



November 30, 2018

By Hand Delivery

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

In Re: Resolution and Order establishing a docket and procedural schedule to consider the application of Entergy New Orleans, LLC for approval of Renewable Portfolio and Request for Cost Recovery and Timely Relief
(Docket No. UD-18-06)

Dear Ms. Johnson,

Please find enclosed an original and three (3) copies of the Alliance for Affordable Energy's Comments in the above- referenced docket. Please file the attached communication and this letter in the record of the proceeding and return one time stamped copy to our courier, in accordance with normal procedures. If you have any questions, please do not hesitate to contact me.

Thank you for your time and attention.
Sincerely,

Logan A. Burke
Executive Director
Alliance for Affordable Energy

Before

The Council of the City of New Orleans

**In Re: RESOLUTION AND ORDER
ESTABLISHING A DOCKET AND
PROCEDURAL SCHEDULE TO
CONSIDER THE APPLICATION OF
ENTERGY NEW ORLEANS, LLC FOR
APPROVAL OF RENEWABLE
PORTFOLIO AND REQUEST FOR
COST RECOVERY AND TIMELY
RELIEF**

Docket UD-18-06

November 30, 2018

Position of the Alliance for Affordable Energy

The Alliance for Affordable Energy is pleased to provide these comments and suggestions pursuant to the City Council's Resolution R-18-353 regarding Entergy New Orleans, LLC ("ENO") application to procure 90 MW of solar resources. The Alliance appreciates this opportunity as an intervenor to provide stakeholder comments ahead (or in lieu) of a fully litigated proceeding.

The Alliance is encouraged to see ENO moving forward with their commitment to 100 MW of clean and renewable resources that will provide New Orleans customers with multiple benefits over their life-cycle. Additionally, the multiple types of financing, ownership, and technologies outlined in the application provide stakeholders with a clear picture of the diverse paths to renewable energy.

Costs and Benefits

The Alliance is very concerned about the economics of the New Orleans Solar Station (“NOSS”), particularly in comparison to the other projects in the portfolio. However, net economic benefits were not an important metric in the Council’s decision to approve the New Orleans Power Station. While the economics of any resource should be sound and the lowest reasonable cost to protect customers, these renewable resources should not be held to a different standard.

The utility notes the likely LMP and transmission loss benefits of having renewables close to the load with the New Orleans Solar Station (“NOSS”). In the Integrated Resource Plan, Docket UD-17-03, the utility is charged with considering how to value the “stack” of benefits that result from distributed resources. While the particulars are somewhat different between a resource located on the distribution grid and a transmission tied resource that is “close to the load” the Alliance suggests an analysis by a third party of the costs and benefits of a large solar resource located within Orleans Parish, to develop a reasonable value of resilience, grid services, etc. This value analysis should be helpful as all stakeholder parties develop an understanding of the myriad benefits of a modern distributed system.

Getting to 100 MW

ENO’s filing on July 31, 2018 begins on page 4 with an impressive graph of the per capita penetration of solar in New Orleans as compared with other states. The graph should absolutely be a point of pride for this City Council, and for all of the residents and businesses in New Orleans who have invested their own money in making New Orleans a Solar America

City¹. It is true that the local solar boom was largely spurred by a generous state tax credit, which has now ended. However, every system that used the state tax incentive also represented local private investment. Moreover, the economics of rooftop solar have improved and costs continue to fall, and even more than ENO's proposed 20 MW could be gained with a similar incentive.

Therefore, if the parties cannot agree on the value and economics of the NOSS, and are still interested in pursuing 20 MW of solar in New Orleans to reap the various benefits of local generation, the Alliance suggests the parties discuss a solution that leverages both New Orleans' enthusiasm for rooftop solar and private investment. New Orleanians have already installed around 37 MW of solar with the use of an incentive. A utility managed and financed incentive could be far smaller than the state tax incentive was, and could represent a win-win for all parties, with much lower overall costs and even greater benefits in terms of increased local employment, no additional costs for new substation and transmission upgrades, zero costs for land lease, and potentially even greater participation in the Energy Smart program.

The Alliance notes that the Federal tax incentives are scheduled to sunset soon. Therefore, it is prudent to move expeditiously to a decision that harnesses the value of the Federal incentive and does not delay the approval of cost-effective projects. The Alliance suggests the parties either convene a technical conference to discuss these and other party positions after the Advisor and ENO response filing milestones due next in the procedural schedule or to conduct conversations to find a conclusion without an expensive litigated proceeding.

¹ <https://www.energy.gov/eere/solar/downloads/new-orleans-louisiana-solar-action-brochure-solar-america-cities-energy>

**In Re: RESOLUTION AND ORDER ESTABLISHING A DOCKET AND
PROCEDURAL SCHEDULE TO CONSIDER THE APPLICATION OF ENERGENCY
NEW ORLEANS, LLC FOR APPROVAL OF RENEWABLE PORTFOLIO AND
REQUEST FOR COST RECOVERY AND TIMELY RELIEF**

DOCKET UD-18-06

I hereby certify that I have this 30th Day of November, 2018, served the required number of copies of the foregoing correspondence upon all other known parties of this proceeding, by USPS or electronic mail.



Logan Atkinson Burke

Alliance for Affordable Energy

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