

RESOLUTION

NO. R-21-343

CITY HALL: September 23, 2021

BY: COUNCILMEMBERS MORENO, GLAPION, GIARRUSSO, BANKS AND BROSSETT

RESOLUTION AND ORDER DIRECTING THE COUNCIL'S UTILITY ADVISORS TO CONDUCT AN AFTER-INCIDENT REVIEW OF ENTERGY NEW ORLEANS, LLC RELATIVE TO ITS PREPARATION AND RESPONSE TO HURRICANE IDA

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, Entergy New Orleans, LLC ("ENO" or "the 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; and

WHEREAS, on the morning of Thursday, August 26, 2021, Tropical Depression 9 formed in the Caribbean Sea and was projected to make landfall on the Louisiana coast as a hurricane between Sunday, August 29 and Monday, August 30; and

WHEREAS, by the late afternoon of August, 26, Tropical Depression 9 was upgraded to Tropical Storm Ida, the projected landfall was accelerated to early afternoon Sunday, August 29, and the public was encouraged to finalize their hurricane preparedness plans; and

WHEREAS, facing a hurricane watch, on August 27, with Ida predicted to make landfall as a major hurricane with winds exceeding 110 miles per hour, Mayor Cantrell filed a Mayoral Proclamation of Emergency Due to Tropical Storm Ida in Civil District Court and ordered a mandatory evacuation for residents living outside of levee protection and a voluntary evacuation for other residents in the City; and

WHEREAS, by the evening of August 27, New Orleans was under a hurricane warning, Ida was projected to intensify to a Category 4 hurricane prior to making landfall in Louisiana, and residents who did not evacuate were told to prepare to shelter-in-place beginning at midnight August 28 until the storm passed; and

WHEREAS, Hurricane Ida struck the Louisiana Gulf Coast during the morning of Sunday, August 29, initially bringing tropical storm force winds to the greater New Orleans area; and

WHEREAS, as Hurricane Ida moved inland, windspeeds experienced in the City and the metro area intensified and power outages began; and

WHEREAS, at approximately 11:30 a.m. on Sunday, August 29, the Sewerage and Water Board of New Orleans reported outages at sewage pump stations and urged residents to minimize water; and

WHEREAS, by 7:00 p.m. Sunday evening, all power in Orleans Parish was lost due to “catastrophic damage” to eight transmission lines which bring in power generated outside of the City; and

WHEREAS, in the aftermath of Hurricane Ida on Monday, August 30, all customers, including the Sewerage and Water Board of New Orleans, hospitals, and police and fire stations, remained without Entergy-supplied power; and

WHEREAS, on August 30, Entergy New Orleans reported that it would begin assessing the damage to the transmission and distribution systems as soon as it was safe to do so and that the assessments would take approximately three to four days; and

WHEREAS, in conversations between Entergy New Orleans representatives and the Council, Councilmembers asked questions focused on restoring power in the City, especially to critical customers, and the role of the New Orleans Power Station in expediting power restoration; and

WHEREAS, with an estimated 207,000 customers remaining in the City during and after the storm, with no power, and expected heat indices over 105 degrees, the situation in New Orleans was dire and the Council expected ENO to utilize every available resource to restore power as quickly as possible; and

WHEREAS, on August 30, ENO estimated that it would be able to bring “first light” into New Orleans customers by late Wednesday, September 1, but maintained that it could take up to three weeks to completely restore power to all affected customers; and

WHEREAS, in response to the Council’s requests for information about why the New Orleans Power Station was not used immediately after the storm to bring power back to some customers, especially critical customers like the Sewerage and Water Board and hospitals, ENO

reported that the Company needed to conduct the assessment of its distribution system to determine which customers could safely receive power and assess if there was a way to restore power utilizing transmission lines that had been damaged rather than disconnecting the power station from the interstate grid and restoring power in “island” mode; and

WHEREAS, at around 1:00 a.m. on Wednesday, September 1, ENO reported that some power was flowing into New Orleans and that power was being supplied utilizing both the New Orleans Power Station and a transmission line coming into the City from the east; and

WHEREAS, as part of its assessment of damage to the distribution system, ENO identified 1,070 broken poles, 301 damaged transformers, and 786 downed spans of wire system-wide; and

WHEREAS, over the course of nine days after achieving “first light,” ENO worked to restore power to customers prioritizing critical customers including hospitals and Sewerage and Water Board facilities; and

WHEREAS, on September 10, ENO communicated that it had restored power to 100% of customers that could safely receive power; and

WHEREAS, while power has been restored, the Council still has questions related to how ENO utilized the New Orleans Power Station and whether all options were properly exercised in response to the loss of the transmission lines to ensure that power was restored to customers in manner that reflected the best interest of ENO customers; and

WHEREAS, the Council, ENO’s customers, and many across the country have questioned if the Company is adequately prepared to robustly respond to similar or worse situations in the future; and

WHEREAS, the Council believes it is in the public interest to conduct an evaluation of ENO’s actions in response to Hurricane Ida and to direct the Council’s utility advisors (“Advisors”) to initiate an after-incident review (“Investigation”); and

WHEREAS, pursuant to Sections 3-124 and 3-130 (8) of the Home Rule Charter the Council has the power to conduct investigations of the utilities under its supervision, regulation, and control, including the right to administer oaths, subpoena witnesses and compel the production of books and papers pertinent thereto. Section 3-130(8) specifically grants to the Council “the right and authority to obtain from the street railroad, electric, gas, heat, power, waterworks, or other public utility, supervised, regulated and controlled by it all information,

papers, books, records, documents, and such other materials as shall be necessary and proper for the exercise of [the Council's] powers, regulatory or otherwise and all costs, fees, and expenses in connection therewith shall be borne by the public utility required to furnish or produce same;" and

WHEREAS, the scope of this investigation shall include, but shall not be limited to:

- (1) the detailed chain of events from the formation of Tropical Depression 9 in the Caribbean to the full restoration of service to New Orleans customers, including maps reflecting where and when outages in Orleans Parish occurred and where and when power was restored;
- (2) information regarding the operational status of the Company's facilities immediately prior to, during, and after Hurricane Ida;
- (3) any ability of the New Orleans Power Station to operate using its "blackstart" feature, the ability of the station to operate in "island" mode to power a portion of New Orleans, and any associated design documents and operating procedures that pertain to the operation of the station;
- (4) any protocols for restoring power after transmission lines are damaged; and
- (5) ENO's communications to customers, the Council, and stakeholders in any and all forms regarding Hurricane Ida generally and specifically related to power restoration as well as any protocols or policies governing such communications; **NOW THEREFORE**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the Council, pursuant to Section 3-124 of the Home Rule Charter, does hereby immediately initiate an Investigation of ENO's actions in response to Hurricane Ida.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That pursuant to the Council's authority under Section 3-130 of the Home Rule Charter, ENO is directed to provide to the Advisors within seven (7) days of any request thereof, all information, papers, books, communications, records, documents, and other materials in its possession related to how ENO prepares for hurricanes, the potential loss of transmission lines into the City, and the operation of generation if such loss of transmission should occur, including operating protocols and policies of any other Entergy Corporation affiliate or subsidiary that

impacted the restoration of power to ENO's customers. The Advisors may use any and all additional discovery methods that they deem necessary to conduct the investigation, including but not limited to, issuing written request(s) for information directed to ENO as stated above. The Company shall provide responses to requests for information on a rolling basis but not later than seven (7) calendar days after receipt of the request(s). ENO shall provide any written objections to discovery request(s) within forty-eight (48) hours of receipt of any request(s). In the event that ENO cannot provide the material within seven (7) calendar days of receipt, ENO shall notify the Advisors within forty-eight (48) hours of receipt of the request and the Advisors shall determine if the delay in production is justified. If the delay is not deemed justified by the Advisors, Jeffrey S. Gulin is hereby assigned as the hearing officer to resolve such disputes.

Such materials shall include but not be limited to:

1. All Documents that relate in any way to the Matter and/or the Investigation.
2. A list of all Persons who participated in the Matter and/or the Investigation with a detailed explanation of each Person's role.
3. All Communications related to the Matter and/or the Investigation.
4. All Documents related to the Corporate Values and Business Practices.
5. All Documents related to Briefing Materials.
6. A list of all Persons who were involved in or conducted the Investigation.
7. All search terms used by Entergy to produce above documents related to this matter and/or Investigation.
8. Any other materials deemed necessary for and relevant to the investigation by the Advisors.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the following definitions shall be applied to the requested materials:

1. **Briefing Materials** – Any and all documents, materials, written and/or recorded, in whatever medium, created, drafted, written, structured, prepared or produced, whether or not they were used, that contained information of whatever kind that included directions, training, information, education, scripts, speeches, statements, exhortations, data, statistics, arguments, answers or other information that were intended to be used, were used or could have been used in connection with this matter whether prepared by Entergy, the Contractor or Subcontractor.

2. **Communications** – Any and all correspondence, communications, documents, emails, texts, electronic postings, recordings, letters, memoranda, and/or other written or recorded exchanges, or attachments thereto, in whatever form they exist or are stored, including but not limited to, all social media platforms.
3. **Corporate Values and Business Practices** – Any materials, written or otherwise that represent the corporate values and business practices.
4. **Documents** – Any and all documents and materials in whatever form they exist or are stored, including all manner of electronic storage, and including audio, visual and digital recordings.
5. **Entergy** - Entergy New Orleans and its parent and affiliates, including, but not limited to Entergy Services, LLC and any contractors or subcontractors who performed services related to this Investigation.
6. **Person** – Any individual or entity.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, It is anticipated that during discovery, the parties may be required to produce documents or information that are deemed confidential and/or highly sensitive and, accordingly, the Council adopts for use in this docket its official Protective Order adopted by Resolution R-07-432.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That in the event the Council ultimately finds that ENO acted imprudently, violated any applicable statute, law, rule, or regulation, or otherwise fell below the appropriate standards of conduct under the circumstances, any and all costs or expenses associated with this Investigation, and any subsequent related investigation, shall be borne completely and wholly by ENO and not by the ratepayers in the City of New Orleans. ENO is directed to separately track and account for all such costs.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the Advisors are directed to develop a public report on their findings as a result of this Investigation, including a recommendation to the Council as to whether or not more actions are needed.

BE IT FURTHER RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That certified copies of this Resolution shall be forwarded by the Clerk of Council to Mayor LaToya Cantrell; Deanna Rodriguez, President and CEO of Entergy New Orleans, LLC; Rod West, Group President, Utility Operations for Entergy Corporation; and Leo Denault, Chairman and CEO of Entergy Corporation.

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

YEAS:

NAYS:

ABSENT:

AND THE RESOLUTION WAS ADOPTED.