

**RESOLUTION
R-18- 136**

CITY HALL April 19, 2018

BY: COUNCILMEMBERS WILLIAMS, HEAD, GUIDRY, BROSSETT AND GRAY

**IN RE: RESOLUTION REGARDING PROPOSED RULEMAKING TO ESTABLISH
INTEGRATED RESOURCE PLANNING COMPONENTS AND REPORTING
REQUIREMENTS FOR ENTERGY NEW ORLEANS, INC.**

DOCKET NO. UD-08-02

**RESOLUTION AND ORDER REGARDING THE RECOMMENDATION OF
ENTERGY NEW ORLEANS, INC. TO CHANGE THE BEHAVIORAL PILOT
PROGRAM FOR THE ENERGY SMART PROGRAM FROM AN OPT-IN TO AN
OPT-OUT MODEL**

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 for the fixing and changing of rates and charges of public utilities; and

WHEREAS, Entergy New Orleans, LLC ("ENO" or "Company"), 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 Utility Holding Company, LLC ("EUH"). The other four operating companies are Entergy Arkansas, Inc. ("EAI"), Entergy Louisiana, LLC, ("ELL"), Entergy Mississippi, Inc. ("EMI"), and Entergy Texas, Inc. ("ETI"). These five operating companies are referred to collectively as the "Operating Companies"; and

WHEREAS, the Council is responsible for ensuring that New Orleans customers receive reliable electric service at just and reasonable prices; and

WHEREAS, prior to September 1, 2015, ENO and ELL each operated a Council-authorized DSM program within their jurisdictions in Orleans Parish, known as the ENO Energy Smart Program and the ELL-Algiers Energy Smart Program, respectively, and after September 1, 2015, ENO assumed responsibility for both Energy Smart programs; and

WHEREAS, on December 29, 2014, the Companies submitted the Application of Entergy New Orleans, Inc. and Entergy Louisiana, LLC for Approval of the Supplemental Implementation and Cost Recovery Plan for the Continuation of the Energy Smart Plan for Year 5 and Year 6, and subsequently submitted a corrected version of the filing on January 5, 2015 (“Implementation Filing”); and

WHEREAS, in their Implementation Filing, the Companies proposed several pilot programs, and in addition to the proposed pilot programs, recommended setting aside \$300,000 for the inclusion of a behavioral pilot program in Program Year 6; and

WHEREAS, upon consideration of the Companies' proposals, the comments from intervenors, reply comments from the Companies, and the Report of the Advisors, the Council determined in Resolution No. R-15-140 that while it is supportive of pilot programs to continue to evaluate and develop new Energy Smart programs, it remained concerned that insufficient detail had been provided regarding the pilot programs, including the Behavioral Program, proposed in the Implementation Filing; and

WHEREAS, the Council also noted in Resolution No. R-15-140 that it is not necessary for a pilot program to meet the cost-effectiveness test, rather it is necessary for such programs to

produce sufficient data for the Council to evaluate the long-term cost-effectiveness of the program being tested through the pilot; and

WHEREAS, in Resolution R-15-140, the Council approved the development of a relevant Behavioral Pilot program for the ENO Energy Smart program to be initiated with a carefully defined structure and goals, set of required results, a limited term specific to New Orleans' demographics, and one which captures real data on consumer behavior and long-term cost-effectiveness; and

WHEREAS, in Resolution No. R-15-140, the Council did not approve any proposed pilot program, but ruled that prior to the implementation of any new pilot program for the Energy Smart program, the Companies must file an application with the Council for review and approval that included a number of minimum requirements; and

WHEREAS, in Resolution R-16-106, the Council further indicated that proposed pilot programs should include (1) the number of participants and whether the pilot is a voluntary program; (2) the duration of the proposed pilot program; and (3) what data is to be collected and the manner of collection; and

WHEREAS, on April 26, 2016, ENO filed the Application of Entergy New Orleans, Inc., For Approval of a Behavioral Pilot Program ("Application"); and

WHEREAS, in its Application, ENO indicated that it issued an RFP on December 22, 2015 to select the program services provider, as required by the Council, and selected Accelerated Innovations ("AI") as the provider using criteria including the comprehensive nature of the plan, verifiability of results, expertise in the behavioral pilot field, and projected costs;¹ and

¹ Application at 3.

WHEREAS, the Council finds that AI was properly selected through an RFP process;
and

WHEREAS, the Application indicated that the program would be designed to reach 30,000-70,000 customers;² and

WHEREAS, the Council found that the purpose of a pilot program is to gather sufficient data to determine whether a program would be cost-effective if implemented at full-scale. The Council also finds that a full year of data would be needed to provide the Council with the necessary information to evaluate the cost-effectiveness of a Behavioral Program; and

WHEREAS, ENO submitted AI's Scope and Program Design, a Supplement thereto, and AI's Marketing Strategy Outline as Highly Sensitive Protected Materials ("HSPM Materials") pursuant to the Protective Order issued in Docket No. UD-07-03 and adopted in this proceeding;³ and

WHEREAS, the Council's Advisors reviewed AI's Scope and Program Design, a Supplement thereto, and AI's Marketing Strategy Outline and advised the Council that the HSPM Materials contain a sufficient description of the objective of the pilot, including results that will provide data to determine the cost-effectiveness should a full implementation of the pilot program be considered; and

WHEREAS, the Council's Advisors also advised the Council that the HSPM Materials also contained a sufficient description of the costs for the Behavioral Pilot to satisfy the Council's requirements; and

WHEREAS, On May 19, 2016, the Council adopted Resolution R-16-184 approving ENO's proposal for the Behavioral Pilot Program for the Energy Smart Program; and

² Application at 5.

³ Application at 6.

WHEREAS, ENO's Behavioral Pilot Program was originally proposed as an Opt-in program whereby customers could choose to participate in the Program by fulfilling the necessary participation process implemented by ENO and AI; and

WHEREAS, in January 2017, ENO and AI began implementing the Behavioral Program by actively recruiting participants; and

WHEREAS, according to ENO, despite efforts to enhance the recruitment process, participation became stagnant at approximately 1,000-1,400 participants; and

WHEREAS, due to the low level of participation, in September 2017, ENO and AI discussed the potential of shifting from an Opt-in to an Opt-out format with the Council's Advisors and other stakeholders during one of the technical conferences convened pursuant to Council Resolution R-17-176; and

WHEREAS, after several additional months of minimal participation increases, ENO and AI made a filing in this docket on March 22, 2018 recommending switching the Behavioral Program participation model from an Opt-in to an Opt-out model; and

WHEREAS, according to ENO's filing, in the Opt-out design, the recipients of an educational home energy report (Treatment Group) are chosen at the outset of program implementation and are sent monthly reports comparing their energy use to that of their neighbors and will continue to receive reports unless the recipients contact ENO to request discontinuation of the monthly reports; and

WHEREAS, the Council's Advisors have reviewed ENO's March 22, 2018 filing and agree with ENO's recommendation to change the Behavioral Program from an Opt-in to an Opt-out model; and

WHEREAS, the Advisors recommend that the Council approve ENO's recommendation;

and

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

THAT:

The Company's proposal to change the Behavioral Pilot Program from an Opt-in to an Opt-out model is approved.

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

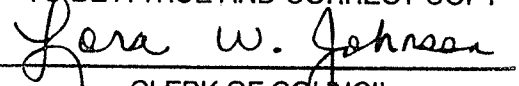
YEAS: Brossett, Gray, Guidry, Head, Ramsey, Williams - 6

NAYS: 0

ABSENT: Cantrell - 1

AND THE RESOLUTION WAS ADOPTED.

THE FOREGOING IS CERTIFIED
TO BE A TRUE AND CORRECT COPY


CLERK OF COUNCIL