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October 14, 2022

VIA Electronic Delivery

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

Re: *Entergy New Orleans, LLC's 2021 Electric And Gas Formula Rate Plan Filings, Council Docket No. UD-18-07;*
And
Resolution and Order Opening an Inquiry into Establishing a Smart Cities Initiative for the City of New Orleans and Directing Entergy New Orleans, LLC to Report with Respect to Matter Related to Grid Modernization Council Docket No. UD-18-01

Dear Ms. Johnson:

Enclosed please find the Entergy New Orleans, LLC (“Entergy New Orleans,” “ENO,” or the “Company”) hereby submits its reply comments to the comments filed by the Alliance for Affordable Energy (“AAE”) and ChargePoint, Inc. (“ChargePoint”) regarding the Company’s Request to Modify its Electric Rate Schedules to Expand Access to Electric Vehicle (“EV”) Charging Infrastructure. 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.

Should you have any questions regarding the above/attached, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Courtney R. Nicholson'.

Courtney R. Nicholson

Enclosures

cc: Official Service List (UD-18-01 and UD-18-07 via electronic mail)

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

**IN RE: RESOLUTION AND ORDER)
OPENING AN INQUIRY INTO)
ESTABLISHING A SMART CITIES)
INITIATIVE FOR THE CITY OF)
NEW ORLEANS AND DIRECTING)
ENTERGY NEW ORLEANS, LLC TO) DOCKET NO. UD-18-01
REPORT WITH RESPECT TO)
MATTER RELATED TO GRID)
MODERNIZATION)**

**APPLICATION OF ENTERGY NEW)
ORLEANS, LLC FOR A CHANGE IN)
ELECTRIC AND GAS RATES)
PURSUANT TO COUNCIL) DOCKET NO. UD-18-07
RESOLUTIONS R-15-194 AND R-17-504)
AND FOR RELATED RELIEF)**

**REPLY COMMENTS OF ENTERGY NEW ORLEANS, LLC
PURSUANT TO COUNCIL RESOLUTION R-22-393 REGARDING
EXPANSION OF ELECTRIC VEHICLE CHARGING INFRASTRUCTURE**

Entergy New Orleans, LLC (“Entergy New Orleans,” “ENO,” or the “Company”) hereby submits its reply comments to the comments filed by the Alliance for Affordable Energy (“AAE”) and ChargePoint, Inc. (“ChargePoint”) regarding the Company’s Request to Modify its Electric Rate Schedules to Expand Access to Electric Vehicle (“EV”) Charging Infrastructure (“EVCI”) in the City of New Orleans filed on January 14, 2022 (“January EVCI Request”) and the Company’s Request for Approval of Public Direct Current Fast Charging (“DCFC”) Station Project filed on July 21, 2022 (“DCFC Station Project Request”).

I. The Council should approve the Company’s January EVCI Request.

No one has filed any comments regarding the Company’s January EVCI Request. The January EVCI Request seeks modifications to ENO’s rate schedules that would provide the

following: 1) more flexibility to customers on the length of time for payment when ENO provides utility-owned and operated EVCI, including EV chargers if desired, 2) more certainty to host customers with respect to electric service costs for EV chargers during this early point in the EV adoption cycle, and 3) an electrification incentive by improving ENO's extension of electric service policy. Accordingly, ENO respectfully requests that the Council of the City of New Orleans ("Council") adopt a resolution approving the January EVCI Request as filed and allow ENO to commence its efforts to help parties attain their objectives related to providing access to EV chargers on their property (*e.g.*, an apartment complex offering EV charging in its parking lot for its residents, a hospital offering EV charging in its parking lot for visitors and staff).

II. The comments from AAE and ChargePoint do not support modifying the Company's DCFC Station Project Request, and the Council should approve the Request as proposed by ENO.

The comments from AAE and ChargePoint do not provide a basis for the Council's modifying the DCFC Station Project Request, which appropriately balances the interests of stakeholders while encouraging the expansion of EVCI and the adoption of EVs with their associated environmental benefits. ENO has proposed a modest investment in up to five (5) DCFC fast charging stations with the first site to be in New Orleans East, with other sites spread around New Orleans to provide equitable access.¹ As discussed in the Company's DCFC Station Project Request, *there are currently zero DCFC stations within the City of New Orleans.*² The Company's proposed project will help accelerate adoption of EVs and facilitate access for numerous residents of the City of New Orleans who are unable and who cannot afford to install

¹ DCFC Station Project Request, Introduction.

² *Id.*, ¶ IV.

EV charging on their own property (e.g., renters, residents lacking off-street parking, ride-share drivers).

A. AAE

AAE's recommendation to not allow any of the DCFC Station Project's cost to be recovered from ENO's customers overlooks the need to balance the interests of all stakeholders, including ENO's interests, in the early years of EV adoption in order to achieve the Council's broader policy goals regarding electrification of transportation in New Orleans. In its DCFC Station Project Request, ENO described the benefits to stakeholders from the DCFC Station Project:

- access to public DCFC charging in the City of New Orleans, which currently does not have any public DCFC sites;
- promotion of EV adoption with its environment benefits by addressing range anxiety and providing a charging method for EV drivers that is the closest analogue to a gas station for an internal combustion engine vehicle;
- enhancement of economic development and tourism by making New Orleans a desirable destination for EV owners from outside of the area that want to shop, dine, and explore the City;
- access to charging infrastructure for EV owners that do not have access to home charging; and
- valuable information about the costs, benefits, and operational information associated with DCFC stations.³

³ *Id.*, ¶ IV-IX.

At the same time, other stakeholders should recognize ENO's interests. With the DCFC Station Project, ENO is investing its capital to bring DCFC chargers to the City of New Orleans. Instead of investing in the DCFC Station Project, ENO could invest that same capital in other infrastructure projects. Under that scenario, ENO would be entitled to a reasonable opportunity to recover its costs, including the return on and of that capital, from customers.⁴ In the case of the DCFC Station Project, ENO has shown, through Ms. Hill's Affidavit, that the Company would not have a reasonable opportunity to recover the DCFC Station Project's cost solely through revenue produced by the proposed Fast Charging for Electric Vehicles Schedule ("FCEV Schedule") rates, which ENO proposes to set at a level that will encourage use of the DCFC chargers and ultimately support adoption of EVs, which is a policy goal of the Council.⁵ AAE does not challenge Ms. Hill's analysis, which used conservative assumptions regarding utilization. For this reason, ENO has proposed the ratemaking treatment described in its DCFC Station Project Request that permits the Company to recover the DCFC Station Project's cost through both the FCEV Schedule rates and its other rates for electric service so that ENO has a reasonable opportunity to recover the DCFC Station Project's cost.

Also, the proposed ratemaking treatment is flexible and balances the interests of ENO and its customers. If the FCEV Schedule produces sufficient revenue to cover the DCFC Station Project's cost, revenue above that cost would lower all customers' rates.⁶ Additionally, as discussed in Mr. Crisler's Affidavit, ENO hopes that the Louisiana Department of Transportation

⁴ *South Cent. Bell Tel. Co. v. Louisiana Pub. Serv. Comm'n*, 594 So. 2d 357, 366 (La. 1992) ("Under that principle, South Central Bell is entitled to be compensated for all prudent investments at their actual cost when made (their 'historical' cost) irrespective of whether individual investments are deemed necessary or beneficial in hindsight; and the utility is entitled to the presumption that the investments were prudent, unless the contrary is shown.).

⁵ Affidavit of Samantha F. Hill, ¶ 6.

⁶ DCFC Station Project Request, ¶ XXI-XXII.

and Development (“LA DOTD”) would consider at least one of the proposed sites eligible for National Electric Vehicle Infrastructure (“NEVI”) grant funding⁷ when that becomes available in order to offset some of DCFC Station Project’s costs.⁸ Accordingly, the Council should reject AAE’s recommendation to not allow any of the DCFC Station Project’s cost to be recovered from ENO’s customers and approve the Company’s proposed ratemaking treatment. Indeed, if the Council were to adopt AAE’s recommendation, which the Council should not, ENO would not go forward with the DCFC Station Project, and the City of New Orleans likely would not have access to much-needed DCFC stations for the foreseeable future.

AAE also suggests that ENO should clarify the treatment of fuel costs associated with EV charging. ENO intends to recover fuel costs from EV drivers through the Council-approved rate in the FCEV Schedule. This is one of the reasons why ENO has requested the ability to adjust the FCEV Schedule rate to ensure that it exceeds the cost of fuel. ENO, however, has not proposed including a portion of the FCEV Schedule revenue in the Fuel Adjustment Clause because ENO would have to develop a new monthly process to do so. Including FCEV Schedule revenue in future rate proceedings as miscellaneous revenue so that customers receive the benefits of FCEV Schedule revenue is achievable through existing ratemaking processes and is consistent with other instances where the Company collects miscellaneous revenues to offset revenue requirements.

ENO agrees with AAE’s recommendation to discuss the accommodation of school and public transportation buses for, at least one of its five direct current fast-charging (“DCFC”)

⁷ Over the next five years, Louisiana will receive approximately \$73 million for electric vehicle (EV) infrastructure through the Infrastructure Investment and Jobs Act (“IIJA”). The LA DOTD plans to administer the deployment of electric vehicle charging station infrastructure throughout the State as a part of the NEVI Formula Program. http://wwwsp.dotd.la.gov/Inside_LaDOTD/Divisions/Operations/Electric-Vehicle/Pages/default.aspx

⁸ Affidavit of Gregory S. Crisler, ¶ 17-18

stations. ENO is currently working with entities, such as the Regional Transit Authority, to better understand public transportation charging needs. Also, entities, such as the Orleans Parish School Board, can take advantage of the improved Electric Vehicle Charging Infrastructure Rider (“EVCI Rider”) and have ENO install EVCI, including EV charges if requested, on their property for their use, after the Council approves the Company’s January EVCI Request.

B. ChargePoint

As an initial matter, the Council should reject all of ChargePoint’s comments because ChargePoint is not a party to this proceeding and is, therefore, not allowed to file documents into the record. Also, ChargePoint is the sole vendor retained by ENO to supply the chargers for the Public EV Charging Project, which involves the installation of free-to-use Level 2 EV chargers on public property. ChargePoint’s status as a vendor to ENO (and to other Entergy Operating Companies) suggests that the representative of ChargePoint that prepared the comments was not aware of the Council’s EV-related goals, ENO’s efforts to achieve those goals, and the circumstances pertinent the DCFC Station Project. Indeed, ChargePoint’s recommendations are without merit and should be rejected because they reflect an obvious misunderstanding of the Council’s policies and direction regarding vehicle electrification in New Orleans.

ChargePoint recommends that ENO should offer a make-ready investment option rather than pursuing the DCFC Station Project. ENO does have a make-ready investment option: the EVCI Rider. The Council approved the EVCI Rider in the 2018 Rate Case, and the Company’s January EVCI Request includes improvements to the EVCI Rider and other rate changes to encourage use of the EVCI Rider, including in instances in which the host procures the EV chargers and only wants ENO to construct, own, and operate the distribution upgrades and other make-ready infrastructure.

ChargePoint recommends that the Council reject the DCFC Station Project unless ENO allows site hosts to choose the charging equipment and network service provider. Such a recommendation is unnecessary because ENO intends to include the DCFC Station Project in its electric rate base and, therefore, ENO must be prudent in its execution of the Project, including the selection of charging equipment and network service provider. ENO intends to consider the site hosts' input in the development of the DCFC stations given their important role hosting the equipment, but, ultimately, ENO will be the decisionmaker.

For its final recommendation, ChargePoint recommends that the Council prohibit ENO from seeking IJJA funds for its DCFC Station Project. Such recommendation is inconsistent with the Council's previous direction to ENO to pursue any and all available IJJA funding to help mitigate costs that would otherwise be borne by ENO's customers. No one, including ChargePoint, has offered to bring DCFC charging to the City of New Orleans on the timetable that ENO is proposing. At this point in time, there is no harm to competition from ENO's DCFC Station Project, which has a limited scope. Further, any share of IJJA funds that ENO could receive for one site pales in comparison to the total funds available to the State of Louisiana for DCFC investment, approximately \$73 million. Requiring ENO to not seek IJJA funds in its approval of the DCFC Station Project would be counter-productive and at odds with clear directives issued by the Council on multiple occasions.

CONCLUSION

For the above reasons, ENO requests that the Council approve the Company's January EVCI Request as soon as practical given no one opposed or suggested modifications to that request. ENO further requests that the Council approve the Company's DCFC Station Project Request without modification because the comments do not support modifying the DCFC Station Project Request and the Company's Request appropriately balances the interests of stakeholders while encouraging the expansion of EVCI and the adoption of EVs with their associated environmental benefits.

Respectfully submitted,



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ATTORNEYS FOR ENTERGY NEW ORLEANS, LLC

CERTIFICATE OF SERVICE

I hereby certify that I have this 14th day of October, 2022, served the required number of copies of the foregoing pleading upon all other known parties of this proceeding individually and/or through their attorney of record or other duly designated individual, by: electronic mail, facsimile, hand delivery, and/or by depositing same with overnight mail carrier, or the United States Postal Service, postage prepaid.

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