



November 8, 2021

Via Electronic Mail

Ms. Lora W. Johnson, CMC, LMMC
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Council of the City of New Orleans
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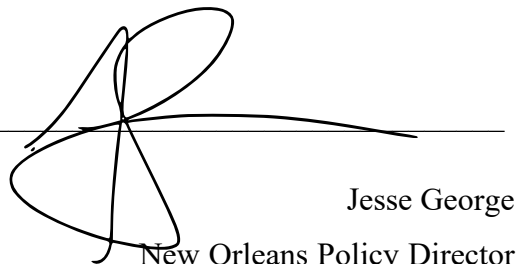
In Re: RESOLUTION AND ORDER ESTABLISHING ADOCKET AND
OPENING A RULEMAKING PROCEEDING TO ESTABLISH RENEWABLE
PORTFOLIO STANDARDS
DOCKET NO. UD-19-01

Dear Ms. Johnson:

Please find enclosed the Alliance for Affordable Energy and Energy Future New Orleans Coalition Response to Entergy New Orleans' Initial RCPS Compliance Plan Covering Compliance Year 2022 in the above-mentioned docket. Please file the attached communication and this letter in the record of the proceeding. As a result of the remote operations of the Council's office related to COVID-19, AAE submits this letter electronically and will submit the requisite original and number of hard copies once the Council resumes normal operations, or as you direct. AAE requests that you file this submission in accordance with Council regulations as modified for the present circumstances. If you have any questions, please do not hesitate to contact me.

Thank you for your time and attention,

Sincerely,



Jesse George
New Orleans Policy Director
Alliance for Affordable Energy

Before
The Council of the City of New Orleans

**In Re: RESOLUTION AND ORDER
ESTABLISHING A DOCKET AND
OPENING A RULEMAKING PROCEEDING
TO ESTABLISH RENEWABLE PORTFOLIO
STANDARDS**

DOCKET NO. UD-19-01

NOVEMBER 8, 2021

**Response of the Alliance for Affordable Energy and Energy Future New Orleans Coalition
to Entergy New Orleans' Initial RCPS Compliance Plan Covering Compliance Year 2022**

I. Introduction

On May 20, 2021, the Council of the City of New Orleans (“the Council”) voted unanimously to adopt Resolution No. R-20-182, establishing a Renewable and Clean Portfolio Standard (“RCPS”) for the City of New Orleans under docket number UD-19-01, in which the Alliance for Affordable Energy (“the Alliance”) is an intervenor. The RCPS, under §4(e), includes a requirement that Entergy New Orleans (“ENO”) file an Initial Compliance Plan (“ICP”) within 90 days of adoption of the RCPS, which the company did on August 18, 2021. On September 23, 2021, the Council adopted Resolution No. R-21-347, providing an opportunity for intervenors in this docket to comment on ENO’s ICP by December 8, 2021. Accordingly, the Alliance for Affordable Energy, and on behalf of the Energy Future New Orleans Coalition (“EFNO”), respectfully submits this Response to ENO’s ICP Covering Compliance Year 2022 for the Council’s consideration.

The Council’s adoption of the RCPS in May 2021 was a monumental achievement which made the City of New Orleans the first utility regulatory jurisdiction in the Gulf South to adopt a clean energy mandate. As a city that is particularly vulnerable to the worsening effects of fossil fuel-induced climate change, the RCPS is an important mechanism for ensuring the future

habitability of New Orleans. However, in order for the RCPS to accomplish its goals, it must be enforced with an eye on both the letter and the spirit of the law, favoring energy efficiency and truly renewable energy over market gimmicks and costly, nonrenewable, and unsafe resources such as nuclear power.

ENO's ICP leaves several questions unanswered, and EFNO here proposes to offer clarification on how these issues should be resolved:

II. Power Purchased Voluntarily by Ratepayers Under ENO's Green Power Option Should Not Satisfy RCPS Requirements

Under §2(a) of its ICP, ENO raises the question of whether power purchased voluntarily by ratepayers under its Green Power Option ("GPO") should satisfy RCPS requirements. The company proposes to exclude from 2022 compliance calculations all Renewable Energy Credits ("RECs") used to match consumption beyond 64% of a user's consumption.

While the Council and the Council Utility Regulatory Office ("CURO") should track both voluntary renewable power purchases and those made to satisfy RCPS compliance, any purchases made voluntarily by ratepayers must be excluded from compliance calculations. Environmental performance claims can only be used once--and environmental attributes paid for by voluntary customers cannot also be used to substantiate compliance claims. ENO should not receive compliance credit for the forward-thinking and environmentally-conscious decisions of its ratepayers in order to satisfy the goals of a mandate that it has resisted actively.

III. Clean Energy Credit Contingency Reserves Should Reflect Real-World Data

Under §2(d) of its ICP, ENO proposes to develop a 5% contingency reserve of Clean Energy Credits ("CECs") in order to address market uncertainties. While the establishment of a contingency level of CEC procurement is wise, however, the level of contingency balance must be based on analysis and real-world data as soon as is practicable. For instance, given that a large

proportion of CECs for the ICP are associated with the Grand Gulf Nuclear Station, which has a history of intermittent operation, it would be wise to consider the effects of forced outages.

MISO South, for example, experienced approximately 5% forced long-term outages in 2021. The cost of a contingency reserve must also be evaluated in light of the prices in liquid markets for make-up credits. A meaningful CEC contingency reserve must be based on meaningful metrics.

IV. Only RECs Associated With Power Generated Within MISO Should Satisfy RCPS Requirements

Under §3(c) of its ICP, ENO notes that the RCPS permits only RECs associated with power generated within MISO or “deliverable into the MISO region”, a phrase which is undefined in the policy. ENO proposes that the phrase apply to any facilities located in an electrically interconnected balancing authority that neighbors the MISO balancing authority, including SPP, TVA, PJM, and the Southern Company Services transmission system.

The Alliance and EFNO contend that ENO’s proposed definition represents too big a market “neighborhood” to ensure ratepayer confidence that investments in clean energy are actually changing the way that their electricity is generated. Moreover, development in adjacent markets is too remote to support local economic development benefits. It is unlikely that the citizens of New Orleans will be enthusiastically supportive of paying for clean energy investments in remote grid systems. For these reasons, the region from which RECs may be acquired should be limited to the MISO system, or even to MISO South alone.

VI. Alternative Compliance Payment Amounts Should be Established to Ensure Robust Enforcement

Section 5(a) of the RCPS provides that, “In the event that the Utility is unable to comply with the RCPS standard using reasonable measures for the applicable calendar year, the Utility shall make an Alternative Compliance Payment (‘ACP’) into a CleanNOLA Fund established by

the Council for the purposes of fostering efforts to reduce carbon emissions within Orleans Parish.” Subsection 5(a)(1) provides further that the Council will set the initial ACP amount -- applicable for the prospective three years -- within the resolution approving the ICP.

The Council should ensure that the ACP amount is set at a level that secures sufficient funds to procure not only substitute clean energy to meet compliance goals, but also the administrative expense of doing so, as well as a penalty that cannot be passed on to ratepayers. Because the RCPS is intended to change the way electricity is made for the people and businesses of New Orleans, the ACP should be set at a level that significantly exceeds the cost of compliance. Only such a robust ACP will encourage compliance and ensure that the Council meets the goals of the RCPS.

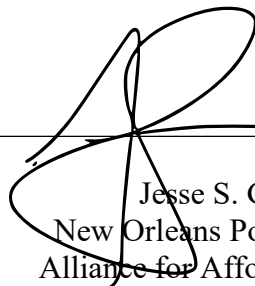
VII. Compliance Credit for Electric Vehicle Charging Infrastructure Must be Associated with Renewable Generation

In Appendix A of its ICP, ENO proposes a CEC credit rate for electric vehicle (“EV”) charging infrastructure. While EFNO appreciates the efforts of ENO to encourage wider public access to zero emission vehicle charging, however, such infrastructure should not satisfy RCPS requirements. To include a credit for electrification that increases the compliance load with no prerequisite for zero emission generation matching the new load, is to provide credit with no guarantees for decarbonization of the power system. ENO needs no further incentive to sell more electricity. If the Council intends to pursue a Zero Emission Vehicle standard wherein utilities are provided an electrification credit per MWh, that would be an appropriate attribution of credits, but decarbonization of generation resources must not be conflated with decarbonization of end use in the attribution of credits. In the example provided, the definition of Clean ‘Energy’ Credit, should not be applied to energy withdrawal, but instead, to generation alone.

VIII. Conclusion

The Alliance and EFNO appreciate this opportunity to comment on ENO's ICP. The RCPS is a powerful tool for preserving New Orleans' future, but it must be enforced in such a way that the benefits -- both environmental and economic -- of the clean energy transition accrue locally. If applied properly, the RCPS will provide New Orleanians with cleaner, more reliable power, as well as foster local economic development by encouraging local markets for energy efficiency and renewable energy. The Council must follow through on its bold action in adopting the RCPS with the courage to enforce it robustly.

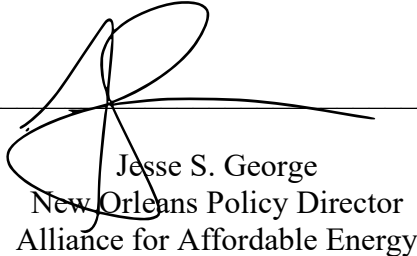
Submitted respectfully,



Jesse S. George
New Orleans Policy Director
Alliance for Affordable Energy

**In Re: RESOLUTION AND ORDER ESTABLISHING A DOCKET AND OPENING A
RULEMAKING PROCEEDING TO ESTABLISH RENEW ABLE PORTFOLIO
STANDARDS. DOCKET UD-19-01**

I hereby certify that I have on this 8th day of November 2021, served the required number of copies of the foregoing correspondence upon all other known parties of this proceeding, by
USPS or electronic mail.



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