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New Orleans City Council

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To our 2022 IRP Stakeholders:

I write today to first thank all of you for your participation in this essential process of engagement and analysis. The IRP continues to be the foremost lens through which we sharpen our focus on New Orleans' energy future, and each of you and your organizations bring essential knowledge and perspective to the table.

While the Utilities Chair has not traditionally weighed in at this stage in the IRP process, I felt it was vital to convey some foundational thoughts because this triennial process is likely the most important one yet. As we look forward, the horizon of possibilities is now beset by the challenges of imminent climate change and I believe that we must take seriously the urgency called for by the moment. As Council Utilities Chair, and as President of the Council, I believe I must articulate the goals and priorities of the people of New Orleans directly in order to ensure we make the essential progress necessary through this IRP docket, UD-20-02, to help shape a better future.

In 2017, the Council adopted Resolution R-17-332, which established new rules and the Council's goals for the IRP process. Specifically, the Council stated that when evaluating resource options, the utility should look at "all existing supply-side and demand-side resources and identify a variety of potential supply-side and demand-side resources which can be reasonably expected to meet the Utility's projected resource needs during the Planning Period." When the Council adopted the Resolution, the expectation was that subsequent IRP dockets would include a thorough analysis of existing and potential resources.

I have worked to best reconcile inconsistencies with the 2021 IRP initiating resolution R-20-257, approved by the Council. In its DSM Achievable Cases and Benchmarking, filed on June 15, 2021, under subsection 2, "Summary of Demand Response Achievable Case", Entergy states that "The achievable potential results only include cost-effective DR options. All of these programs were found to be cost-effective except for the DLC-Water Heating and BTMS program," indicating that the company did not include DLC-Water Heating or battery storage as potential resources in its Demand Response Achievable Case, without specifying the cost-effectiveness test used to make this determination.

While the IRP Rules adopted in 2017 state that "DSM measures with a Total Resource Cost Test value of 1.0 or greater shall be considered cost effective for DSM measure screening purposes," this was not intended to allow for resources to be excluded without an explanation of the cost and benefit variables utilized. Without complete transparency into how the value is calculated, the Council, the DSM Consultant, the Advisors, and the parties are not able to fully participate in the docket. Further, the Council is limited in its ability to determine if additional factors should be considered prior to the exclusion of a resource.

Resolution R-20-257 states explicitly that “the Council is specifically interested in evaluating the feasibility of a customer DER program whereby customers would receive an incentive to install energy storage facilities on their property controlled by the utility” and that “[t]he Council directs ENO to include such a measure as one of the measures evaluated in the DSM potential study.” I want to reiterate here the Council’s expectation that Entergy include a battery storage scenario in its demand response modeling.

As Chair, I think it is critical that we ensure a process that maximizes the value of the IRP process to determine the least cost and most suitable configuration of resources to capture the policy goals of the Council and achieve the best possible result for the ratepayers of New Orleans – both now, and far into the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Helena Moreno". The signature is fluid and cursive, with a long horizontal stroke at the end.

Helena Moreno
New Orleans City Council President
Chair of the Utility, Cable, Telecommunications and Technology Committee