Smart Programs in the former ELL-Algiers service area in the public interest; and

**WHEREAS**, notwithstanding the Energy Smart FAC treatment in the ELL-Algiers service territory, Energy Smart program costs are unrelated to the ENO Legacy customers’ FAC, which stated purpose is the recovery of fuel and variable related costs associated with the operation of the utility’s supply side resources; and

**WHEREAS**, ENO states that it will require 120 days from the issuance of the Council’s Order to implement billing Options 1 and 3 and 30 days from the issuance of the Council’s Order to implement billing Option 2; and

**WHEREAS**, a stand-alone EECR rider on customers' bills would provide customers with a simple and transparent understanding of the charge associated with the Energy Smart Program; and

**WHEREAS**, the use of billing Option 2 and billing Option 3 do not represent the contemporaneous exact cost recovery of the specific costs identified in the FAC and MISO Rider Tariffs as designed and represented to customers; and

**WHEREAS**, the Advisors note that funding energy efficiency should not be related to recovering MISO costs or fuel costs, as these costs are identified separately on monthly bills; and

**WHEREAS**, each of the proposed billing options will require either a change in existing Rider Tariffs or a new Rider Tariff, and such Tariff changes will require Council approval prior to implementation; and

**WHEREAS**, regardless of when additional incremental ratepayer funding will be required, the Council desires any required incremental ratepayer funding to exhibit full transparency; and

**Utility Performance Incentive ("UPI")**

**WHEREAS**, the Advisors recommended that the Council maintain the performance-based utility incentive structure, based on kWh savings goal, approved in Resolution No. R-15-140,<sup>14</sup> and that the current incentive amounts for achieving 100% of the kWh savings goal

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<sup>14</sup> See Advisors' March 14, 2017 *Observations & Conclusions for Council Consideration ENO's February 13, 2017 Filing Approval of Energy Smart Program Years 7-9* at page 11.

should be increased an appropriate amount proportional to kWh savings goals projected under the scenario approved by the Council;<sup>15</sup> and

**WHEREAS**, in Resolution No. R-17-176, the Council directed that the current performance-based utility incentive amount and incentive structure previously approved in Resolution No. R-15-140 for achieving 100% of the kWh savings goal for ENO Legacy and ENO Algiers be maintained; and

**WHEREAS**, in its Supplemental Application, ENO has urged the Council to consider an increase to the incentive amount which is a directly proportional percent increase relative to the percent increase in proposed kWh savings based on historical Program Year 6; and

**WHEREAS**, the Advisors note that ENO's proposal to increase the incentive amount in essence represents a cost-plus approach with no relationship to exhibiting good or poor performance in the implementation of the Energy Smart Programs; and

**WHEREAS**, based on the Advisors' previous recommendations, the Council believes that a modification to the utility's performance incentive amount for attaining 100% of the kWh savings goal as defined in Resolution No. R-15-140 to an appropriate level of incentive is reasonable, but further specific comments and recommendations from all parties should be considered by the Council before a decision on the UPI incentive amount; now therefore

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

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<sup>15</sup> *Id.* at page 2, Conclusion 7.

1. The Council approves the individual programs contained in ENO's Supplemental and Amended Implementation Plan, as proposed in its Supplemental Application, through December 31, 2019.
2. The Council approves the total Energy Smart Budget and level of funding for PY 7, 8, and 9 and associated kWh savings as set forth in the Supplemental and Amended Implementation Plan, including 6.5% of the program budget for EM&V. EM&V, including work on the NO TRM, will continue to be funded at 6.5% until such time that the Council can consider further specific comments and recommendations from all parties toward a consensus regarding the metrics and methodology used in estimating kWh/kW reductions for Energy Smart consistent with estimating the DSM potential for integrated resource planning.
3. ENO shall file in this docket with copies to all parties all supporting models and work that demonstrate the reallocation of kWh savings forecasted for PY 7 to PY 8 while still achieving the combined pro-rated energy savings for PY's 7 and 8 within 30 days of the issuance of this resolution.
4. The Council will continue to monitor the status of the potential additional funding sources for Energy Smart noted by the Advisors. In the absence of any additional supplemental funding ordered by the Council prior to June 2018, ENO shall implement a transparent, stand-alone EECR rider on customers' bills on ENO Legacy customer bills commencing with the first billing cycle in July 2018 until such time as new rates are implemented and an appropriate alternate cost recovery mechanism and treatment on monthly customer bills is ordered in the Combined Rate Case.
5. The Council approves the Energy Smart funding allocations presented in ENO's Supplemental Application for use in identifying funding required by each customer rate class.
6. Further comments and recommendations from all parties are required before the Council can give further consideration to:
  - a. The continued implementation levels of the three Pilot programs based on a complete evaluation of results;
  - b. Any PY 8 and 9 budget revisions that may be required based on the Pilot programs results;
  - c. A revised UPI incentive structure and amount; and
  - d. Approval of the NO TRM.

Such comments and recommendations are to be provided by the Intervenors no later than January 31, 2018, and the Advisors should provide recommendations and the current status of potential additional funding sources by February 28, 2018.



7. The Council does not find at this time that ENO's request for a modification to the UPI at 100% of the kWh savings goal should be approved.
8. Within 30 days following ENO's evaluation of final and complete results from the three Pilot programs as provided to the Advisors and Intervenors, ENO is directed to file any revisions to the Supplemental and Amended Implementation Plan for PY 8 and 9, including any associated shifts in program costs, the increased UPI, and the impact on total budget. Subsequent to that ENO Filing of such revisions, the Council will consider any additional program and budget revisions as it deems appropriate.
9. The Council directs ENO to proceed with its proposed semi-annual reviews of the NO TRM and to provide to the Advisors and stakeholders a mapping of the NO TRM to the Demand Side Management Portfolio defined in the 2015 Integrated Resource Plan prior to the first such review to be held no later than March 31, 2018.

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

**YEAS:** Brossett, Cantrell, Gray, Guidry, Head, Ramsey, Williams - 7

**NAYS:** 0

**ABSENT:** 0

**AND THE RESOLUTION WAS ADOPTED.**

THE FOREGOING IS CERTIFIED  
TO BE A TRUE AND CORRECT COPY  
*Lara W. Johnson*  
CLERK OF COUNCIL