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Harry M. Barton Senior Counsel Legal Department -- Regulatory

May 28, 2019

Via Hand Delivery

Lora W. Johnson, CMC, LMMC Clerk of Council Room 1E09, City Hall 1300 Perdido Street New Orleans, LA 70112

Re: Rulemaking Proceeding to Establish Rules for Community Solar Projects

CNO Docket No. UD-18-03

Dear Ms. Johnson:

Enclosed for your further handling please find an original and three copies of Entergy New Orleans, LLC's ("ENO") Comments Regarding Proposed Section XIV of the Council's Community Solar Rules, in connection with the above-referenced matter. Please file an original and two copies into the record and return a date-stamped copy to our courier.

Should you have any questions, please do not hesitate to contact me. Thank you in advance for your usual courtesy and assistance with this matter.

Sincerely

Harry M. Barton

HMB/bkd Enclosures

cc: Official Service List (via e-mail)

DECEIVE MAY 2 8 2019

BY:_____

BEFORE THE

COUNCIL OF THE CITY OF NEW ORLEANS

<i>IN RE</i> : A RULEMAKING)	
PROCEEDING TO ESTABLISH)	
RULES FOR COMMUNITY SOLAR)	DOCKET NO. UD-18-03
PROJECTS)	

ENTERGY NEW ORLEANS, LLC'S COMMENTS REGARDING PROPOSED SECTION XIV OF THE COUNCIL'S COMMUNITY SOLAR RULES

Pursuant to Resolution R-19-111 dated March 28, 2019, Entergy New Orleans, LLC ("ENO" or the "Company") respectfully submits these brief Comments concerning the newly proposed Section XIV of the Council for the City of New Orleans' ("Council") Community Solar Rules ("Rules"), entitled "Enforcement of These Rules." ENO appreciates the opportunity to comment on the new Section of the Rules and commends the Council for taking time to make sure that appropriate and thorough consumer protections are a part of the Council's community solar program. ENO's Comments propose one clarifying edit to the new section of the Rules and identify an important issue for the Council to consider following the filing of the September 1, 2019 joint report from the Council's Advisors and the Council Utility Regulatory Office ("CURO"). ENO also reserves the right to file comments on this issue into the record of these proceedings following the receipt and review of the joint report from CURO and the Advisors.

As ENO noted in both of its previously-filed contributions to this proceeding, ensuring that adequate consumer protections and enforcement mechanisms are in place before Subscriber Organizations begin recruiting customers in New Orleans will be essential for protecting customers and facilitating a successful Council community solar program. In addition to finalizing and adopting the new Section of the Rules, ensuring that the necessary mechanisms and processes

for protecting consumers are in place will require (i) hiring staff necessary for CURO to carry out the enforcement functions related to Subscriber Organizations as outlined in the Rules, (ii) determining the necessary costs of equipping CURO with the personnel to regulate and oversee Subscriber Organizations' activities, (iii) ensuring that adequate and stable funding is available to CURO to enable the personnel and processes required to engage in such oversight, and (iv) ensuring that such costs are equitably distributed (*i.e.*, borne solely by entities and customers that participate in the Council's community solar program). Given that the Council's current procedural schedule calls for CURO and the Advisors to file estimates of the costs associated with CURO's administration of the Council's community solar program on September 1, 2019, it will not be possible for the parties to assess what the costs are and what an equitable allocation of them would look like until after that filing is made. As such, ENO reserves the right to submit comments into the record of this proceeding on the appropriate allocation of the costs outlined in the September 1, 2019 report once that report has been filed.

As for the substance of the new Section of the Rules, ENO suggests one clarifying edit. Section XIV(2) indicates that the scope of this Section of the Rules applies to Subscribers to the Council's program that have issues with a "Subscriber Organization (including the Utility acting as a Subscriber Organization)." ENO understands that the Rules contain this parenthetical language to clarify that the process outlined in Section XIV only applies to ENO should ENO choose to act as a Subscriber Organization and to avoid confusion between the process described in Section XIV and the processes that already exists for customers to file formal complaints related to issues arising from ENO's provision of service as a franchised and regulated electric and gas utility. As such, ENO believes a minor edit to Section XIV(7) is also warranted, which is consistent with Section XIV(2) and is depicted below:

(7) Should CURO and/or the Hearing Officer observe a pattern of continued violations of these rules by the Utility or a Subscriber Organization (including the Utility acting as a Subscriber Organization) that is undeterred by the application of the remedies the Council has authorized CURO and the Hearing Officer to impose, either CURO or the Hearing Officer may refer the matter up to the Council for further proceedings. The Council will then set an appropriate procedural schedule, consider the matter, and exercise its penalty authority as appropriate in light of the circumstances.

Subject to this minor modification, ENO believes Section XIV of the Rules should provide an adequate framework to enable CURO to regulate and oversee any Subscriber Organizations that may choose to participate in the Council's community solar program. ENO looks forward to reviewing comments from the other parties and reviewing the joint report from CURO and the Advisors on the estimated costs associated with CURO overseeing the participation of Subscriber Organizations in the Council's program and enforcing the Rules.

By:

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ATTORNEYS FOR ENTERGY NEW ORLEANS, LLC

CERTIFICATE OF SERVICE <u>Docket No. UD-18-03</u>

I hereby certify that I have served the required number of copies of the foregoing report upon all other known parties of this proceeding, by the following: electronic mail, facsimile, overnight mail, hand delivery, and/or United States Postal Service, postage prepaid.

Lora W. Johnson, CMC, LMMC

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New Orleans, Louisiana, this 28th day of May 2019.

Harry M. Barton