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July 21, 2023

## Via Electronic Delivery

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

#### SYSTEM RESILIENCY AND STORM HARDENING Re: Council Docket No. UD-21-03

Dear Ms. Johnson:

Attached please find the Final Comments of Entergy New Orleans, LLC ("ENO") for filing in the above-referenced docket. ENO makes this filing in compliance with Resolution No. R-23-74 issued by the Council for the City of New Orleans.

ENO submits this filing electronically and will submit the requisite original and number of hard copies once the Council resumes normal operations, or as you direct. ENO 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 call me. Thank you for your courtesy and assistance with this matter.

Sincerely,

Edward R. Wicker, Jr.

ERW/jlc

Official Service List (UD-21-03) cc:

### **BEFORE THE**

### COUNCIL OF THE CITY OF NEW ORLEANS

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

### FINAL COMMENTS OF ENTERGY NEW ORLEANS, LLC

Entergy New Orleans, LLC ("ENO" or "the Company"), in compliance with Resolution No. R-23-74 issued by the Council of the City of New Orleans ("Council"), respectfully submits its Final Comments regarding the resilience proposals submitted to the Council.<sup>1</sup> The Company appreciates the opportunity to provide these comments in further support of its Application, and in response to comments from other parties, including those at the recent technical conference on May 25, 2023.<sup>2</sup> For the reasons discussed herein and in the Application, the Council should approve Phase I of the Company's Future Ready Resilience Plan ("Recommended Resilience Plan")<sup>3</sup> – or, at a minimum, the first five years of proposed hardening projects in the approximately \$750 million alternative portfolio ("Minimum Portfolio") – and the Company's related requests for relief.<sup>4</sup>

<sup>&</sup>lt;sup>1</sup> The resilience proposals are the Application for Approval of ENO's Future Ready Resilience Plan (Phase I) filed by the Company on April 17, 2023 ("Application"), and the Community Lighthouse Proposal filed by Together New Orleans ("TNO") on April 24, 2023.

<sup>&</sup>lt;sup>2</sup> Resolution No. R-23-74, Order #5 states: "By July 21, 2023, Parties shall file their final comments regarding the resiliency proposals as revised in their April 17, 2023 filings." Consistent with the directive, the Company has styled this filing as "final comments," but reserves the right to submit additional comments as may be necessary upon, among other things, the Company's review of those filed contemporaneously by other parties.

<sup>&</sup>lt;sup>3</sup> The Company's Recommended Resilience Plan includes approximately \$1 billion in distribution and transmission hardening projects to be completed in two phases over the ten-year period from 2024 to 2033; however, the Company's Application only seeks specific approval of the hardening projects proposed to be implemented in the first five years (Phase I, 2024 to 2028), which projects total approximately \$559 million. Meredith Direct Testimony, p. 5.

<sup>&</sup>lt;sup>4</sup> As discussed herein and in the Application, the Company has proposed certain reporting requirements to keep the Council informed as hardening projects are completed over the two phases. To the extent the Council may be interested in additional reporting, or perhaps dividing the ten-year period into three phases, the Company is open to those discussions.

#### **INTRODUCTION**

The Council opened this docket to accomplish specific and important goals – to reduce outages, to get the lights back on quicker, and to minimize restoration costs for New Orleans residents after extreme weather events.<sup>5</sup> Those goals are vital and shared by the Company and its customers, as well as New Orleans as a whole. In furtherance of those goals, and as required by the Council,<sup>6</sup> the Company filed its Application recommending that the Council approve the comprehensive set of infrastructure hardening projects included in the Recommended Resilience Plan and related requests for relief. The Company supported its recommendations with testimony, analysis, and data-driven decision-making methodology, emphasizing that (1) the Recommended Resilience Plan strikes an appropriate balance between costs to customers and the need for accelerated infrastructure hardening, and (2) the Minimum Portfolio is the minimum level of accelerated hardening necessary to foster a more resilient electric grid and produce meaningful aggregate benefits for customers.<sup>7</sup> No other party proposed a hardening plan or presented any evidence challenging the Company's methodology or recommendations.

The hardening projects in the Recommended Resilience Plan are in the public interest, and the Council should approve them. Upon completion of the projects, the Company expects that restoration costs as well as the number and duration of outages will be reduced following a storm.<sup>8</sup> If, however, the Company's Minimum Portfolio is not adopted, and a piecemeal approach to resilience is taken, that will not accomplish the goals of this docket. Under that approach, instead

<sup>&</sup>lt;sup>5</sup> *See* Resolution No. R-21-401, p. 2 (providing that Docket UD-21-03 was opened to "increase resiliency and storm hardening on ENO's system, with a particular focus on reducing weather-related power outages").

<sup>&</sup>lt;sup>6</sup> *See* Resolution No. R-23-74, p. 10.

<sup>&</sup>lt;sup>7</sup> Meredith Direct Testimony, pp. 47-48.

<sup>&</sup>lt;sup>8</sup> Meredith Direct Testimony, pp. 10, 12, 47; De Stigter Direct Testimony, pp. 15-16; Maurice-Anderson Direct Testimony, pp. 22, 25.

of significant improvements to almost all of New Orleans, vast areas of New Orleans will receive no hardening projects and therefore will experience very little, if any, improvement in resilience. A piecemeal approach will fail to quickly get the lights back on, reduce restoration costs, and improve the overall resilience of the Company's electric system across New Orleans (or the New Orleans community itself). Accordingly, to meet the goals of this docket, the Council should approve Phase I of the Recommended Resilience Plan – or, at a minimum, the first five years of proposed hardening projects in the Minimum Portfolio – and the Company's related requests for relief.

#### **COMMENTS**

#### I. The Minimum Portfolio Is Needed to Improve Resilience Throughout New Orleans.

In response to Resolution No. R-23-74 directing ENO to propose a narrowed list of hardening projects, the Company filed its Application, which referenced an overall set of projects costing approximately \$1.3 billion<sup>9</sup> that were identified by the Storm Resilience Model ("SRM") to improve the resilience of the Company's electric system on an accelerated basis.<sup>10</sup> The SRM employs a "customer-centric" and data-driven methodology expected to maximize resilience

<sup>&</sup>lt;sup>9</sup> The approximately \$1.3 billion portfolio in the Application is the same as that in the Company's Resilience and Storm Hardening Filing in July 2022, with the exception of three additional projects on the distribution system. In addition, since the earlier filing, the portfolio was further optimized to better levelize investments (with respect to the pace and timing of the individual investments) across the portfolio, which updated the cost estimates and corresponding benefits. *See* the Company's Response to Advisors 4-1(a).

<sup>&</sup>lt;sup>10</sup> The SRM employs a data-driven decision-making methodology utilizing robust and sophisticated algorithms to (1) evaluate the assets on ENO's system and (2) calculate resilience costs and estimated benefits of hardening those assets in terms of avoided customer minutes interrupted and avoided future storm restoration costs. Stated another way, the SRM serves to identify and prioritize hardening the sets of assets that would deliver the most benefits to customers in terms of avoided outage minutes and avoided future storm restoration costs for the money spent. Meredith Direct Testimony, pp. 16-17, 38-40, 44-46; De Stigter Direct Testimony, pp. 8-9, 13.

benefits to customers across New Orleans,<sup>11</sup> including those in vulnerable areas.<sup>12</sup> The Application also included two additional, alternative sets of hardening projects: the Recommended Resilience Plan and the Minimum Portfolio.<sup>13</sup> After weighing the costs and benefits of the portfolios, the Company sought approval of the Recommended Resilience Plan as the most cost-effective solution for customers, *i.e.*, the "best bang for the buck."<sup>14</sup> Customers are expected to be better off with the Recommended Resilience Plan than without it,<sup>15</sup> and it is expected to drive affordability over the long run.<sup>16</sup>

Although no party has presented evidence challenging the Company's methodology or recommendations, certain questions were raised at the recent technical conference about whether the Company should perform hardening projects via a piecemeal approach at a total cost significantly less than the Recommended Resilience Plan in the hopes of minimizing bill impacts to customers. To be sure, the Company always cares about bill impacts to customers. But the obvious consequence of a drastic reduction to resilience funding is the completion of fewer hardening projects. And the resulting piecemeal approach to resilience would benefit fewer customers in certain areas of New Orleans, namely, only those customers whose infrastructure directly upstream was hardened.<sup>17</sup> Thus, an investment below the Minimum Portfolio cannot be expected to meaningfully provide an adequate "level of resiliency and storm hardening *throughout* 

<sup>&</sup>lt;sup>11</sup> Maurice-Anderson Direct Testimony, pp. 24-25, 28.

<sup>&</sup>lt;sup>12</sup> Approximately 76% of the projects proposed to be completed in Phase I of the Recommended Resilience Plan are located at least in part within Disadvantaged Communities of New Orleans per the Justice40 Initiative criteria, which represents approximately 89% of the Phase I capital expenditures. *See* the Company's Response to APC 4-5.

<sup>&</sup>lt;sup>13</sup> Meredith Direct Testimony, pp. 6-7, 33, 47; De Stigter Direct Testimony, pp. 5-6. Each of the project portfolios would be completed over the ten-year period from 2024 to 2033.

<sup>&</sup>lt;sup>14</sup> Meredith Direct Testimony, pp. 33, 46.

<sup>&</sup>lt;sup>15</sup> De Stigter Direct Testimony, pp. 15-16; Maurice-Anderson Direct Testimony, pp. 22, 25-26.

<sup>&</sup>lt;sup>16</sup> Meredith Direct Testimony, p. 12.

<sup>&</sup>lt;sup>17</sup> See Meredith Direct Testimony, pp. 48-49; see also De Stigter Direct Testimony, p. 16.

*the City*."<sup>18</sup> Indeed, there is no evidence that a piecemeal approach to resilience will meet the goals of this docket.<sup>19</sup>

To demonstrate, Figures 1, 2, and 3, below, show the number and approximate location of the proposed hardening projects over the ten-year period associated with the Company's Recommended Resilience Plan, the Minimum Portfolio (\$750 million), and an illustrative \$250 million investment level. These maps provide a high-level depiction of the diminished level of resilience throughout New Orleans as the amount of hardening investment decreases.<sup>20</sup>

Figure 1: Recommended Resilience Plan



<sup>&</sup>lt;sup>18</sup> See Resolution No. R-23-74, Order #1(a) (emphasis added).

<sup>&</sup>lt;sup>19</sup> As discussed in the Application and herein, the Minimum Portfolio of projects is the minimum level of investment necessary to meaningfully produce aggregate benefits for customers throughout New Orleans. Meredith Direct Testimony, pp. 47-48.

<sup>&</sup>lt;sup>20</sup> The projects reflected in the maps have not been optimized or prioritized; rather, the maps are meant to illustrate the diminishing amount of projects and the vast areas of New Orleans left uncovered as investment decreases. *See* Meredith Direct Testimony, pp. 44-46 (explaining the investment optimization and project prioritization process that was employed to determine the Recommended Resilience Plan's overall project list). Moreover, the colors of the lines in the maps represent particular years in which proposed projects are currently planned under certain investment levels. For further information regarding the proposed project start and end years under the Recommended Resilience Plan and the Minimum Portfolio, *see* Exhibit SM-2 to the Direct Testimony of Sean Meredith, as supplemented by the Company's Response to Advisors 4-1.



Figure 2: Minimum Resilience Portfolio (\$750 Million)

Figure 3: Illustrative \$250 Million Resilience Portfolio



As shown in Figures 1, 2, and 3, reducing the amount of resilience investment, in turn, reduces the number of projects throughout New Orleans that can reasonably be completed.<sup>21</sup> With less investment, there will be far less coverage across New Orleans, and some areas will experience very little, if any, improvement in resilience. As a result, impacts from major storms likely would

<sup>&</sup>lt;sup>21</sup> Likewise, decreasing the investment level below the Minimum Portfolio would be forgoing projects with benefits that increasingly outweigh their costs. De Stigter Direct Testimony, p. 5. Moving from the approximately \$1.3 billion scenario to the Recommended Resilience Plan is equivalent to forgoing a set of projects with a benefit to cost ratio of 1.6; moving to the Minimum Portfolio is equivalent to forgoing a set of projects with a benefit to cost ratio of 1.8. And decreasing the overall investment level even further would be forgoing sets of projects with increasingly higher benefit to cost ratios. *Id*.

still include lengthy outage durations coupled with significant restoration costs.<sup>22</sup> Accordingly, the approximately \$750 million portfolio of projects generated by the SRM represents the Minimum Portfolio that is necessary to make a meaningful difference in improving the resilience of ENO's electric grid throughout New Orleans to the extent called for by the Council and stakeholders in this docket.<sup>23</sup>

The Minimum Portfolio includes a total of 441 hardening projects.<sup>24</sup> Phase I investment associated with the Minimum Portfolio totals approximately \$413 million,<sup>25</sup> and the projected monthly bill impacts for a typical residential customer are as follows:<sup>26</sup>

\$750 Million Portfolio <sup>27</sup> Phase I Projected Bill Impacts for a Typical Residential Customer using 1,000 kWh per Month	
Year	Projected Monthly
	Residential Bill Impact
	(\$/month)
2024	\$0.14
2025	\$1.79
2026	\$3.28
2027	\$6.34
2028	\$8.58

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<sup>24</sup> See the Company's Response to Advisors 4-1(c) (HSPM spreadsheet), at the tab labeled "750M."

<sup>&</sup>lt;sup>22</sup> Meredith Direct Testimony, p. 48.

<sup>&</sup>lt;sup>23</sup> *Id.* at pp. 48-49.

<sup>&</sup>lt;sup>25</sup> See id.

Attached hereto as Exhibit 1 is the Affidavit of Alyssa Maurice-Anderson, which sets forth the estimated bill impacts over the first five years of the Minimum Portfolio for a typical residential customer using 1,000 kWh per month, which bill impacts are also summarized in Table 1. ENO provides these bill impacts to facilitate further consideration of "what an appropriate ratepayer bill impact would be" as directed by the Council. *See* Resolution No. R-22-411, Order #3(a)(2).

<sup>&</sup>lt;sup>27</sup> The projected bill impacts for the Minimum Portfolio are less than those for the Recommended Resilience Plan, which range from \$0.20 to \$11.86 per month over the five years of Phase I. Maurice-Anderson Direct Testimony, p. 21.

For all of these reasons, if the Council is inclined to approve a lower level of investment than the Recommended Resilience Plan, the Minimum Portfolio represents the reasonable floor for addressing resilience on an accelerated basis to capture benefits across ENO's entire system.

#### II. <u>Regular Reporting Eliminates the Need for Cost Caps Based on Estimates.</u>

ENO agrees that it is important for utilities to keep regulators informed on the status of resilience efforts, including any changes in project cost estimates. Thus, while the Company has not identified reasonable performance metrics that can be used to evaluate resilience, the Company has proposed regular reporting to the Council, including semi-annual progress reports on project implementation and cost monitoring as part of ENO's proposed Resilience & Storm Hardening Cost Recovery Rider ("Resilience Rider").<sup>28</sup> As described in the Application and supporting testimony, the cost estimates in the Recommended Resilience Plan are projections for projects proposed to be executed over many years based on information available at the time of filing.<sup>29</sup> The cost estimates in the Application are not guarantees of future outcomes; indeed, ENO can only reasonably estimate such costs and outcomes – it cannot predict the future.

Accordingly, any effort to condition approval of the Recommended Resilience Plan on cost caps based on estimates presented in the Application would be unfair and unreasonable and potentially deprive ENO of a reasonable opportunity to recover its prudently-incurred costs, in direct violation of law. As the Company executes the proposed projects in Phase I of the Recommended Resilience Plan, ENO will track their progress and costs, and issue the recommended reports to the Council.<sup>30</sup> Thus, over the next several years, to the extent there are changes in the labor and commodity markets, among other things, that affect the proposed projects,

<sup>&</sup>lt;sup>28</sup> Meredith Direct Testimony, pp. 60-62; Maurice-Anderson Direct Testimony, pp. 4, 10-11.

<sup>&</sup>lt;sup>29</sup> See, e.g., Meredith Direct Testimony, pp. 49-50, n.14.

<sup>&</sup>lt;sup>30</sup> Meredith Direct Testimony, pp. 60-62; Maurice-Anderson Direct Testimony, pp. 4, 10-11.

the Company's reports are intended to capture those changes and keep the Council informed. In this way, the Council will have an opportunity to monitor the execution of the Recommended Resilience Plan, including any potential changes in circumstances, to review the prudence of the Company's execution of the hardening projects, and to disallow any imprudent costs.<sup>31</sup> This is the protection that ENO's customers reasonably need and that likewise permits the Company an opportunity to recover its prudently-incurred costs consistent with the law, as discussed further below. There is no need to consider cost caps.<sup>32</sup>

## III. <u>The Council Should Approve the Proposed Resilience Rider.</u>

As provided by law, ENO is entitled to a reasonable opportunity to recover its prudentlyincurred costs, including its cost of capital, under the Recommended Resilience Plan.<sup>33</sup> The Council should approve the proposed Resilience Rider for several reasons:

- ENO does not currently have a ratemaking mechanism that would permit timely cost recovery throughout the construction phase of the Recommended Resilience Plan.<sup>34</sup>
- Undertaking the Recommended Resilience Plan without a contemporaneous cost recovery mechanism would compromise ENO's credit metrics and cash flow,<sup>35</sup> and thus expose ENO to further adverse action from credit rating agencies and expose its customers to higher costs, not only as to the Recommended Resilience Plan but also across ENO's entire business.<sup>36</sup>

<sup>&</sup>lt;sup>31</sup> See, e.g., Maurice-Anderson Direct Testimony, pp. 10-11.

<sup>&</sup>lt;sup>32</sup> It is also worth mentioning that cost caps are asymmetrical and arbitrary. A cost cap would penalize the Company when the actual prudent cost of a project exceeds an estimate but does not reward the Company when the estimate exceeds the actual prudent cost of the project.

<sup>&</sup>lt;sup>33</sup> South Cent. Bell Tel. Co. v. Louisiana Pub. Serv. Comm'n, 594 So. 2d 357, 366 (La. 1992) ("Under ... [the prudent investment rule], South Central Bell is entitled to be compensated for all prudent investments at their actual cost when made (their 'historical' cost) irrespective of whether individual investments are deemed necessary or beneficial in hindsight; and the utility is entitled to the presumption that the investments were prudent, unless the contrary is shown."); see also Federal Power Comm'n v. Hope Natural Gas Co., 320 U.S. 591, 605 (1944); Bluefield Waterworks & Improvement Co. v. Pub. Serv. Comm'n of West Virginia, 262 U.S. 679, 690 (1923).

<sup>&</sup>lt;sup>34</sup> Maurice-Anderson Direct Testimony, pp. 3-4.

<sup>&</sup>lt;sup>35</sup> *Id.* at pp. 16-21 and Exhibit AMA-4.

<sup>&</sup>lt;sup>36</sup> *Id.* at pp. 14-15.

- The Resilience Rider would ensure that the projects can be done timely and efficiently, including taking advantage of economies of scale and a qualified workforce because the work would be ongoing and not forced to start and stop as rate changes are sought and decided. Without the Resilience Rider, ENO could not timely and efficiently execute the projects on the proposed timeline, and customer costs would be increased.<sup>37</sup>
- Contemporaneous cost recovery through the Resilience Rider is appropriate because as ENO completes projects, customers receive the benefits; accordingly, ENO should commence recovery at the same time.<sup>38</sup>
- In the event that ENO receives federal (or other public) funds for resilience projects, the proposed Resilience Rider has the flexibility to reflect investment offsets and timely make necessary rate changes so that the resulting benefits of such public funding are flowed through to ENO customers in a timely manner.<sup>39</sup>
- ENO patterned the Resilience Rider on cost recovery mechanisms previously approved by the Council,<sup>40</sup> and that are consistent with the regulatory treatment of resilience plans that have been adopted in other jurisdictions that have successfully executed such plans and realized resulting customer benefits.<sup>41</sup>

Additionally, the Resilience Rider's allocation of the Recommended Resilience Plan's

revenue requirement to each rate class based on its percentage contribution to per book base revenue results in just and reasonable rates consistent with the Council's past practice.<sup>42</sup> Using base revenue to allocate costs is consistent with the allocation used in the Securitized Storm Cost Recovery Rider ("SSCR Rider"), which allocates storm restoration and financing costs based on projected base revenue and contains a single rate, that is, a single percentage to be applied to base charges on a customer's bill, for all rate classes.<sup>43</sup> Given that the Council has allocated storm

<sup>42</sup> Maurice-Anderson Direct Testimony, p. 9.

<sup>&</sup>lt;sup>37</sup> *Id.* at p. 4.

<sup>&</sup>lt;sup>38</sup> *Id.* 

<sup>&</sup>lt;sup>39</sup> *Id.* at pp. 4, 12.

<sup>&</sup>lt;sup>40</sup> *Id.* at p. 9.

<sup>&</sup>lt;sup>41</sup> *Id.* For example, Section 366.96(7) of the Florida Statutes requires the Florida Public Service Commission to set rider rates to recover the cost of Florida utilities' resilience projects. *See* Meredith Direct Testimony, p. 10.

<sup>&</sup>lt;sup>43</sup> *Id.* For example, the current Gas Formula Rate Plan ("FRP") produces a single percentage FRP Rate Adjustment for all rate classes.

restoration costs and related financing costs using projected base revenue, the Council's approval of base revenue as an allocator to recover costs under the Recommended Resilience Plan, which largely is intended to mitigate restoration costs, would be just and reasonable.<sup>44</sup>

Air Products and Chemicals, Inc. ("Air Products"), however, suggests that the Recommended Resilience Plan's revenue requirement should be allocated based on demand factors allegedly consistent with the principle of cost causation so that Air Products does not have to bear any costs associated with hardening the distribution system.<sup>45</sup> This suggestion misses the mark and is an overly narrow view of cost allocation. The Council, as a general matter, has not relied solely on objectively calculated allocators (like a demand allocator) to allocate costs recovered through base rates.<sup>46</sup> Moreover, a principal driver of the Recommended Resilience Plan is to make New Orleans more resilient so that all of its businesses and residents can return to normal, more quickly and efficiently, after storm events. Again, that is the very purpose of this docket. A quicker and more efficient storm restoration would allow Air Products and other businesses to bring back their employees, restart operations, and begin generating revenue with a shorter interruption. A demand allocator alone would not consider the benefits that such businesses stand to gain from the Recommended Resilience Plan.<sup>47</sup> Accordingly, the Council should approve the Resilience Rider with its cost allocation based on revenue.

<sup>&</sup>lt;sup>44</sup> *Id.* 

<sup>&</sup>lt;sup>45</sup> Air Products Request to Submit Reply Comments Out of Time and Reply Comments, filed on December 15, 2022, pp. 3-5.

<sup>&</sup>lt;sup>46</sup> For example, in the 2018 Rate Case, the Council approved a decoupling mechanism for the Electric FRP that uses varying rates of return for each rate class to change the cost allocation resulting from the objectively calculated allocation factors. *See* Resolution No. R-19-457, p. 124.

<sup>&</sup>lt;sup>47</sup> As the Company has explained, transmission-level customers like Air Products benefit from a more resilient distribution system. After a hurricane, residential load served by the distribution system is essential to the coordinated process that must be followed to restore service safely and reliably to all customers. Many transmission-level customers cannot return to normal operations after a storm until the distribution system is restored. Those customers also rely on facilities and services that are dependent on the distribution system, including police and fire protection,

### IV. TNO's Proposal Potentially Can Complement the Recommended Resilience Plan.

As the Company understands it, TNO has proposed to develop, install, own, operate, and maintain 86 resilience hubs at various New Orleans churches and community centers, to be powered by rooftop solar panels and batteries, and provide residents a chance to cool off and charge their phones, among other community services, during prolonged storm outages. TNO estimates the cost of the resilience hubs at approximately \$35 million. TNO indicates that it has raised and/or will benefit from approximately \$23.7 million in grants, donations, and subsidies, and that it is seeking approximately \$11.3 million from the "utility system" in this docket.<sup>48</sup>

TNO expects that the resilience hubs will generate significant benefits to New Orleans ratepayers.<sup>49</sup> In addition, TNO estimates that the hubs will add approximately 9.2 MWh of distributed storage capacity that TNO anticipates the Company can use to manage load across New Orleans.<sup>50</sup> Moreover, TNO asserts that the battery storage systems "have the ability to strengthen the grid and provide value to ratepayers in a number of ways, beyond providing black start backup power for host customers and their neighbors during an outage."<sup>51</sup> The Council itself has authorized \$2 million to TNO for a wave of hubs on the basis that they are anticipated to "strengthen[] relief efforts in the wake of a future disaster or major power outage."<sup>52</sup>

water and sewer systems, communications systems, and transportation systems. Furthermore, improving resilience and the pace of restoration of the distribution system after a major storm outage is important to the employees of transmission-level customers (and their families), and those customers may require considerable personnel before they can resume normal operations. *See* the Company's Response to APC 4-1.

<sup>&</sup>lt;sup>48</sup> TNO Community Lighthouse Proposal, p. 11.

<sup>&</sup>lt;sup>49</sup> In particular, TNO estimates the hubs will generate benefits of approximately \$148 million on \$11.3 million in ratepayer costs. TNO Community Lighthouse Proposal, pp. 48-49; TNO's Response to CNO 1-10. The Company has not vetted these benefits.

<sup>&</sup>lt;sup>50</sup> TNO Community Lighthouse Proposal, p. 10.

<sup>&</sup>lt;sup>51</sup> See TNO's Response to CNO 1-8 (claiming battery storage systems generally can function as a demand response asset, part of a virtual power plant, resource adequacy asset in MISO's capacity market, frequency regulation asset, voltage regulation asset, and congestion relief asset).

<sup>&</sup>lt;sup>52</sup> See Motion No. M-23-D, dated March 9, 2023, p. 1.

The Company continues its review of TNO's proposal and is engaged in ongoing discussions with TNO. TNO's proposal, however, would be a complement to the Company's Recommended Resilience Plan, and not a replacement. The importance of the substantial hardening of the grid across the New Orleans area (as proposed by the Company) is needed to avoid prolonged service interruptions after major storms and to benefit all New Orleans customers. The Company and TNO, consistent with Council direction,<sup>53</sup> have been considering and collaborating on potentially integrating their proposals into a master resilience plan for New Orleans. Any investment by the Company in TNO's proposal, however, would require ENO's agreement, and to date, no agreement has been reached. The Company looks forward to reviewing the comments filed contemporaneously by TNO and to continuing discussions.<sup>54</sup>

#### **CONCLUSION**

The Company appreciates the opportunity to provide these comments in further support of its Application. For the reasons discussed herein and in the Application, the Council should approve Phase I of the Recommended Resilience Plan – or, at a minimum, the first five years of proposed hardening projects in the Minimum Portfolio – and the Company's related requests for relief.

<sup>&</sup>lt;sup>53</sup> Resolution No. R-22-411, p. 4 (encouraging the Company and TNO to discuss "how their plans could be successfully integrated into a master resiliency plan"); p. 6, Order #2 (directing the Company to "continue to engage in dialog with the parties regarding the integration of community-led projects with utility-led projects into a master resiliency plan").

<sup>&</sup>lt;sup>54</sup> In the event that the Company and TNO reach agreement, the Company expects that the parties will inform the Council and Advisors through a joint supplemental filing.

Respectfully submitted,

By:

Brian L. Guillot, La. Bar #31759 Edward R. Wicker, Jr., La. Bar #27138 Lacresha Wilkerson, La. Bar #36084 Entergy Services, LLC 639 Loyola Avenue, Mail Unit L-ENT-26E New Orleans, Louisiana 70113 Telephone: (504) 576-3101 Facsimile: (504) 576-5579 bguill1@entergy.com ewicker@entergy.com lwilke1@entergy.com

# ATTORNEYS FOR ENTERGY NEW ORLEANS, LLC

#### **BEFORE THE**

# **COUNCIL OF THE CITY OF NEW ORLEANS**

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

### AFFIDAVIT OF ALYSSA MAURICE-ANDERSON

STATE OF LOUISIANA ST Tammany PARISH OF ORLEANS

NOW BEFORE ME, the undersigned authority, personally came and appeared, ALYSSA MAURICE-ANDERSON, who after being duly sworn by me, did depose and say that the following statements are being made by her of her personal knowledge and are true and correct to the best of her knowledge, information, and belief:

- My name is Alyssa Maurice-Anderson. My business address is 639 Loyola Avenue, New Orleans, Louisiana 70113. I am employed by Entergy Services, LLC ("ESL"), the service company affiliate of Entergy New Orleans, LLC ("ENO" or the "Company"), as the Director, Regulatory Filings and Policy.
- 2. I submitted Direct Testimony on behalf of ENO in support of the Application filed by ENO on April 17, 2023, for Approval of Future Ready Resilience Plan (Phase I), which testimony included the Company's estimated bill impacts associated with the first five years of the approximately \$1 billion Resilience Plan on the bill of a typical residential customer using 1,000 kWh per month.
- 3. Using the same methodology as set forth in my Direct Testimony, the Company's estimated bill impacts associated with the first five years of the approximately \$750 million

alternative portfolio on the bill of a typical residential customer using 1,000 kWh per month are as follows:

\$750 Million Portfolio Phase I Projected Bill Impacts for a Typical Residential Customer using 1,000 kWh per Month	
Year	Projected Monthly Residential Bill Impact
2024	\$0.14
2025	\$1.79
2026	\$3.28
2027	\$6.34
2028	\$8.58

- 4. The projected bill impacts at the approximately \$750 million level are less than those for the approximately \$1 billion Resilience Plan, which range from \$0.20 to \$11.86 per month over the first five years of the plan, as set forth on page 21 of my Direct Testimony.
- 5. Further the Affiant sayeth not.

Alyssa Maurice-Anderson

SWORN TO AND SUBSCRIBED BEFORE ME THIS DAY OF JULY, 2023. **NOTARY PUBLIC** My commission expires: 14

#### CERTIFICATE OF SERVICE UD-21-03

I hereby certify that I have 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.

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New Orleans, Louisiana, this 21st day of July, 2023

Edward R. Wicker