May 9, 2022

By Electronic Mail

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

IN RE: 2021 TRIENNIAL INTEGRATED RESOURCE PLAN OF ENTERGY NEW ORLEANS, LLC
(Docket No. UD-20-02)

Dear Ms. Johnson:

Please find the enclosed Comments of the Alliance for Affordable Energy in the above mentioned docket. Please file the attached communication and this letter in the record of the proceeding. If you have any questions, please do not hesitate to contact me.

Thank you for your time and attention.

Sincerely,

Jesse S. George
New Orleans Policy Director
Alliance for Affordable Energy
COMMENTS OF THE ALLIANCE FOR AFFORDABLE ENERGY

I. INTRODUCTION

On March 25, 2022, Entergy New Orleans, LLC (“Entergy” or “ENO”) filed with the Council of the City of New Orleans (“the Council”) its 2021 Integrated Resource Plan (“the IRP” or “the Plan”). The Alliance for Affordable Energy (“the Alliance”) hereby submits the following comments in response to Entergy’s filing:

II. NEW ORLEANS NEEDS AN ENERGY EFFICIENCY RULE TO ENCOURAGE THE DEPLOYMENT OF DEMAND-SIDE RESOURCES

Thanks to consistent support for energy efficiency by the Council, New Orleans has had robust and growing energy savings programs for years. The Alliance is glad to see that this IRP shows the continued importance of efficiency and other demand-side resources. As the climate changes – with extreme heat, cold, humidity, and storms – it is the resources that are situated where people are – energy management, efficiency, generation, and storage – that will keep people safe and healthy, and that will reduce overall system costs.

Historically, the Council has set efficiency policies as a function of the IRP process, although it has never adopted a standing energy efficiency rule or even a goal for energy savings or demand reduction as a stand-alone policy. The Council’s directive to model 2% energy savings, and the various demand-side management (“DSM”) potential studies, have shown...
incredible energy savings possible for New Orleanians. However, lacking a directive to model peak demand reductions, or a firm rule or policy to do so, means there is a tension in IRP planning as conducted by Entergy, which focuses on capacity planning.

This IRP does not include portfolios with any DSM. This is a departure from the 2018 IRP, which included DSM within each portfolio modeled, ranging from 187-278 MW of capacity “additions” through demand-side efforts. Excluding DSM from the portfolios in this report further pushes the intention of treating DSM as a resource out of an actionable plan.

The Council could open a new docket to consider a DSM rule, which would include both an energy savings target as well as a peak demand reduction target. Furthermore, this docket could operate independently from the IRP, which has suffered from late deployment and shifted program year timelines.

The Alliance is concerned that there are communities that have not yet been able to participate in programs that can help manage their utility bills. We suggest that within a new DSM docket, new programs could be piloted to direct more support to parts of the city that suffer both extreme energy burdens (as high as 19% for thousands of New Orleanians)\(^1\) and severe heat island impacts, where some neighborhoods like Central City experience 16 degrees hotter temperatures than their Uptown neighbors on a summer day.\(^2\)

Both DSM potential studies used in this planning process included a high discount rate of 8%, and neither ran models with more appropriate discount rates of 2-3%. A high discount rate tends to disfavor DSM options such as battery storage because of their up-front capital costs. An independent DSM docket could generate models using a more appropriate discount rate.

\(^1\) https://www.aceee.org/sites/default/files/pdf/fact-sheet/ses-louisiana-100917.pdf
III. THE PLAN RELIES ON OVERLY OPTIMISTIC PROJECTIONS OF THE COST OF NATURAL GAS

The Alliance has a long history of advocating against continuing dependence on fossil fuel generation, including natural gas, due to the deleterious effects on human health and the environment, as well as their price volatility. Recent world events, namely the war in Ukraine, have highlighted the volatility of natural gas markets, which play an outsized role in this conflict. Not only has Vladimir Putin weaponized European dependence on Russian natural gas, but liquefied natural gas (“LNG”) developers here in Louisiana are hoping to cash in on the uncertainty.

While the Alliance is pleased that the IRP anticipates no need for additional fossil fuel generation, its reliance on conservative projections of the cost of natural gas are likely to unreasonably extend our reliance on existing fossil resources and delay further deployment of DSM and large-scale renewable energy. The Henry Hub spot price for natural gas is currently around $8/MMBtu, a price that even Entergy’s high cost scenario does not anticipate until after 2040.

---

3 https://www.aljazeera.com/economy/2022/5/2/europe-scrambles-for-longterm-fix-after-putin-cuts-off-gas
4 https://www.naturalgasintel.com/louisiana-lng-departs-for-global-market-uneasy-over-ukraine/
6 See Figure 31, Entergy New Orleans, LLC 2021 Integrated Resource Plan, March 25, 2022
The Alliance recommends the Council direct Entergy to model an additional sensitivity to better understand the impacts of volatile natural gas prices on the portfolio. While Entergy’s IRP report suggests the costs of gas will not increase remarkably over the planning horizon, customers are already experiencing increased costs associated with much higher gas prices in the short term. An additional sensitivity analysis could use an average of the last six months of Henry Hub spot prices to create a new cost-curve for future gas costs. We expect that this will lead to earlier retirement of gas resources, including the Union Power Station, which ENO’s Plan anticipates continuing operation until 2033.

Source: https://www.eia.gov/naturalgas/weekly/
IV. CONCLUSION

Entergy applied recently for a $40M rate increase that will significantly affect the energy costs of New Orleans’ already overburdened ratepayers.\(^7\) With another hurricane season nearing and the need for truly resilient planning more evident than ever before, the Council has extraordinary power to determine the future habitability of our city. The Council must exercise that power to ensure that the IRP process produces results in line with the Council’s goals for climate and resilience, such as the Renewable and Clean Portfolio Standard (Docket No. UD-19-01) and Resolution R-21-401 initiating the storm hardening and resilience docket. We thank you for your consideration, and we look forward to continuing engagement in this process.

Submitted respectfully,

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

---

\(^7\) https://www.nola.com/news/politics/article_92562d58-c808-11ec-9416-37f94708b58d.html
In Re: 2021 TRIENNIAL INTEGRATED
RESOURCE PLAN OF ENTERGY
NEW ORLEANS, LLC

DOCKET NO. UD-20-02

MAY 9, 2022

CERTIFICATE OF SERVICE

I do hereby certify that I have, this 9th day of May 2022, served the foregoing correspondence upon all other known parties of this proceeding by electronic mail.

Jesse S. George
Alliance for Affordable Energy
Service List

**Lora W. Johnson**, lwjohnson@nola.gov
Clerk of Council
City Hall - Room 1E09
1300 Perdido Street
New Orleans, LA 70112
Tel: (504) 658-1085
Fax: (504) 658-1140
*Service of Discovery not required*

**Erin Spears**, espears@nola.gov
Chief of Staff, Council Utilities Regulatory Office
**Bobbie Mason**, bfmason1@nola.gov
**Christopher Roberts**, cwroberts@nola.gov
**Jessica Hendricks**, Jessica.Hendricks@nola.gov
City Hall - Room 6E07
1300 Perdido Street
New Orleans, LA 70112
Tel: (504) 658-1110
Fax: (504) 658-1117

**Keith Lampkin**, CM Morrell Chief-of-Staff, Kdlampkin@nola.gov
1300 Perdido St. Rm. 2W50
New Orleans, LA. 70112

**Andrew Tuozzolo**, CM Moreno Chief-of-Staff, avtuozzolo@nola.gov
1300 Perdido St. Rm. 2W40
New Orleans, LA. 70112

**Paul Harang**, 504-658-1101 / (504) 250-6837, Paul.harang@nola.gov
Interim Chief of Staff
City Hall - Room 1E06
1300 Perdido Street
New Orleans, LA 70112

**Donesia D. Turner**, Donesia.Turner@nola.gov
Law Department
City Hall - 5th Floor
New Orleans, LA 70112
Tel: (504) 658-9800
Fax: (504) 658-9869
*Service of Discovery not required*
Norman White, Norman.White@nola.gov
Department of Finance
City Hall - Room 3E06
1300 Perdido Street
New Orleans, LA 70112
Tel: (504) 658-1502
Fax: (504) 658-1705

Jonathan M. Rhodes, Jonathan.Rhodes@nola.gov
Director of Utilities, Mayor’s Office
City Hall – Room 2E04
1300 Perdido Street
New Orleans, LA 70112
Tel: (504) 658-4928 - Office

ADMINISTRATIVE HEARING OFFICER

Hon. Maria Auzenne, maria@auzenelaw.com
1615 Poydras Street, Suite 900
New Orleans, Louisiana 70112
Tel: 504-566-7999
Fax: 504-569-0087

CITY COUNCIL CONSULTANTS and SUPPORT STAFF

Clinton A. Vince, clinton.vince@dentons.com
Presley Reed, presley.reedjr@dentons.com
Emma F. Hand, emma.hand@dentons.com
Adriana Velez-Leon, adriana.velez-leon@dentons.com
Dee McGill, dee.mcgill@dentons.com
Denton Law Firm,
1900 K Street NW
Washington, DC 20006
Tel: (202) 408-6400
Fax: (202) 408-6399
Basile J. Uddo (504) 583-8604 cell, buddo@earthlink.net
J. A. “Jay Beatmann, Jr. (504) 256-6142 cell, (504) 524-5446 office direct, jay.beatmann@dentons.com
c/o DENTONS US LLP
650 Poydras Street
Suite 2850
New Orleans, LA 70130

Joseph W. Rogers, jrogers@legendcgl.com
Victor M. Prep, vprep@legendcgl.com
Byron S. Watson, bwatson@legendcgl.com
Legend Consulting Group
6041 South Syracuse Way, Suite 105
Greenwood Village, CO 80111
Tel: (303) 843-0351
Fax: (303) 843-0529

CITY COUNCIL’S INDEPENDENT DSM CONSULTANT

Jeffrey Huber, jeffrey.huber@gdsassociates.com
Rich Hasselman, rich.hasselman@gdsassociates.com
Richard Spellman, dick.spellman@gdsassociates.com
Warren Hirons, warren.hirons@gdsassociates.com
GDS Associates, Inc.
1850 Parkway, Suite 800
Marietta, GA 30067
Tel: (770) 425-8100 (Main)
Fax: (866) 611-3791

Casey DeMoss, caseyleedemoss@gmail.com
Independent Consultant
248 Cherokee Street, Suite 30
New Orleans, Louisiana 70118
Tel: (504) 982-0468
(GDS Associates, Inc. Team Member)

Manish Mardia, mmardia@msmmeng.com
President, MSMM Engineering, LLC
4640 South Carrollton Avenue
New Orleans, Louisiana 70119
Tel: (504) 559-1897
(GDS Associates, Inc. Team Member)
Corinne Villavaso, corinne@tvgplanning.com  
President, The Villavaso Group, LLC  
7111 Lake Barrington Drive  
New Orleans, Louisiana 70128  
Tel: (504) 905-2892  
(GDS Associates, Inc. Team Member)

**ENTERGY NEW ORLEANS, LLC**

Courtney R. Nicholson (504) 670-3680, cnicho2@entergy.com  
Entergy New Orleans, LLC  
Vice-President, Regulatory and Public Affairs  
Barbara Casey, (504) 670-3567, bcasey@entergy.com  
Entergy New Orleans, LLC  
Director, Regulatory Affairs  
Polly Rosemond, prosemo@entergy.com  
Kevin T. Boleware, (504) 670-3673, kbolewa@entergy.com  
Brittany Dennis, bdenni1@entergy.com  
Keith Wood, (504) 670-3633, kwood@entergy.com  
Derek Mills, (504) 670-3527, dmills3@entergy.com

Ross Thevenot, (504) 670-3556, rtheven@entergy.com  
1600 Perdido Street, L-MAG 505B  
New Orleans, LA 70112

Vincent Avocato, (281) 297-3508, vavocat@entergy.com  
Entergy New Orleans, LLC  
10055 Grogan's Mill Road Parkwood II Bldg, T-PKWD-2A  
Suite 500, The Woodlands, TX 77380

Brian L. Guillot, (504) 576-6523, bguill1@entergy.com  
Leslie M. LaCoste (504) 576-4102, llacost@entergy.com  
Entergy Services, LLC  
Mail Unit L-ENT-26E  
639 Loyola Avenue  
New Orleans, LA 70113  
Fax: 504-576-5579

Joe Romano, III (504) 576-4764, jroman1@entergy.com  
Tim Rapier, (504) 576-4740, trapier@entergy.com  
Entergy Services, LLC  
Mail Unit L-ENT-4C  
639 Loyola Avenue  
New Orleans, LA 70113  
Fax: (504) 576-6029
INTERVENORS

ALLIANCE FOR AFFORDABLE ENERGY

Logan Atkinson Burke, Logan@all4energy.org
Sophie Zaken, Regulatory@all4energy.org
Jesse George, Jesse@all4energy.org
4505 S. Claiborne Ave.
New Orleans, LA. 70125
Tel: (504) 208-9761

AIR PRODUCTS AND CHEMICALS, INC.

Katherine W. King, Katherine.king@keanmiller.ocm
Randy Young, randy.young@keanmiller.com
400 Convention St. Suite 700
Baton Rouge, LA. 70802
Or
P.O. Box 3513
Baton Rouge, LA 70821-3513
Tel: (225) 387-0999
Fax: (225) 388-9133

Carrie R. Tournillon, carrie.tournillon@keanmiller.com
900 Poydras St., Suite 3600
New Orleans, LA 70112

Maurice Brubaker, mbrubaker@consultbai.com
16690 Swigly Ridge Rd., Suite 140
Chesterfield, MO 63017
Or
P.O. Box 412000
Chesterfield, MO. 63141-2000

SOUTHERN RENEWABLE ENERGY ASSOCIATION (“SREA”)

Simon Mahan, simon@southernwind.org
5120 Chessie Circle
Haltom City, Texas 76137
Tel: (337) 303-3723
SUSTAINABLE ENERGY ECONOMY SOLUTIONS

Andy Kowalczyk, andy@senergysolutions.org
819 Saint Roch Avenue
New Orleans, Louisiana 70117
Tel: (415) 676-1047

350 NEW ORLEANS

Pooja Prazid, p.prazid@gmail.com
Benjamin Quimby, benjaminquimby1@gmail.com
Clare Giesen, claregiesen@gmail.com
Marion Freistadt, marionfreistadt@yahoo.com
Vickie Boothe, boothevickiel@gmail.com
1632 8th Street
New Orleans, Louisiana 70115
Tel: (916) 952-9955

NATIONAL AUDUBON SOCIETY

Brent Newman, Brent.newman@audubon.org
Senior Policy Director
3801 Canal Street, Suite 400
New Orleans, Louisiana 70119
Tel: (303) 681-8420

Karl R. Rabago, karl@rabagoenergy.com
Rabago Energy, LLC
2025 E. 24th Avenue
Denver, Colorado 80205
Tel: (512) 968-7543

GULF STATES RENEWABLE ENERGY INDUSTRIES ASSOCIATION

Stephen Wright, 318-663-3810, swright@gsreia.org
695 Kiskatom Lane
Mandeville, Louisiana 70471

Jeff Cantin, 877-785-2664, jeffcattin@gsreia.org
2803 St. Philip St.
New Orleans, LA 70119
INTERESTED PARTIES

Joshua Smith, Joshua.smith@sierraclub.org
Staff Attorney
Sierra Club Environmental Law Program
2101 Webster Street, Suite 1300
Oakland, California 94612
Tel: (415) 977-5560 (Office)
Tel: (503) 484-7194 (Cell)