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Harry M. Barton
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February 12, 2021

Via Electronic Delivery

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

Re: Application of Entergy New Orleans, Inc., for Approval to Construct Distributed Generation-Scale Solar Photovoltaic Systems and Request for Cost Recovery and Related Relief
CNO Docket No. UD-17-05

Dear Ms. Johnson:

Enclosed please find the Public Version of Entergy New Orleans, LLC's ("ENO") Project Status Report ("Report"). Please file an original and two copies into the record in the above-referenced matter. As a result of the remote operations of the Council's office related to COVID-19, ENO submits this filing electronically and will submit the requisite original and number of hard copies once the Council resumes normal operations, or as you direct. ENO requests that you file this submission in accordance with Council regulations as modified for the present circumstances.

In connection with ENO's filing, there is information considered by ENO to be proprietary and confidential. Public disclosure of certain of this information may expose ENO and its customers to an unreasonable risk of harm. Therefore, considering the commercially sensitive nature of such information, this Report bears the "Highly Sensitive Protected Materials" designation. The confidential information included with the Report may be reviewed by appropriate representatives of the Council, its Advisors, and other parties to this proceeding, pursuant to the provisions of the Official Protective Order adopted in Council Resolution R-07-432 relative to the disclosure of Highly Sensitive Protected Materials. As such, these confidential materials shall be exempt from public disclosure, subject to the provisions of Council Resolution R-07-432.

Should you have any questions regarding the above matter, please don't hesitate to contact me at 504-576-2984.

Ms. Lora W. Johnson, CMC, LMMC
February 12, 2021
Page 2 of 2

Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Harry M. Barton", is written over the word "Sincerely,". The signature is stylized and somewhat cursive.

Harry M. Barton

HMB/ddm
Enclosures

cc: Official Service List (via email Public Version Only)

**BEFORE THE
COUNCIL OF THE CITY OF NEW ORLEANS**

**APPLICATION OF ENTERGY)
NEW ORLEANS, INC. FOR)
APPROVAL TO CONSTRUCT)
DISTRIBUTED GENERATION-)
SCALE SOLAR PHOTOVOLTAIC)
SYSTEMS AND REQUEST FOR)
COST RECOVERY AND RELATED)
RELIEF)**

DOCKET NO. UD-17-05

Entergy New Orleans, LLC

5 MW_{AC} Rooftop Solar PV Project Status Report

February 12, 2021



I. BACKGROUND

On March 22, 2016, Entergy Services, Inc. (“ESI”) published a public notice that Entergy New Orleans, LLC (“ENO” or the “Company”) intended to issue a renewables-specific request for proposals (“2016 Renewables RFP”), and on July 13, 2016 ENO released the RFP. In response to the 2016 Renewables RFP, ESI, acting on behalf of ENO, developed a self-build project involving the construction of multiple, distributed generation scale (“DG-scale”) solar photovoltaic (“PV”) systems in New Orleans.

ENO’s Operating Committee selected several proposals in May 2017 including the self-build DG-scale solar PV project. On October 6, 2017, ENO submitted its *Application of Entergy New Orleans, Inc. for Approval to Construct Distributed Generation-Scale Solar Photovoltaic Systems and Request for Cost Recovery and Rate Relief* (“Application”) to the Council of the City of New Orleans (“Council”). Within the Application, ENO requested that the Council find it in the public interest for ENO to construct multiple DG-scale solar PV systems (the “Project”) with a total combined capacity of approximately 5 megawatts alternating current (“MW_{AC}”) in the City of New Orleans.

In the Application, ENO explained that the Project would focus on utilizing rooftops of existing buildings and properties, including customer-owned sites secured under long-term leases as well as one ENO-owned site (the Dwyer Road service center).

In the Application, ENO further explained that it had, through a separate RFP process, selected Brightergy Louisiana, LLC (“Brightergy”) as the solar development company to serve as the engineering, procurement, and construction (“EPC”) contractor. Under the EPC agreement, Brightergy had principal responsibility for identifying and developing sites and negotiating the commercial lease terms, but ENO and its legal counsel

were involved in the process and ENO maintained final say on the terms of the leases and the acceptability of the agreements prior to execution.

On December 14, 2017, the Council issued Resolution No. R-17-622 setting forth the procedural schedule for the instant docket. The Council-adopted procedural schedule required ENO to hold a public meeting, set an intervention deadline, and hold settlement conferences with the parties which, if successful, would result in the submission of an Agreement in Principle (“AIP”) to the Council no later than March 5, 2018.

On January 9, 2018, ENO held a public meeting at the Southern University at New Orleans – Lake Campus College of Business and Public Administration to provide information and answer questions concerning the Project and the 2016 Renewables RFP. The event was attended by representatives of the Council, members of the public, and representatives of the Alliance for Affordable Energy (“AAE”), the Gulf States Renewable Energy Industries Association (“GSREIA”), 350 New Orleans, and the American Institute of Architects-New Orleans Chapter (“AIA”).

In February 2018, the parties began settlement talks and discovery pursuant to the Council’s procedural schedule and held several meetings and conference calls working toward a settlement. The parties succeeded in reaching an AIP that was supported by all parties but one, Air Products and Chemicals, Inc. (“Air Products”), which did not oppose the AIP.

On May 11, 2018, ENO filed, on behalf of itself, the Advisors, and all parties to the case, the AIP reflecting the settlement among the parties and resolving all issues in the case. On June 21, 2018, the Council issued Resolution R-18-222 (“Resolution”) approving the AIP. The Council found that the AIP was just, reasonable, and in the public interest.

The AIP, which was approved without modification, provided that prudent investments made pursuant to the Council's approval of the AIP are eligible for recovery from customers and ENO will be afforded a full and fair opportunity to recover the revenue requirement associated with the Project through the mechanisms described in the AIP.

Per paragraph three on page 10 of the Resolution, the Settling Parties agreed that, following completion of the Project, "ENO shall file a report with the Council, served on the Advisors and Parties to this proceeding, within 90 days, which report shall detail (i) the number and total combined capacity of installations placed into service, (ii) the general location and name-plate capacity of each installation completed, (iii) the total cost expended, broken out by EPC and non-EPC expenditures, and (iv) the extent to which locally owned businesses and/or Diverse Subcontractors and Suppliers have been employed." ENO files this Report in fulfillment of the Council's directive and in compliance with ENO's obligations under the AIP.

ENO also uses this Report to thank the Council and all parties to this proceeding for their efforts to work collaboratively and cooperatively to reach settlement in this matter. The collective efforts of the Council, the Advisors, ENO, and all stakeholders facilitated the construction of the Project, which has brought just over 5MW_{AC} of DG-scale solar PV generation to Orleans Parish and contributed to the local economy by supporting the local solar and construction industries and generating lease income for local businesses, government entities, and a local university. ENO hopes that the realization of these benefits will demonstrate the value of not only local commercial rooftop DG-scale solar, but also of a collaborative regulatory environment where all stakeholders work together to create a clean energy future for the City of New Orleans.

II. SUMMARY OF INSTALLATIONS

<u>Installation Name</u>	<u>Address</u>	<u>Capacity DC/AC</u>	<u>Construction</u>	<u>Crew¹</u>
Entergy Customer Service Center Pilot	5401 Dwyer Road	195 kW DC / 166.5 kW AC	April 2018 to October 2018	6
Transportation Consultants, Inc. ("TCI") 2019 Installation	3401 Alvar Street and 3900 France Road	3,260 kW DC / 2,499.8 kW AC	September 2018 to May 2019	21
New Orleans Regional Transit Authority ("NORTA")	8225 Willow Street (Streetcar Barn)	367 kW DC / 300 kW AC	July 2019 to September 2020	11
University of New Orleans ("UNO")	2000 Lakeshore Drive	744 kW DC / 600 kW AC	October 2019 to September 2020	14
TCI 2020 Expansion	3401 Alvar Street	1,132 kW DC / 866.6 kW AC	October 2019 to September 2020	15
Michoud Global Properties, LLC	4099 Industrial Parkway	377 kW DC / 300 kW AC	December 2019 to October 2020	16
Almonaster Properties, LLC	7500 Almonaster Avenue	377 kW DC / 300 kW AC	December 2019 to October 2020	14
Totals		6,452 kW DC / 5,032.9 kW AC		97

The following figures depict each of the completed facilities identified in the table above.

¹ This column reflects the highest number of daily employees during the course of construction.

Figure 1: ENO Customer Service Center (Dwyer Road)



Figure 2: TCI 2019 Installation (Alvar Street)



Figure 3: TCI France Road



Figure 4: NORTA



Figure 5: NORTA



Figure 6: UNO



Figure 7: Michoud Global Properties



Figure 8: Almonaster Properties



Figure 9: TCI 2020 Expansion



III. Site Development

ENO and Brightergy diligently pursued and evaluated both publicly- and privately-owned rooftops as potential sites for solar installations for the Project and received strong interest in the Project.² In addition to the sites listed above where solar installations were ultimately deployed, ENO and Brightergy engaged with the City of New Orleans (more than 10 in-person meetings, taking place over the course of 18 months), the Flood Protection Authority – East, the Port of New Orleans (several meetings and phone calls with the Port and individual tenants), the Lakefront Airport, the New Orleans Convention Center, and many local universities, churches, and private businesses. Obviously, these efforts did not result in solar installations being deployed at sites owned by these parties, but these efforts did provide valuable insights to ENO and Brightergy, which are summarized in the remainder of this section of the report.

² These efforts were documented extensively in the October 1, 2018 Progress Report.

Identifying site hosts that are willing to agree to long-term roof leases is a lengthier and more complicated process than may be readily apparent to individuals without experience in the commercial-scale rooftop solar industry. The process involves asking business owners and fiduciaries of public institutions to commit to an agreement that will bind the entities, and their future governing bodies, to obligations of twenty to thirty years in term – usually long past the time that the negotiating parties will hold their current jobs or positions with the businesses or entities. The lengthy terms of these leases are of course necessary to ensure that utility customers receive the full benefit of their investments in rooftop solar installations but can cause trepidation on behalf of site owners.

For public entities, this process can require an interested decision-making body to either issue an RFP for the lease of rooftop space, without the benefit of much empirical, market-based information to assist in determining the potential value of such leases, and to bind future boards to that decision. In some cases, the complexity of the decision proved to be a barrier to a final decision to move forward as a solar site host.

With regard to private entities, at a high level, these potential site owners fell into two general categories: large companies where decisions are made outside of New Orleans, and small companies where decisions are made by local owner-operators. Larger companies have more complex decision-making processes, requiring multiple levels of approval, and requiring more time for company management to understand a unique arrangement of this type. In Brightergy's experience working nationally to develop solar projects with large companies, it is not uncommon for the internal decision-making process to take more than a year. Locally owned companies that may have quicker decision-making

processes typically own smaller facilities, and thus require more individual installations to meet overall capacity targets for solar deployments.

For public and private entities, there is added complexity when potential site hosts lease their facilities from third party owners. Some of these facilities are highly desirable for their location and rooftop conditions but require agreements from two entities as opposed to one owner-operator, with no additional lease payments. This was the case with the Port of New Orleans and the New Orleans Lakefront Airport.

Notwithstanding the sometimes-complex logistical issues described above, commercially sited, DG-scale solar is, and will continue to be, an important resource for carbon-free generation within New Orleans. As the Resolution noted, the benefits of the Project and DG-scale, commercially sited rooftop solar include “fulfilling Council goals to meet an increased portion of New Orleans’ electricity demand with renewable resources, creating a long term hedge against the costs of conventional generation resources, potential distribution grid and resilience benefits, including facilitating opportunities for investment in future energy storage..., helping ENO customers to achieve their goals around sustainability and/or carbon reduction, and providing ENO with real-world experience operating and maintaining DG-solar systems.”³ Moreover, as was noted in ENO’s Application, siting solar PV systems on large rooftops provides economies of scale, allows for locally-sited PV systems despite the limited availability of suitable and affordable land in Orleans Parish (due, among other things, to wetlands, soil conditions, and zoning requirements) on which to build ground-mounted solar PV facilities, and does not remove existing available land in Orleans Parish from commerce. The experiences described

³ See, Resolution at pg. 12.

above, and the lessons learned from them, will be informative as ENO continues to explore ways in which the Company can continue to deploy commercially sited, DG-scale solar in New Orleans.

IV. PROJECT COSTS EXPENDED AS OF COMPLETION

ENOI Rooftop Solar	Costs
Entergy Internal Cost⁴	
Materials	
Payroll	
Employee Expenses	
Indirect Costs	
AFUDC	
Entergy Internal Cost	
Engineering/Consultants	
Other Vendors	
EPC Vendor	
EPC Contract	
Sales Tax	
Sub-Total EPC/Other Vendors	
Grand Total	\$ 14,188,772

V. INSTALLED COST PER WATT

The final installed cost is \$2.20/W_{DC}. This amount is under the budget of \$2.32/W_{DC}, which was the amount agreed to as the target cost in paragraph 23 of the AIP. It is also worth noting that the total cost of \$14.18 million is under the budget approved in the Resolution, which was \$14.85 million.

⁴ Includes the costs necessary to interconnect each system with the Company's distribution system.

VI. USE OF LOCALLY OWNED AND/OR DIVERSE SUBCONTRACTORS AND SUPPLIERS.

Local subcontractors contributed nearly all the labor for the Project. Ultimately, 98% of the labor was performed by contractors based in the New Orleans metropolitan area; the remaining labor was performed by Louisiana-based contractors located just outside of New Orleans. The following is a list of local Companies that were engaged for the Project:

Alf Services, LLC (Slidell, LA)
Certified Roofing and Sheet Metal (Ticksaw, LA)
Fischer's Roofing, Inc. (New Orleans, LA)
Hernandez Construction (New Orleans, LA)
Joule Solar (New Orleans, LA)
RJ Directional Boring (Chaneyville, LA)
SouthCoast Solar (Metairie, LA)
State Block, Inc. (Metairie, LA)
TCI Trucking (New Orleans, LA)
USA Self Storage (New Orleans, LA)

VII. IMPACTS OF COVID-19 PANDEMIC ON PROJECT TIMELINE

The COVID-19 Pandemic created many unexpected challenges for the Project. These challenges included: (i) delayed module delivery from Chinese production facilities due to COVID-related shutdowns; (ii) COVID-related closures at City Hall delayed the permitting process and pushed back construction start dates; (iii) new safety protocols (*e.g.*, social distancing measures, personal protective equipment requirements, etc.) needed to be developed and implemented to keep workers safe on job sites; and (iv) extended sick leave policies were implemented to allow for quarantining. While these challenges did cause some delays to the Project, ultimately the project team was able to adapt to the circumstances and successfully complete the Project in a timely manner and within the established budget.

VIII. CONCLUSION

ENO appreciates the opportunity to work collaboratively with the Council, its Advisors and all other stakeholders to bring this Project to fruition. ENO anticipates that this Project will help inform further deployment of DG commercial-scale solar within Orleans Parish. ENO also hopes that the entire proceeding conducted in this Docket can be indicative of future regulatory proceedings, where all parties will work collaboratively to achieve the shared goal of a clean energy future for New Orleans and New Orleanians.

CERTIFICATE OF SERVICE

Docket No. UD-17-05

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.

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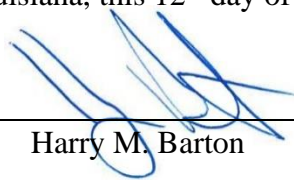
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New Orleans, Louisiana, this 12th day of February, 2021.



Harry M. Barton