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December 2, 2022

**VIA ELECTRONIC MAIL ONLY**

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

**Re: 100% Renewable and Clean Energy For The City of New Orleans  
CNO Docket No. UD-22-02**

Dear Ms. Johnson,

Pursuant to Resolution R-22-265, Entergy New Orleans, LLC (“ENO”) hereby respectfully submits its Comments on Achieving 100% Renewable and Clean Energy for the City of New Orleans. 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 original and requisite 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 this filing, please contact my office at (504) 670-3633. Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in blue ink that reads 'Keith D. Wood'.

Keith D. Wood

KDW/bkd

Enclosures

cc: Official Service List UD-22-02 (*via electronic mail*)

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

**IN RE: 100% RENEWABLE AND )  
CLEAN ENERGY FOR THE CITY OF ) DOCKET NO. UD-22-02  
NEW ORLEANS )**

**ENTERGY NEW ORLEANS, LLC COMMENTS ON ACHIEVING  
100% RENEWABLE AND CLEAN ENERGY FOR THE CITY OF NEW ORLEANS**

Entergy New Orleans, LLC (“ENO” or “the Company”) submits these comments in compliance with the requirements of Resolution No. R-22-265 (“Resolution”) issued by the Council for the City of New Orleans (“Council”). The Company appreciates the opportunity to provide these comments and recommendations.

There are several issues that would have to be worked through in order to implement a 100% clean and renewable solution for the City and Sewerage and Water Board (“SWB”). First, there would need to be a determination by the City and separately by SWB as to which electric accounts would be in scope for the solution. In Resolution R-22-11, it was estimated that municipal operations consumed approximately 94,000,000 kWh in 2020, at a cost of approximately \$9 million<sup>1</sup>. It will be important to clearly identify the specific accounts and usage that may be affected by an arrangement to procure clean or renewable energy. Second, interactions between any solutions developed in this docket and the Council’s Renewable and Clean Portfolio Standard (“RCPS”) developed in Docket UD-19-01 will need to be considered. For example, adjustments to the compliance calculations under the RCPS rules may be necessary to maintain a consistent approach to annual goal compliance and ensure customers do not bear extra costs as a

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<sup>1</sup> See, Resolution R-22-11 at p. 2.

result of any City and/or SWB 100% clean solution. Third, the actual design, relative risk, cost, complexity, and timing of different solutions will have to be considered, as well as ENO's possible role in delivering or facilitating any arrangements. As noted by Council President Moreno, ENO can serve as an important partner to the City in crafting and delivering one or more potential solutions to help achieve the stated goal here.<sup>2</sup> Finally, Resolution R-22-11 expressed a desire to implement a solution by January 1, 2025, which will need to be taken into account as different options are considered, some of which may require significant time to effectuate.

The most direct route for ENO to help the City and SWB achieve 100% clean and renewable power for the respective municipal and Sewerage and Water Board operations would be to leverage the existing ENO Green Power Option rider ("Rider GPO"). Rider GPO, approved through the ENO 2018 Rate Case and effective in April 2020, offers a mechanism for customers participating in the ENO Green Select program to offset a portion up to 100% of their electric usage with renewable energy credits ("RECs"). Customers select from one of three participation levels: to match up to 100% of electricity usage with renewables for \$0.010/kWh, 50% for \$0.0125/kWh, and 25% for \$0.015/kWh. A charge appears on the participating customer's bill that shows their monthly kWh usage times the price per kWh for their selected participation level.

The cost structure under the current Rider GPO, which does not require a contract or any form of long-term commitment to maximize flexibility for participants, might result in a monthly fee that is not attractive to larger commercial and industrial customers with significant electric usage. Assuming that municipal operations consumed approximately 94,000,000 kWh in 2020,<sup>3</sup>

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<sup>2</sup> "Entergy New Orleans, they are going to be a major part of this, an integral part of this. Conversations I have had with its CEO, she is very supportive in wanting to work with the Council to get this accomplished and make this work for us. So, appreciative of that as well." Comments from Council President Moreno at the January 19, 2022, Climate and Sustainability Committee meeting.

<sup>3</sup> See, Resolution R-22-11 at p. 2.

the annual cost to offset 100% of that electric usage under current Rider GPO would be \$940,000.<sup>4</sup> Other Entergy Operating Company affiliates such as Entergy Louisiana, LLC and Entergy Texas, Inc. have attempted to address this issue by designing a “large volume” version of their GPO offering designed for larger electric customers that provides a more attractive cost per kWh rate in return for an agreement to offset a larger, pre-defined block of kWh usage each month (e.g., 500,000 kWh/month minimum).

For City and SWB operations, a large volume GPO offering could provide a mechanism to offset most or all of each entity’s respective electric usage. Once the in-scope accounts and usage totals are identified, those entities could agree to a fixed block of kWh to be offset each month and a monthly rate to be used to calculate a charge to be added to their respective electric bills. ENO would purchase qualifying RECs from market resources, track them in ENO’s North American Renewables (“NAR”) registry, and retire them on behalf of the entities.<sup>5</sup> This would present a simple framework for the City and/or SWB to achieve the desired 100% clean outcome with a comparatively low risk and cost structure as well as the flexibility to pursue a different solution down the road.

Beyond the large volume GPO offering, other options involving new, incremental renewable resources could be considered. One approach could involve ENO developing a new “Green Tariff,” which would be based on to-be-procured utility-scale solar resources via an request for proposals (“RFP”) process. A Green Tariff could be sized to cover the renewable capacity needed by the City and/or SWB as well as perhaps other customers that might be interested in

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<sup>4</sup> Calculation: 94,000,000 kWh x \$0.01/kWh (Rider GPO 100% option) = \$940,000.

<sup>5</sup> RECs from ENO’s existing renewable resources could be set aside for the City and SWB, but this would reduce the RECs available to be applied towards the annual compliance calculation under the Renewable and Clean Portfolio Standard. ENO believes it would be more straightforward to handle the large volume GPO purchase for the participating entities as a separate transaction(s). In this case, the associated City and SWB kWh should be removed from the RCPS compliance load calculations.

offsetting a portion of their electric usage with renewable resources. Entergy Louisiana, LLC, recently received approval from the Louisiana Public Service Commission for a Green Tariff offering designed to meet similar requests from large customers to offset portions of their electric usage with renewables.

Another possibility could be some sort of customized agreement structured to include one or more solar resources procured via an RFP as well as potential local distributed-scale solar resources, involving, for example, a fixed-for-floating pricing structure with a Midcontinent Independent System Operator-based (“MISO”) credit mechanism. With either this solution or with a Green Tariff, RECs would be tracked and retired on behalf of the City and/or SWB to help them meet the 100% clean energy goal.

**CONCLUSION**

ENO appreciates the opportunity to submit these comments and will review those submitted by other parties. The Company looks forward to continuing this process with the parties, the Advisors, the Council, and other stakeholders.

Respectfully submitted,

By:

A handwritten signature in blue ink, appearing to read "Hestwood", is written over a horizontal line.

## **CERTIFICATE OF SERVICE**

### **Docket No. UD-22-02**

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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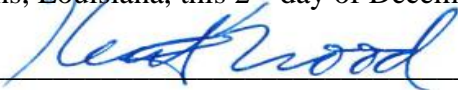
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New Orleans, Louisiana, this 2<sup>nd</sup> day of December, 2022.

  
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Keith D. Wood