



June 12, 2019

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

Re: UD-19-01

Dear Ms. Johnson:

Please find enclosed Response to Reply Comments on behalf of the Gulf States Renewable Energy Industry Association, which we request that you file into the record.

Should you have any questions regarding this matter, please contact me. Thank you for your time and assistance with this matter.

Best Regards,

STEPHEN P. Wright
GSREIA

BEFORE THE
COUNCIL OF THE CITY OF NEW ORLEANS

COUNCIL OF THE CITY OF NEW ORLEANS

DOCKET NO. UD-19-01

Docket No. UD-19-01 - ESTABLISHING A DOCKET AND OPENING A RULE MAKING PROCEEDING TO ESTABLISH RENEWABLE PORTFOLIO STANDARDS

GULF STATES RENEWABLE ENERGY INDUSTRIES ASSOCIATION.
RESPONSE TO REQUEST FOR REPLY COMMENTS

Gulf States Renewable Energy Industry Association (“GSREIA”) respectfully submits the following responses to replies issued to the Council of the City of New Orleans Resolution R-19-109, in which the Council initiated the referenced docket to consider establishing a Renewable Portfolio Standard (“RPS”).

1. What would an appropriate RPS target for New Orleans be, and should it be a requirement or a goal?

GSREIA Reply to Air Products Response: GSREIA strongly disagrees with any recommendation to the Council to not set a requirement for an RPS for Entergy New Orleans, LLC. Twenty-nine states and DC have a Renewable Portfolio Standard. (See Appendix 1)

GSREIA Reply to Alliance for Affordable Energy (“AAE”) Response: GSREIA agrees with AAE’s response recommending a target of 100% by 2040, with incremental goals along the way, including a 2033 target of 55%.

GSREIA Reply to Entergy New Orleans (“ENO”) Response: GSREIA disagrees with ENO’s recommendation that the Council should only adopt a “Clean Energy Standard”

which would recognize benefits related to low carbon-emitting resources. GSREIA does agree that DSM investments via energy smart should be taken into account in some form in an RPS. Given the direct and observable impact of climate change on New Orleans and Louisiana as a whole, GSREIA cannot support the inclusion of carbon-emitting technologies in proposed standards.

GSREIA Reply to Southern Renewable Energy Association’s (“SREA”) Response:

GSREIA urges the council to strongly consider SREA’s recommendation stating: *“by adding small amounts of energy storage, New Orleans can also better capture “excess” power generated by nuclear reactors, solar energy and wind energy resources during periods of low local power demand. The proper mix of energy storage, solar energy and wind energy resources depends on ENO’s ability to ramp down other power generation or curtail other power purchases.”* Incorporating a storage element into RPS requirements is a necessary and future focused objective.

GSREIA Reply to Posigen Response:

GSREIA supports the compliance portfolio target timeline recommendation outlined in Posigen’s comments as follows:

15% of retail electricity sales by 2022;

25% of retail electricity sales by 2025;

100% of retail electricity sales by 2040.

GSREIA Reply to Voter Solar and 350 New Orleans Response:

GSREIA strongly agrees with the analysis of Vote Solar and 350 New Orleans stating, *“A voluntary renewable energy goal sends an unclear policy signal to all stakeholders: Utilities are left to make their own decisions about what level of disrupting business as*

usual is appropriate for achieving the goal, and ratepayers lack a standard of accountability and transparency, and ensure that Entergy New Orleans is making adequate and appropriate investments toward a resilient, renewable-powered grid.”

2. How should a New Orleans RPS target be satisfied?

GSREIA Reply to Air Products Response: GSREIA does not agree with Air Products Recommendation that Nuclear energy be included in the definition of resources which may be used to meet RPS targets. Additionally, GSREIA disagrees with Air Products recommendation that there should not be a mandate that RPS targets should be met by specific types of renewable resources in specific portions. GSREIA disagrees with the recommendation that methods should not be adopted to encourage local renewable resources. Incentivizing the utilization of local and state renewable resources encourages economic development and strengthens grid resiliency resources. RPS policy has an opportunity to not only transition New Orleans to cleaner renewable energy sources, but additionally to incentivize job opportunity, workforce training, and innovation throughout the region.

GSREIA Reply to Alliance for Affordable Energy (“AAE”) Response: GSREIA agrees with AAE’s recommendation that set-asides be utilized to ensure the RPS meets legislative objectives. We also urge the Council to consider the geographic delineation recommended by AAE consisting of distribution level, state boundaries, and all remaining deliverable resources.

GSREIA Reply to Southern Renewable Energy Association’s (“SREA”) Response:

GSREIA agrees and supports SREA's position stating: *“New power purchase agreements will lock in low-cost energy resources and supplant higher-cost energy resources. Renewable Energy Credits (RECs) do not have the ability to stabilize energy costs. RECs are a relatively low-cost option to certify renewable energy generation, with some REC programs available now for \$5/MWh, or \$0.005/kWh, and possibly lower.*

3. How should the RPS standard be enforced, should the Council consider a penalty or Alternative Compliance Payment structure?

GSREIA Reply to Alliance for Affordable Energy (“AAE”) Response: GSREIA agrees with AAE's recommendation of a penalty or Alternative Compliance Payment (“ACP”). GSREIA additionally urges the Council to consider AAE's recommendation that funds related to such penalties go to a “green fund” to be utilized for financing renewable energy projects.

GSREIA Reply to Entergy New Orleans (“ENO”) Response: GSREIA disagrees with ENO's belief that there is no need for an ACP as part of any Council-imposed RPS policy. GSREIA agrees with ENO's analysis stating: *“The Company's concerns with these resource types would be addressed, however, if a qualifier is attached requiring the fuel source to be “renewable” such as from landfill gas and/or anaerobic digestion. Otherwise, including technologies like CHP and fuel cells that rely upon fossil fuels is counter-productive to the overarching goal of mitigating carbon emissions and helping to address future climate change concerns inherent in the Council's considering adoption of a clean energy policy in the first place.”*

GSREIA Reply to Center for Climate and Energy Solutions Response:

GSREIA strongly disagrees with the Center's recommendation that the city consider expanding the RPS to a CES. Long-term PPA's with nuclear plants does not meet the legislative goals outlined by the Council and undermines any effort at creating a true clean renewable energy portfolio for the City of New Orleans.

4. What protections should be put in place to protect ratepayers from unreasonable increases in rates due to the RPS?

GSREIA Reply to Alliance for Affordable Energy ("AAE") Response: GSREIA agrees with the overall recommendation that the Council focus more on consumer bills than on consumer rates. GSREIA strongly agrees with AAE's recommendation that all low-income households be exempted from any RPS rider as increases in energy bills would critically impact these residents.

GSREIA Reply to Southern Renewable Energy Association's ("SREA") Response:

GSREIA urges the Council to support SREA's comments stating, *"In order to keep RPS costs low, the RPS needs to be implemented quickly to take advantage of federal tax credits, competitive procurements need to be prioritized, and ENO needs to stop relying on capacity-only resource planning and instead focus on energy-based planning.*

GSREIA Reply to Posigen Response:

GSREIA supports the recommendation to the Council of a cap on administrative costs for administering the RPS of 5-8%.

6.

GSREIA requests that notices, correspondence, and other communications

concerning this reply to comments be directed to the following persons:

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WHEREFORE, GSREIA requests that the following reply to comments for the above captioned docket, be accepted and added to the record.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen P. Wright", with a long horizontal flourish extending to the right.

Stephen P. Wright
GSREIA

CERTIFICATE OF SERVICE

I hereby certify that I have this _____ of July 2019 served the required number of copies of the foregoing pleading upon all other known parties of this pleading, via email at the email addresses indicated below:



Stephen Wright, GSREIA

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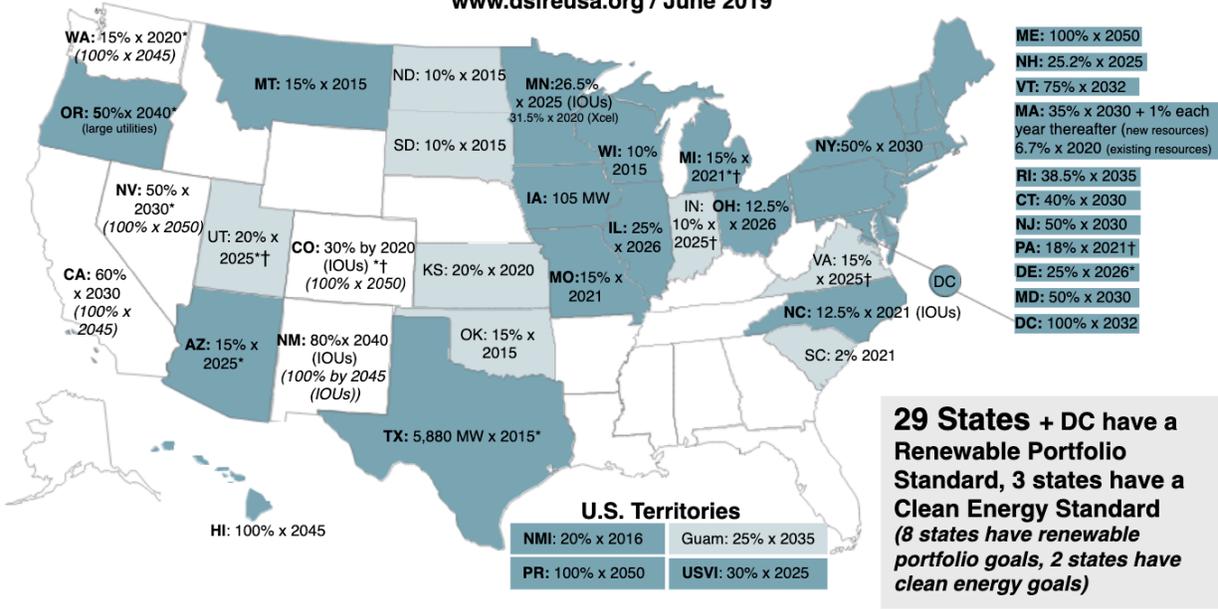
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Renewable & Clean Energy Standards

www.dsireusa.org / June 2019



29 States + DC have a Renewable Portfolio Standard, 3 states have a Clean Energy Standard (8 states have renewable portfolio goals, 2 states have clean energy goals)

- Renewable portfolio standard
- Clean energy standard
- Renewable portfolio goal
- Clean energy goal
- * Extra credit for solar or customer-sited renewables
- † Includes non-renewable alternative resources