



FEB 27 2017
BY: CK

February 27, 2017

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

RE: PosiGen of Louisiana, LLC Comments Regarding Proposed Changes to the Electric Utility Integrated Resource Plan Requirements of the Council of the City of New Orleans Docket UD-17-01

Dear Ms. Johnson,

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Please find PosiGen of Louisiana, LLC's Comments Regarding the Proposed Changes to the Electric Utility Integrated Resource Plan Requirements. Please file the attached communication and this letter in the record of the proceeding.

Thank you for your attention to this matter.

Sincerely yours,

Karla Loeb
Director of Policy & Government Affairs
PosiGen of Louisiana, LLC

cc: Official Service List

Before

The Council of the City of New Orleans

**In RE: RULEMAKING TO
ESTABLISH INTEGRATED RESOURCE
PLANNING COMPONENTS AND
REPORTING REQUIREMENTS FOR
POSIGEN OF LOUISIANA, LLC.**

Docket NO. UD-17-01

February 27, 2017

PosiGen of Louisiana, LLC

Comments Regarding Proposed Changes to the Electric Utility Integrated Resource Plan Requirements of the Council of the City of New Orleans Docket UD-17-01.

PosiGen of Louisiana, LLC (“PosiGen”) is a solar leasing and energy efficiency services provider that provides services to ratepayers served by Entergy New Orleans, Inc. (“ENO”). In particular, PosiGen primarily provides solar and energy efficiency services to ENO ratepayers that are considered low-to-moderate income (“LMI”) households or reside in an LMI census tract. PosiGen, as the largest distributed generation provider in the greater New Orleans area, has a direct financial interest in development of the Integrated Resource Plan (“IRP”) Requirements. Additionally, PosiGen, as a mission based company, has a social responsibility and regularly advocates on behalf of LMI households locally, regionally and nationally, to insure LMI households have access to clean energy solutions.

PosiGen is a solar leasing and energy efficiency services provider that offers access to solar energy systems and energy efficiency retrofits to the people who need them the most: low-to-moderate income ratepayers. LMI ratepayers on average spend more than twice as much of their household budget on energy costs as compared to non-LMI households. New Orleans has the fourth-highest energy poverty rate in the Country at 9.8%, more than three times the national average (2.3%). And, New Orleans has the third-highest energy burden for African American Households of cities nationwide¹(attached hereto as “Exhibit A”). Additionally and consistent

¹ “Lifting the High Energy Burden in America’s Largest Cities: How Energy Efficiency Can Improve Low Income and Underserved Communities”, written by Ariel Drehobl and Lauren Ross on behalf of Energy Efficiency for All and the American Council for an Energy-Efficient Economy.

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with the findings from the ACEEE and Energy Efficiency for All Report cited previously, Louisiana has the second highest electricity consumption per consumer in the Country.² New Orleans ratepayers simply consume substantially more electricity per home than almost anywhere else in the country, and benefit significantly from demand side management (“DSM”) measures such as energy efficiency retrofits. PosiGen’s mission is to help these LMI ratepayers achieve greater fiscal autonomy and energy independence by lowering their overall utility costs. PosiGen further supports its mission by offering our customers a healthy energy generation alternative, and allowing the LMI community to participate in the clean energy marketplace from which they have previously been excluded.

As stated above, Louisiana residents and ENO ratepayers in particular have the highest energy consumption levels in the country. This unusually high level of energy consumption arises from a variety of factors, including but not limited to the age of the housing stock, architectural design of the older housing stock, and greater levels of deferred maintenance on homes – often due to the greater level of poverty in Louisiana and the ENO service territory as compared to the rest of the country. As such, any economic benefit to the ratepayer of low electricity rates is often minimalized or nullified entirely due to the extraordinarily high level of consumption.³ PosiGen has seen significant economic benefits to individual ratepayers through the implementation of demand side management measures and energy efficiency retrofits, which has the tag-along effect of material reductions in resources demanded from the grid.

PosiGen has successfully and rapidly deployed rooftop solar systems on approximately 3,275 households in the ENO service territory at an implied cost per kWh rate that is lower than the effective rates charged by ENO. Unfortunately, the energy bill certainty PosiGen attempted to provide to our customers has been undermined in the past twelve months by the 15-20% bill increases that can be directly attributed to the Union Power Station acquisition and the incorrect energy modeling performed by ENO, as well as the temporary shut-down of the Grand Gulf Nuclear facility. These bill increases are particularly concerning for our LMI customers. According to a 2014 whitepaper by U.S. Senators Lisa Murkowski and Tim Scott, the authors provide ample data and research to show the threat to a low to moderate income family posed by

² <https://wallethub.com/edu/energy-costs-by-state/4833/>

³ “Lifting the High Energy Burden in America’s Largest Cities” at 18.

rising energy prices and energy inefficient living conditions. The household energy burden cuts into the daily budget in very hard way, often eliminating funds that would otherwise be spent on other necessities. In the Murkowski-Scott study, Louisiana is among the states with the highest percent of households with a high energy burden and the highest percent of households with that burden that are also below the poverty line⁴(attached hereto as “Exhibit B”). This is and should be of great concern to the City Council and advisors. Additionally, based on ENO’s published evaluation of low income households, they should be more eager to invest in demand side management and energy efficiency programs, than the construction of NOPS which would only be used as a peaking facility 15% of the time.⁵ Furthermore, the illustrations on pp. 8-11 in the aforementioned White Paper, indicate that a 10% increase in Utility rates would result in ~15,000 households being pushed into energy poverty.

The 3,275 systems already deployed by PosiGen represent a significant reduction in demand from the grid and a cleaner, healthier alternative to fossil fuel-generated electricity. Investing more heavily in distributed generation could benefit the ratepayers and the community as a whole by reducing demand from the grid, providing a lower-cost method of electricity generation, proving a healthier alternative to fossil-fuel based generators and by maintaining good well-paying jobs in our community. Currently there are more than 7000 solar installations in the City of New Orleans. That is 7000 households making the active decision to invest in clean energy and only further illustrates the desire for New Orleans ratepayers want for technologies that reduce their energy bills while making their personal and surrounding environment healthier and more comfortable.

On February 22nd, the Sierra Club and the Alliance for Affordable Energy filed a joint motion for an extension to file comments regarding the Proposed Changes to the Electric Utility Integrated Resource Plan Requirements. Despite almost universal support for this, the Judge ruled to extend the deadline by just a short three days. In advance of the order issued by Judge Gulin on

⁴ “Plenty at Stake: Indicators of Energy Insecurity” U.S. Senators Lisa Murkowski and Tim Scott, 113th Congress, an Energy 20/20 White Paper, September 2014.

⁵ In 2008, Entergy commissioned a report to examine more deeply the economics of investing in low-income programs that focus on energy use. *See Energy Efficiency Equals Economic Development: the Economics of Public Utility System Benefit Funds*, Jerrold Oppenheim and Theo MacGregor, June 2008. This study concluded that “policy-makers should mandate investment of utility ratepayer funds in weatherization and energy efficiency programs for low-income homes to capture the important economic development benefits they create.”

Friday, February 24th, PosiGen spoke with ENO counsel, as well as one of the advisor's indicating our frustration regarding the miniscule extension. PosiGen also discussed ways in which all stakeholders could make the next month more productive in regards to the general IRP process. PosiGen would like to propose that in the next four weeks, no less than 2 in person planning sessions between stakeholders for a minimum of 4 hours each occur in an effort to find consensus between parties. We believe it is imperative for meetings such as these in order to not replay the 2015 IRP process. By holding group meetings to seek consensus, we, the Parties can find common ground and determine what areas we will need to focus on and where consensus cannot be reached. By being proactive in our discussions, PosiGen hopes we will avoid some of the frustrations, as well as the delays encountered in the 2015 planning process.

As for the actual planning process, PosiGen is particularly frustrated that following a more than three year IRP process within Docket UD-08-02, not a single kW of solar PV was included in the final resource portfolio, and that only after additional direction from the Council in the form of an additional Resolution passed on January 19th of 2017 by the full Council requiring ENO to submit within 30 days an Energy Smart program designed for Program years 7-9 including budgets, the council's proposed kWh savings goals and incentives, including increasing savings to 2% of sales annually. This in spite of the fact that the Council had already enacted specific Energy Efficiency targets in Resolution 15-599 on December 10, 2015 which read:

*"WHEREAS, the Council believes it would be reasonable in the development of subsequent Energy Smart Program Years (Program Year 7 and beyond) for the Company to incorporate in its Energy Smart and IRP filings for evaluation by the Advisors, Intervenors, and the Council the goal of increasing the projected savings from the Energy Smart program by 0.2% per year, until such time as the program generates kWh savings at a rate equal to 2% of annual kWh sales."*⁶

The blatant disregard by ENO of the original Council directive as part of the 2015 IRP process serves as evidence that ENO actively ignores input and must be closely watched to ensure adherence to the Council and stakeholders' objectives. Many of PosiGen's frustrations with the 2015 IRP process were outlined by the Advisors in Resolution 17-32, however, there seems to be a fundamental lack of consensus between the intervenors and ENO, as well as an unwillingness by ENO to do what the Council requests of them, as evidenced by the more than two year and two

⁶ New Orleans City Council Resolution R-15-599, December 10th, 2015 at 17.

month gap between passing of Resolution 15-599 and the submission by ENO of a 2% portfolio on February 13, 2017.

To remedy the issues associated with ENO's omission of any DER, PosiGen recommends that a third party consultant specializing in the deployment of clean energy resources be hired to aid in the IRP process, ensuring a fair treatment of demand side management ("DSM") and distributed energy resources ("DER") and providing the Community with cleaner energy choices. To date, ENO has not leveraged any DER and few DSM resources available. The impending deployment of Advanced Metering Technology ("AMI") represents a real opportunity for ENO to develop a diversified resource portfolio, specifically via DSM programs. As the Advisor's pointed out in UD-13- 02 Net Energy Metering comments filed on November 7th, 2016,

"On October 18th, 2016 ENO submitted an Application of Entergy New Orleans, Inc. for Approval to Deploy Advanced Metering Infrastructure ("AMI") with the potential to enable time-differentiated costing and pricing. The Application states that the implementation of AMI provides ENO with the capability to better meet the needs associated with distributed energy resources ("DER"), such as rooftop solar.⁷ The implication is clear that average monthly rates should no longer be assumed to be the only pricing mechanism in the near term years of this analysis. Alternative pricing mechanisms reflecting higher costs during hours of solar PV production will materially affect the results."⁸

PosiGen believes that herein lies an opportunity. With the deployment of AMI technologies, the value of DER, also known as DSM, increases. Furthermore, a prioritization of AMI technology deployment in New Orleans over other Entergy service territories could completely eliminate the need for NOPS.

Lastly, PosiGen would like to reference the Ceres Report, "Benchmarking Utility Clean Energy Deployment: 2016. Within this report, Entergy Holding Company, which including specific information on each of the Subsidiaries, including ENO, ranks in the bottom 5 Investor Owned Electric Utility Companies ("IOUs") for clean energy deployment based on percentage of retail kWh sales (Southern Company was included as well, but provided no data).⁹ Detailed

⁷ *Application of Entergy New Orleans, Inc. for Approval to Deploy Advanced Metering Infrastructure, Request for Cost Recovery and Related Relief* on October 18th, 2016, at Pg. 6.

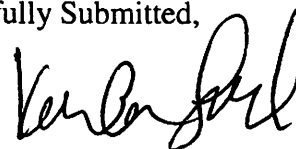
⁸ Docket No. UD-13-02 *Advisor's Comments Regarding Entergy New Orleans, Inc.'s Comments and Net Metering Proposal* on November 7th, 2016, at Pg. 8.

⁹ <https://www.ceres.org/industry-initiatives/electric-power/clean-energy-utility-benchmarking-report>

information about each of the thirty IOUs renewable energy sales as a percentage of bundled only retail sales, less Southern Company, is included as a workbook.¹⁰ This is a stark contrast considering New Orleans ranks 10th in the nation New Orleans 10th in the nation for total solar photovoltaic installations as of the end of 2014, 6th in the nation for Cities with 50 or More Watts of Solar PV per Person, and we ran 1st in Cities in the East and West South Central Regions Ranked for Solar PV Capacity Installed Per Person according to the 2015 Environment America's Report: *Shining Cities Harnessing the Benefits of Solar Energy in America*.¹¹ Comparing these two evaluations of New Orleans from opposite perspectives in regards to clean energy leaves one wondering if the will of the ratepayer is to go green, why isn't ENO?

PosiGen requests for the reasons stated herein, more direction from the Council is needed, specifically, that ENO should be required to meet with all stakeholders no less than two times between now and the Reply Comments Deadline to find consensus on how to approach the IRP planning process and identify issues where consensus can and cannot be reached. Additionally, PosiGen requests that in advance of any decision to construct new Utility Scale generation, an independent consultant specializing in clean energy deployment should be hired to perform a comprehensive cost analysis of demand side management resources, including but not limited to residential solar, demand response, energy efficiency upgrades, enabling the City Council and Advisors to make an educated and unbiased evaluation of the best available resources at the lowest cost for New Orleans ratepayers, as well as provide a cleaner and healthier environment. We thank you in advance for your thoughtful consideration.

Respectfully Submitted,



Karla Loeb
Director of Policy & Government Affairs
PosiGen, LLC

¹⁰ <https://www.ceres.org/files/benchmarking-utility-clean-energy-workbook/view>

¹¹ http://environmentamerica.org/sites/environment/files/reports/EA_ShiningCities2015_scrn.pdf

Certificate of Service

I hereby certify that I have this 27^h day of February, 2017, served copies of the foregoing pleading upon all other known parties, of this proceeding, as listed below, by U.S. Mail, email, hand delivery, or electronic mail.

A handwritten signature in black ink, appearing to read "Karla Loeb". The signature is written in a cursive style with a large, looping initial "K".

Karla Loeb

February 3, 2017

UD-17- 01

**In Re: RULEMAKING TO ESTABLISH INTEGRATED RESOURCE PLANNING
COMPONENTS AND REPORTING REQUIREMENTS FOR ENTERGY NEW
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