



January 6, 2022

Via Electronic Mail

Brian L. Guillot, La. Bar No. 31759
Edward R. Wicker, La. Bar No. 27138
Leslie M. LaCoste, La. Bar No. 38307
639 Loyola Avenue Mail Unit L-ENT-26E
New Orleans, Louisiana 70113
Telephone: (504) 576-4102 Facsimile: (504) 576-5579

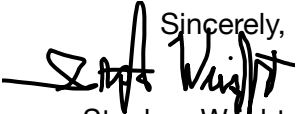
**Re: Rulemaking Proceeding to Establish Rules for Community Solar Projects CNO
Docket No. UD-18-03**

Dear Ms. LaCoste:

Attached for your further handling is Madison Energy Investments (MEI) Petition in Request of a Technical Conference in the above-referenced docket.

Should you have any questions or require additional information regarding the attached requests, please contact Stephen Wright at (318) 663-3810.

Thank you for your assistance with this matter.

Sincerely,

Stephen Wright

Enclosures

Cc: Official Service List UD-18-03 (via electronic mail)

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

IN RE: A RULEMAKING)	
PROCEEDING TO ESTABLISH)	DOCKET NO. UD-18-03
RULES FOR COMMUNITY SOLAR)	
PROJECTS)	

**MADISON ENERGY INVESTMENTS
REPLY COMMENTS TO ENO’s RESPONSE TO MEI’s MOTION TO AMEND THE
COMMUNITY SOLAR RULES (CNO Docket No. UD-18-03)**

NOW COMES Madison Energy Investments (“MEI”), through undersigned counsel, and hereby submits in the above-entitled and numbered proceeding its reply to ENO’s Request for Denial of Motion to Amend Community Solar Rules.

Please forward responses to:

Stephen Wright
Counsel for Madison Energy Investments
Email: swright@gsreia.org
695 Kiskatom Lane
Mandeville, LA 70471
(318) 663-3810

MEI urges that the Council (i) approve the Motion and move to amend the current Rules and (ii) allow parties to intervene for and participate in any action to amend its Rules. ENO’s current objections to revisiting the Rule clearly show an objection to doing the necessary work to have a functional program. MEI’s “late” engagement in this docket is due to observed lack of functionality of the rules promulgated by the Council and original stakeholder process. The moment it became apparent that the Rules were ineffective to facilitate a working Community Solar Program, MEI engaged this process which exists for this very purpose. Throughout this process up until this point, ENO has clearly presented that they cannot provide clarity or guidance on actual implementation of these rules and therefore highlights the necessity for taking action to exist the amending rules.

COMMENTS

A. Procedural History

On March 28, 2019, the Council adopted Resolution No. R-190-111, establishing a set of Community Solar Rules and on August 29, 2029, Entergy New Orleans (“the Utility”) filed its initial Implementation Plan and its Supplemental Implementation Plan on January 10, 2020. On January 28, 2021, the Council of the City of New Orleans (“the Council”) adopted Resolution R21-38, approving the Utility’s Supplemental Implementation Plan. On December 8, 2021, the Alliance for Affordable Energy filed its motion to Amend the Community Solar Rules requesting to amend Section II, changing the definition of “Low-Income Customers.” On February 3, 2022, the Council adopted R-22-76 Resolution and Order Amending the Community Solar Rules and approving the Alliance for Affordable Energy’s December 8, 2021, Motion to Amend the Community Solar Rules, modifying the definition of “Low Income Customers”. On June 27, 2022, the Council named Madison Energy Investments (“MEI”) to the official service list as an accepted intervenor for Docket No. UD-18-03. MEI now moves the Council to amend the following Community Solar Rules for reasons specified therein:

I. Increase the Tariff Rate for all Subscribers

MEI first and foremost proposes that the Community Solar Program should increase the tariff rate for all subscribers. The rates currently set are far too low and broken out in an inefficient way. The Utility’s argument that rates would decrease after the 2019 environment has proven to be untrue. Everyone is feeling the pain of electricity rates, especially during inflation. A small increase in these tariff rates, and an even rate across the board, could have a very meaningful

impact for New Orleans residents, both Low-Income and not, and to small businesses that are the backbone of the community.

The program rules state that “WHEREAS, the Council believes that as the costs of installing solar come down over time relative to the Utility’s avoided costs, the Subscription Credit pricing will become more advantageous to Subscribers over time, while continuing to protect ENO’s non-participating customers; and WHEREAS, for these reasons, the Council approves the Advisors’ proposed calculation of Subscription Credits, with the modification that low-income

all customers shall receive the full retail rate credit for power generated by their community solar Subscription.” Due to current inflationary pressure, this statement is now not correct. The rates are too low vis-à-vis other programs around the country. A rate rethink would make the program more competitive and attract more investors and developers therefore benefitting subscribers and the City of New Orleans as a whole.

As already stated, compensation to the Subscriber for its share of the electricity generated by a Community Solar Generating Facility shall take the form of a billing credit provided to the Subscriber by the Utility. MEI moves that each billing month, the Utility shall credit the Subscriber's electric bill by multiplying the quantity of kilowatt hours allocated to each subscriber by (1) for Low-Income Subscribers and Low-Income Service Providers, 20% of the Total Benefits of Community Solar, including the adders applicable to each subscriber, or 10% for all other Subscribers.

“Total Benefits of Community Solar” means the total amount – expressed in cents per kilowatt hour – that shall be credited to the Utility’s customers as a result of energy exported by a Community Solar Generating Facility to the Utility, which shall include the Avoided Cost of

Wholesale Power plus, if applicable, the Low-Income Benefits Adder or Public Entity Benefits Adder as further outlined in this rule.

“Avoided Cost of Wholesale Power” means the cost to the Utility of the electric energy that the Utility purchase from the Subscriber Organization. In essence, the avoided cost is the marginal cost to produce or purchase one more unit of electrical energy. When a Subscriber Organization delivers electricity to the Utility, the Utility will reduce the equivalent amount of electricity that either is generated at its most expensive operating plant that is not running for reliability purposes or is purchased. For power generated by the Utility, the cost avoided consists of the cost of fuel needed to produce that electricity and the corresponding portion of the plant’s operation and maintenance costs and shall include an appropriate average line loss adjustment. No capacity credit is given as part of the calculation of Avoided Cost of Wholesale Power.

MEI encourages Low-Income and Public Entity Benefits adders for the program as this would encourage developers to further seek out these subscribers, those who would benefit from, and truly need, the community solar program the most.

A “Low-Income Benefits Adder” would mean an additional amount would be included in the Total Benefits of Community Solar that shall flow to subscribers whose household income is at or below 60% of the area medium income. MEI believes the Low-Income Benefits Adder shall be equal to 5 cents per kilowatt hour. This Low-Income Benefits Adder shall be made available to the Subscriber Organization and its subscribers for the term of the power purchase agreement between the Subscriber Organization and the Utility.

Additionally, MEI encourages a Public Entity Benefits Adder that shall flow to governmental entities. The Public Entity Benefits Adder shall be equal to 2.5 cents per kilowatt hour and be

made available to the Subscriber Organization and its subscribers for the term of the power purchase agreement between the Subscriber Organization and the Utility.

If the value of the credits generated by the Community Solar Generating Facility allocated to the subscriber exceeds the amount owed by the subscriber as shown on the subscriber's bill at the end of the billing period, the remaining value of the credit shall carry over from month to month until the value of any remaining credits is used. If a subscriber has accumulated a credit balance when the subscriber closes their account, any such balance, net of costs owed to the Utility, shall be distributed to a designated program to assist low-income ratepayers, unless the subscriber affirmatively opts to be paid for the balance at the applicable avoided cost rate.

If the value of the credit generated by the Community Solar Generating Facility allocated to the subscriber is less than the amount owed by the subscriber as shown on the subscriber's bill at the end of the applicable billing period, the subscriber shall be billed by the Utility for the difference between the amount shown on the bill and the value of the available credits.

A subscriber may not receive credit for electricity generated by a Shared System that exceeds 100% of the subscriber's baseline annual usage.

II. Raise Minimum Solar Garden Size from 2MW to 5MW

MEI proposes that the minimum Community Solar Generating Facility size be raised from 2MW to 5MW due to the already limited space for larger Community Solar Generating Facilities in the city of New Orleans. There are very few locations that could host a Community Solar Generating Facility greater than 2MW, therefore developers should be able to easily utilize those few locations so that the maximum benefit is achievable. Limiting the Community Solar Generating Facility size does not reserve a significant purpose for any parties involved and only

adds more red tape and complications to the program. Additionally, the benefits of economies of scale would be passed from the developer along to the end subscriber.

III. Consolidated Utility Billing

MEI proposes that under “Article XIII. Consumer Protection and Disclosure – section G. Subscriber Funds” be eliminated from the Community Solar Rules and replaced with language that requires the Utility (Entergy New Orleans) to manage consolidated utility billing for subscribers. Considering the Utility already has its customer’s personal information, it makes the most sense for the Utility to continue to be the only link between a subscribing customer and their utility bill. Furthermore, we don’t believe that any consumer would be willing to sign up for community solar if by doing so, they would then have two separate utility bills, and have to compare their Community Solar Generating Facility Subscriber bill along with their Utility bill credit to decipher if they are in fact saving money through the program. Consolidated utility billing would be easier for all parties involved.

An example of how the consolidated billing system could work:

The Subscriber Organization shall, on a monthly basis and in a standardized electronic format, provide to the Utility a Subscriber list stating the Subscriber’s portion of the output of the Community Solar Generating Facility. Subscriber lists may be updated monthly to reflect canceling Subscribers and to add new Subscribers.

The Utility must apply bill credits to Subscriber bills within two billing cycles following the cycle during which the energy was generated by the Community Solar Generating Facility.

The Utility shall, on a monthly basis and in a standardized electronic format, provide to the Subscriber Organization a report indicating the total value of bill credits generated by the Community Solar Generating Facility in the prior month as well as the amount of the bill credit applied to each Subscriber and any amount rolled over to the following month. The Utility shall credit a Subscriber's electric bill for the amount of electricity generated by a Community Solar Generating Facility for the subscriber.

IV. Entergy New Orleans Should Be Obligated to Pay for the Power Purchased via their PPA

MEI proposes an addition under “Article IV. Community Solar Generating Facility Eligibility section (6) The Subscriber Organization for the CSG Facility must enter into a Contract with the Utility to sell the Output from the facility to the Utility.” MEI moves to add that “The Utility (Entergy New Orleans) must purchase and pay for Output from the CSG Facility.” Since there is already a PPA contract in place, it only makes sense for the Utility to purchase the electricity through this contract. If the Utility is offering their subscribers a credit to their bill and using less electricity generated through a subscriber’s use of solar energy, they should be required to purchase said solar energy.

V. RECs

MEI proposes to remove “Article XII. Renewable Energy Credit Ownership – section B. The ownership and title to all renewable energy attribute or Renewable Energy Credits associate with the CSG Facilities shall belong to the individual Subscribers.” If the Subscriber Organization can monetize the RECs, this serves as another revenue stream that can get passed along to the end user.

VI. PPA Term Limit 20 Years Instead of Ten Years with Two Five-Year Renewals

MEI proposes that the PPA term limit be increased from ten years to twenty years, as this would increase any potential Subscriber's Organization ability to secure funding for projects. Through a longer contract, Subscriber Organizations would gain more security in their investments, leading to more sites and a greater use of the program.

VII. Increase the Minimum Requirement of Low-Income Subscribers Per Garden

MEI proposes to raise the minimum requirement of Low-Income Subscribers per Community Solar Generating Facility from 30% to 40% creating more opportunity for Low-Income Subscribers to reap the benefits of the program.

B. ENO's Objections Ensure Customers have no Access to Community Solar

In urging rejection of MEI's Motion, ENO indicates that the success of the Community Solar program is not a responsibility of the utility. ENO has indicated that they have not had one application for a development since the promulgation of the current rules. When asked in discovery to clarify various components of the existing rules to help establish a path to implementation, ENO responded that all requests for clarification were "vague and ambiguous." If ENO lacks the fundamental understanding of the program to be able to field implementation questions, there is no way any developer will be able to operate a project in New Orleans.

C. ENO's Inference of Out of Market Requests in this Proposal are Unfounded

ENO levies a harsh critique of MEI suggesting a lack of due diligence by itemizing discovery related to MEI's lack of development specific analysis, business plan or business system for the New Orleans market. None of the above could be offered during discovery due to the fact that the current rules lack enough specificity and workability to even develop such work

product. The fact that these rules functionally stop development even before this level of diligence is only a more compelling reason to revisit and amend these Rules.

ENO goes further to suggest that the recommendations proposed by MEI are well above prevailing prices. The policies and procedures recommended within this Motion by MEI are based on existing Community Solar rules in other markets which have lead to feasible deployment in those jurisdictions. The cherry picking broadly of MISO and long-term PPA pricing is a clear apples and oranges comparison. ENO levying that these proposals can only end in a financial burden on the ratepayer and an administrative burden on the utility actively disregard savings and solar access success in many other markets throughout the country.

Conclusion

As an active participant in the Community Solar market across North America, MEI believes that the industry, potential community solar program subscribers and New Orleans ratepayers at-large could benefit from examination of potential improvements in existing rules and clarification of areas without adequate guidance. MEI has highlighted a series of deficiencies existing within the current framework and policies that it believes make the current program unworkable for developers therefore providing no benefit to the City of New Orleans. As ENO clearly states in their filing, stakeholders and staff worked diligently to develop a Community Solar Rule for the City of New Orleans. MEI believe that leaving an ineffective and market chilling Rule in place disrespects the hard work of the initial rule-making docket and destroys the intention of the Council to give ratepayers of New Orleans access to this type of program.

WHEREFORE, MEI respectfully urges the Council to (i) approve the Motion and move to amend the current Rules, and (ii) allow parties to intervene for and participate in any action to amend its Rules.

CERTIFICATE OF SERVICE

Docket No. UD-18-03

I hereby certify that I have this 6th day of January, 2023, served the required number of copies of the foregoing pleading upon all other known parties of this proceeding individually and/or through their attorney of record or other duly designated individual, by: electronic mail facsimile hand delivery, and/or by depositing same with overnight mail carrier, or the United States Postal Service, postage prepaid.

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

Keith Lampkin
CM Moreno Chief of Staff
1300 Perdido Street, Room 2W50
New Orleans, LA

Norman White
Department of Finance
City Hall, Room 3E06
1300 Perdido Street
New Orleans, LA 70112

Paul Harang
Council Chief of Staff
New Orleans City Council
City Hall, Room 1E06
1300 Perdido Street
New Orleans, LA 70112

Byron Minor
City Hall, Room 6E07
1300 Perdido Street
New Orleans, LA 70112

Erin Spears, Chief of Staff
Bobbie Mason
Christopher Roberts
Jessica Hendricks
Council Utilities Regulatory Office
City of New Orleans
City Hall, Room 6E07
1300 Perdido Street
New Orleans, LA 70112

Andrew Tuzzolo
CM Moreno Chief of Staff
1300 Perdido Street, Room 2W40
New Orleans, LA

Donesia D. Turner
City Attorney Office
City Hall, Room 5th Floor
1300 Perdido Street
New Orleans, LA 70112

Greg Nichols
Deputy Chief Resilience Officer
Office of Resilience & Sustainability
1300 Perdido Street, Ste 8E08
New Orleans, LA 70112

Hon. Jeffery S. Gulin
3203 Bridle Ridge Lane
Lutherville, MD 21093

Basile J. Uddo, Esq.
J.A. "Jay" Beatmann, Jr.
c/o Dentons US LLP
The Poydras Center
650 Poydras Street, Suite 2850
New Orleans, LA 70130-6132

Courtney R. Nicholson VP,
Regulatory Affairs Entergy
New Orleans, LLC Mail Unit
L-MAG-505B 1600 Perdido
Street
New Orleans, LA 70112

Polly Rosemond
Kevin T. Boleware Brittany
Dennis
Keith Wood
Derek Mills
Ross Thevenot
Entergy New Orleans, LLC
Mail Unit L-MAG-505B
1600 Perdido Street
New Orleans, LA 70112

Brian L. Guillot
Leslie M. LaCoste
Lacresha Wilkerson
Edward Wicker, Jr. Linda
Prisuta
Entergy Services, LLC
Mail Unit L-ENT-26E 639
Loyola Avenue New
Orleans, LA 70113

Clinton A. Vince, Esq.
Presley R. Reed, Jr., Esq.
Emma F. Hand, Esq.
Herminia Gomez
Dee McGill
Dentons US LLP
1900 K Street NW
Washington, DC 20006

Joseph W. Rogers
Victor M. Prep
Legend Consulting Group
6041 South Syracuse Way, Suite 105
Greenwood Village, CO 80111

Barbara Casey
Director, Regulatory Affairs
Entergy New Orleans, LLC
Mail Unit L-MAG-505B
1600 Perdido Street
New Orleans, LA 70112

Vincent Avocato
Entergy New Orleans, LLC
2107 Research Forest Drive, T-LFN-4
The Woodlands, TX 77380 Entergy New

Joseph J. Romano, III Tim
Rapier
Farah Webre
Entergy Services, LLC
Mail Unit L-ENT-4C 639
Loyola Avenue New
Orleans, LA 70113

Andy Kowalczyk
350 New Orleans
1115 Congress St.
New Orleans, LA 70117

Benjamin Quimby
350 New Orleans
1621 S. Rampart St.
New Orleans, LA 70113

Renate Heurich
350 New Orleans
1407 Napoleon Avenue, Suite #C
New Orleans, LA 70115

Katherine W. King
Randy Young
Kean Miller LLP
400 Convention Street, Suite 700
Post Office Box 3513
Baton Rouge, LA 70821

Carrie Tournillon
Kean Miller LLP
900 Poydras Street, Suite 3600
New Orleans, 70112

Maurice Brubaker
Air Products and Chemicals, Inc.
16690 Swingly Ridge Road, Suite 140
Chesterfield, MO 63017

Logan Atkinson Burke
Sophie Zaken
Alliance for Affordable Energy
4505 S. Claiborne Avenue
New Orleans, La 70125

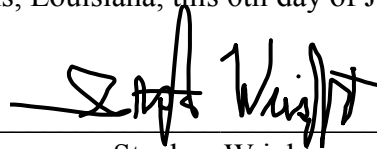
Jeffery D. Cantin
Stephen Wright
Gulf States Renewable Energy Industries Assoc.
400 Poydras Street, Suite 900
New Orleans, LA 70130

Juliana Harless
Associate, Southeast Market
Madison Energy Investments
110 Green Street, Suite 901
New York, New York 10012

Myron Katz, PHD
302 Walnut Street
New Orleans, LA 70118

Laurel Passera, (919) 526-0111,
laurelp@communitysolaraccess.org
Senior Director
Policy and Regulatory Affairs
1380 Monroe Street, NW #721
Washington DC 20010

New Orleans, Louisiana, this 6th day of January, 2023



Stephen Wright