

Myron Katz, Vice President
ProRate Energy
302 Walnut St,
New Orleans, LA 70118
MKatz@ProRate.Energy,
Myron.Bernard.Katz@gmail.com
504-343-1243

February 23, 2022

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

**IN RE: SYSTEM RESILIENCY AND STORM HARDENING
Council Docket No. UD-21-03**

Dear Ms. Johnson:

Intervenor ProRate Energy, Inc., (“PRE”) respectfully submits this motion in opposition to Entergy New Orleans, LLC’s (“ENO”) February 10, 2022, Motion to Extend Deadline, and as Amended February 17, 2022. As a result of the remote operations of the Council’s office related to Covid-19, PRE submits this filing electronically and will submit the original and requisite number of hard copies once the Council resumes normal operations, or as you direct. PRE requests that you file this submission in accordance with Council regulations as modified for the present circumstances.

If you have any questions or concerns about this request, please contact me at your convenience.
Sincerely,

Myron Katz



Enc.

cc: Official Service List by Electronic Mail

**BEFORE THE
COUNCIL OF THE CITY OF NEW ORLEANS**

IN RE: SYSTEM RESILIENCY AND) DOCKET NO. UD-21-03
STORM HARDENING)

**PRORATE ENERGY, INC’S MOTION IN OPPOSITION TO ENTERGY NEW
ORLEANS, LLC’S MOTION TO EXTEND DEADLINE**

Intervenor ProRate Energy, Inc (“PRE”, “we” or “our”) respectfully submits this motion in opposition to both of Entergy New Orleans, LLC’s (“ENO”) motions to extend the March 1, 2022, deadline for submission of direct testimony contained in the City Council’s October 27, 2021, Resolution No. R-21-401. Importantly, note that we have two further motions on this and will withdraw our opposition, as articulated in one of these motions, should our motion that proposes the bifurcation of this docket to address “Behind the Meter” solutions without any further delay is accepted.

We agree with Intervenors Greater New Orleans Interfaith Climate Coalition (“GNOICC”) and the Alliance for Affordable Energy (“the Alliance”) in most of their arguments against the extension and have a substantial concurrence with their views. Except, we believe our most substantive difference is in our agreement with the Council and not with our fellow intervenors regarding the urgency in substantially improving the grid resilience desired that is articulated in Resolution R-21-401. We strongly oppose any delay because this inhibits and slows implementation of urgently needed solutions.

As noted in their opposition, GNOICC and the Alliance pointed out that ENO has already consumed about 10 months, performed work and spent money in a non-public, non-transparent way before ratepayers have been given any information on or say regarding what surely they will soon be paying for and for an unknown by anyone but ENO, improvement – assuming there is some – in resilience.

But New Orleans ratepayers deserve to have the proceedings continue promptly as we elucidate herein.

The “traditional” approach in the USA for organizing electrical grids is a “top-down” approach, in which all energy comes from the utility and flows to all loads. In that architecture, “resilience,” the focus of this docket, consists of ensuring there are sufficient crews and spare parts to handle fixes. New Orleans’ experience demonstrates that this strategy to resilience is inadequate in addressing challenges of tornados, hurricanes, and a neighboring region with a grid outage. ENO uses this traditional approach as well, and it does not seem adequate.

However, there are other, non-top-down, ways to handle resilience which we believe New Orleans deserves. We have received no signs from ENO that they will propose any non-top-down features, and any additional delay of this docket simply continues to deny ratepayers access to advancements that are now available. Indeed, some ratepayers are now implementing

these advancements on their own in projects, two of which we cite below. Importantly, these advancements can be made available to the whole city via funding primarily provided through savings on ratepayers' bills, and thus are at a net-negative total societal cost, as discussed in some detail below.

As noted, New Orleanians are already not waiting for ENO, or this docket, because they perceive the urgency too! Here, we give but two current, recently initiated and now in-progress examples which we will further cite in our up-coming Direct Testimony in this docket:

Using the combined technologies of Photo-Voltaic (PV) solar cells for electrical energy generation, and both stationary batteries and those from Electric Vehicles (EV), along with requisite electrical inverters, transformers and related hardware as needed; both of these projects are moving forward in New Orleans now:

- Red Beans, Inc. is currently working on using a combination of the above technologies to keep small restaurants running in the wake of outage. It is using its non-profit status to solicit financial contributions to fund small restaurant needs for solar panels and inverters at around \$50,000 each.
- Together New Orleans is trying to do much the same and is centered on a church's physical plant and tying neighboring homes and businesses to it, thus helping those in their own microgrids.

We are sure there are other projects similarly moving forward. Notably, batteries in churches, people's homes and in local businesses have been demonstrated to lower maintenance costs, and lower electricity purchases from the grid during peak demand periods, among many other benefits. Further, because New Orleans has "smart meters", ENO is capable – but has not as yet demonstrated an awareness of this ability – of turning off individual meters when needed. Unfortunately, ENO did not use this capability during the infamous loss of power on Mardi Gras in 2020, and if it had it would not have been so devastating for so many people because the actual load shed was vastly greater than the load shedding required. During that event, shutdown of critical facilities could have been avoided if ENO had used this capability. However, that is not the whole story of what is now being delayed by an approval of ENO's motion. Importantly, during long and severe outages, people are aware enough to reduce their own loads and go into "low power mode," and thereby maintain resilience regarding electrical services for fairly extended periods, and our Direct Testimony will illustrate just how the Council can enable this at no cost to the city, and no loss in profits to ENO. This is truly a life-sustaining, and possibly life-saving ability.

It happens that those who have batteries, and are at least temporarily self-sufficient, can permit this service, by choosing to designate themselves to the utility as "a resilient hookup", to be turned off by ENO, and thus the fiasco of Mardi Gras 2020 can be avoided. We just need a mechanism for resilient hookup to happen and that is a part of our proposal, via Direct Testimony, that ENO is now proposing be delayed.

Critically, while such efforts as Red Beans and Together New Orleans support electrical resilience for the ratepayers and their neighbors so fortunate to be the beneficiaries of their improvements, these efforts are dependent upon private funding they seek for themselves, which few ratepayers can provide. And while the most fundamental aspect discussed so far is a call for the addition of batteries, they are expensive; we are proposing how to fund batteries, solar, and even wind power, without a tax or subsidy and without ENO losing any profit.

Importantly, these types of “resilient hook-up” will provide ENO reduced costs that include lower peak amounts of power flowing through transmission lines, lower rates of failures, among many other benefits, which we will articulate in our Direct Testimony.

How is this funded? We do not propose any rate increase, taxation, tariff or subsidy – and in fact what we intend reduces cross-ratepayer subsidies and makes the entire system fairer, while also reducing the price of electricity for everyone.

Sounds impossible? Simply, it is funded entirely by eliminating avoidable costs via an improved rate design. This rate design is sophisticated, and a full description is inappropriate here, however, briefly, it uses market forces to financially incentivize people to take actions strictly to save money: like investing in batteries for their homes and businesses and changing the time at which their controllable loads are run. In this manner, they are financially remunerated for not adding strain to the grid at bad moments, and/or get compensated for adding power to the grid at those same moments.

Because ENO's history has consistently been focused upon the top-down approach, ENO is likely not contemplating these paths to resilience and will not be proposing anything of the kind. However, implementing the rate design we propose would both increase their profitability and dramatically increase the reliability and resilience of the New Orleans grid, probably save lives, reduce or possibly eliminate cross-ratepayer subsidies, and at the same time, save everyone money.

In our view, the Council needs to hear our Direct Testimony as soon as possible and be contemplating our proposal along with others non-top-down proposals so that New Orleans is rapidly and better prepared for the upcoming hurricane season.