

Via Hand Delivery

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

Re: Entergy New Orleans, Inc.'s Application for Approval to Construct New Orleans Power Station and Request for Cost Recovery and Timely Relief Docket No. UD-16-02

Direct Testimony of the Alliance for Affordable Energy, Deep South Center for Environmental Justice, and Sierra Club

Dear Ms. Johnson:

Enclosed, please find the original and three copies of the Direct Testimonies of the public versions of the Alliance for Affordable Energy, Deep South Center for Environmental Justice and Sierra Club (collectively, "Public Interest Intervenors"). This filing includes the Direct Testimony and Exhibits of Patrick W. Luckow, Dr. Alexander S. Kolker, Dr. George D. Thurston, and Dr. Beverly Wright.

On June 20, 2016, Entergy New Orleans ("ENO") filed an Application for Approval to Construct New Orleans Power Station and Request for Cost Recovery and Timely Relief ("Application"). The Application seeks approval to construct the New Orleans Power Station ("NOPS"), a 226 megawatt summer capacity combustion turbine gas power plant to be located at ENO's Michoud facility in New Orleans East. As part of the application, ENO submitted the Direct Testimonies of Charles L. Rice, Orlando Todd, Seth E. Cureington, Jonathan E. Long, Charles W. Long, Shauna Lovorn-Marriage, and Robert Breedlove.

On November 3, 2016, pursuant to Resolution No. R-16-506, the New Orleans City Council directed ENO to file supplemental testimony addressing 1) the four proposed Aurora modeling production runs requested by the Council Advisors; 2) groundwater withdrawal and subsidence at the Michoud site and surrounding area; 3) air quality effects of the proposed NOPS; and 4) and other matters that ENO deems necessary to support its application or address Intervenors' concerns. On November 18, 2016, ENO filed the Supplemental Testimonies of Seth E. Cureington and Jonathan E. Long.

As detailed in the Public Interest Intervenors Testimony, ENO has failed to establish that construction of NOPS is in the public interest. Therefore, the City Council should reject ENO's Application. In support of this contention, the Public Interest Intervenors represent the following:

Mr. Luckow is a Senior Associate at Synapse Energy Economics (“Synapse”) who focuses on modeling and evaluating long-term energy plans, and the environmental and economic impacts of policy/regulatory initiatives. Mr. Luckow has provided testimony in electricity planning proceedings throughout the country. Mr. Luckow reviewed the testimonies of Seth E. Cureington and Charles W. Long submitted by ENO, ENO’s discovery responses, and the information submitted in support of the 2015 IRP and the application to construct the NOPS.

As Mr. Luckow explains in his testimony, ENO’s conclusion that NOPS is the most economic resource to fulfill capacity needs is not well-supported. Rather, construction of NOPS will expose New Orleans ratepayers to substantial risks. In particular, Mr. Luckow explains that ENO’s case for the NOPS is fundamentally a bet, with City ratepayers’ money, that would only pay off for New Orleans residents in the unlikely event that MISO capacity market prices rise quickly to a very high upper bound and remain there. If ENO’s price forecast proves inaccurate, NOPS is at a great risk to be financially unviable and ENO customers will be forced to bear the excess costs.

Mr. Luckow also establishes that construction of NOPS will leave the Company with significantly more capacity than it needs to fulfill its load obligations, particularly after factoring in demand-side-management measures required by the Council. Mr. Luckow explains that, rather than construct NOPS to resolve the alleged reliability needs, transmission alternatives exist that would be reliable, including with respect to storm outages. Mr. Luckow explains that ENO failed adequately to consider alternatives to meet the need served by NOPS, such as energy efficiency, battery storage and solar power. Lastly, Luckow concludes that a decision to defer building any new capacity at this time would give the Council the advantage to assess the success of DSM measures and the option to purchase alternative generating options to meet any remaining need, such as storage, at a cheaper cost to ratepayers than a new power plant.

Dr Alexander S. Kolker is a coastal geologist at the Louisiana Universities Marine Consortium (LUMCON) who has expertise in geology and oceanography of coastal systems, and how people and climate impact these systems. Much of Dr. Kolker’s research focuses on subsidence, sediment transport pathways, and groundwater discharge impacting the Mississippi River Delta and the Louisiana coastal zone. Dr. Kolker notes the high levels of subsidence near Michoud and the proposed NOPS site and the studies that show a strong relationship between groundwater withdrawal and subsidence. Dr. Kolker cogently criticizes ENO’s CK report as a flawed approach consisting of only a few ground-level photographs of buildings. Dr. Kolker also notes that the area containing and surrounding the proposed NOPS is vulnerable to flooding. This area faces at least two imminent flood risks: storm surge from hurricanes and rainfall from intense thunderstorms. Dr. Kolker recommends that the City Council hire an independent, outside engineering or scientific firm to investigate whether NOPS will cause subsidence to the plant, the surrounding community, or nearby flood protection structures.

Finally, the City Council must consider whether granting approval to construct NOPS would violate Title VI the Civil Rights Act of 1964. Title VI prohibits any entity, such as a municipality, which receives federal funds from discriminating on the basis of race, color, or national origin. See 42 U.S.C. § 2000d. The discrimination need not be intentional. It includes any decision that has an unjustified, unequal impact. Critically, implementing regulations provide that “[w]here prior discriminatory practice or usage tends, on the grounds of race, color, or national origin to ...subject them to discrimination under any program or activity to which this part applies, the [municipality] must take affirmative action to remove or overcome the effects of the prior discriminatory practice or usage.” § 21.5(b)(7) [emphasis added]. Thus, the municipality has an affirmative responsibility to not only avoid discriminating against its residents today, but also to overcome the legacy of its past discrimination.

Communities of color have been, and continue to be, disproportionately exposed to environmental hazards due to regulatory decisions made by states, cities and corporations. Sadly, East New Orleans East is no exception. The City Council should find that authorizing construction of NOPS in this predominately African American and Vietnamese American community, which is already overburdened by local pollution sources, would have an unjustified adverse impact on the basis of race in violation of Title VI. In support of this contention, the Public Interest Intervenors represent the following:

Dr. Beverly Wright is the Founder and Executive Director of the Deep South Center for Environmental Justice, Inc. Dr. Wright’s research shows the geographic correlation between race and pollution, revealing, to statistical significance, the location of toxic and hazardous industrial facilities to operate near predominantly African American communities along the Mississippi River Industrial Corridor in Louisiana. According to Dr. Wright’s analysis, Entergy’s application to build the proposed NOPS in close geographic proximity to predominantly African American and Vietnamese American residents in New Orleans East would have a discriminatory effect, as well as undermine local efforts and significant investments to achieve equity, sustainability and resilience in New Orleans. She presents an environmental justice analysis of the racially disproportionate adverse impacts and risks associated with Entergy’s proposed NOPS on human health, communities, public safety, and flood control. She also demonstrates how the planning process leading up to and including Entergy’s application for the proposed NOPS lacks transparency and public input.

Dr. George D. Thurston is an Associate Professor at the New York University School of Medicine in the Department of Environmental Medicine. In his testimony, Dr. Thurston addresses the public health impacts of emissions of fine particulate matter (PM2.5) generally and, specifically, the expected public health impacts of PM2.5 emissions from the proposed NOPS. Dr. Thurston notes that recent studies of fine PM associations with adverse health effects support the occurrence of significant adverse health effects at levels below the current U.S. EPA long-term standard. With respect to PM2.5 from power plants, recent studies have also found that long-term exposure to combustion-related fine particulate air pollution is an important environmental risk factor for cardiopulmonary and lung cancer mortality. According to Dr. Thurston, there is no

threshold below which incremental effects of PM2.5 will not cause an associated increase in the risk of severe adverse health effects, such as increased emergency room visits by children. Because of their high ultrafine fraction, their composition, and the likely co-presence of acidic vapors, the PM2.5 emissions from NOPS potentially could be more toxic than other forms of particulate matter. Dr. Thurston also reviewed ENO's of the health impacts from NOPS and found this analysis to be inadequate because it makes no attempt to perform a health-risk analysis of PM2.5 emissions from the proposed facility. Dr. Thurston concludes that PM2.5 emissions from this facility can be expected to increase adverse health risks in the surrounding community.

For the reasons set forth here and in detail in the Direct Testimonies submitted today, the Public Interest Intervenors respectfully request that the City Council find that Entergy's construction of NOPS does not serve the public convenience and necessity, is not in the public interest, and would have a racially discriminatory effect. Based upon this finding, the City Council should deny Entergy's application to construct the proposed NOPS.

Public Intervenors will serve copies of this Direct Testimony on all recipients in the electronic case distribution list for this docket. Public Interest Intervenors also will provide versions of Mr. Luckow's testimony that reference material ENO has designated as confidential to authorized recipients under separate cover.

Respectfully submitted,

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