

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

IN RE: A RULEMAKING PROCEEDING)	
TO ESTABLISH RENEWABLE PORTFOLIO)	DOCKET NO. UD-19-01
STANDARDS)	November 19, 2019
)	

1 **COMMENTS OF AUDUBON LOUISIANA, VOTE SOLAR, 350 NEW ORLEANS, AND**
2 **ALLIANCE FOR AFFORDABLE ENERGY**
3 **ON REPLIES TO**
4 **ADVISORS’ REPORT ON RENEWABLE PORTFOLIO STANDARDS**

5 Audubon Louisiana (“Audubon”), Vote Solar, 350 New Orleans, and Alliance for Affordable
6 Energy jointly submit these comments in the Council of the City of New Orleans’ (“Council”)
7 Docket No. UD-19-01 pursuant to Council Resolution No. R-19-109, dated March 28, 2019, and
8 addressing reply comments by various parties to the Advisors’ Report.

9 We continue to support the Council’s groundbreaking decision to initiate this Renewable
10 Portfolio Standards (“RPS”) rulemaking docket. We have been actively engaged in this
11 proceeding in our own right, and as active members of the Energy Future New Orleans
12 (“EFNO”) coalition.

13 On 3 September 2019, the Advisors to the Council of the City of New Orleans (“Advisors”)
14 submitted extensive comments reflecting their views on the comments submitted by the parties
15 to this proceeding. On or about 15 October 2019, we and several other parties submitted reply

1 comments addressing the Advisors’ Report. The purpose of these comments is to address Reply
2 Comments to the Advisors’ Report.

3 ***Introduction and Overview***

4 In July 2017, the City of New Orleans (“City”) set itself on a course of climate responsibility
5 through adoption and publication of “Climate Action for a Resilient New Orleans” (“Climate
6 Action”) and committed to a 50% reduction in greenhouse gas pollution by 2030. The City
7 further committed to a complementary goal of 100% low-carbon electricity, among other goals,
8 by that same date. Climate Action made the case for its aggressive goals and established essential
9 objectives that include incremental annual energy savings, new renewable energy generation,
10 ending dependence on coal, affordability, equity, and resilience, among others. Transportation,
11 waste reduction, and cultural transformation initiatives are also key elements of the Climate
12 Action vision.

13 In our view, establishing workable and strong renewable portfolio standards remains a
14 reasonable and necessary major step in achieving the Climate Action vision, and more
15 importantly, in achieving a 100% renewable energy future for the City of New Orleans.

16 Realizing a 100% renewable energy goal is completely aligned with our organizational missions
17 as well, as set forth in our previously-filed comments addressing the Advisors’ Report.

18 After reviewing the Advisors’ Report and all of the comments filed by parties in this proceeding,
19 we continue to urge the Council to adopt a Resilient and Renewable Portfolio Standard (“R-
20 RPS”) for New Orleans that would require 55% of Entergy New Orleans’ (“ENO”) retail sales to
21 be served by resilient and renewable resources by 2033, and 100% by 2040.

1 A 100% R-RPS goal will be transformative of almost every aspect of life and work in New
2 Orleans. Design and implementation of the R-RPS requires a holistic vision and approach
3 because of the magnitude and import of the task. It requires a view that transcends the narrow
4 question of electricity supply and embraces a view of affordability, environmental performance,
5 equitable access to clean energy, and, of course, the strength, empowerment, and durability that
6 comes from clean community energy development (“CCED”). Implementing the R-RPS means
7 that some procedures must be changed, and rules that might limit the R-RPS might need
8 amendment. In the end, the R-RPS must embody and exemplify the “triple bottom line” of true
9 sustainability—economic sustainability, environmental sustainability, and equitable
10 sustainability.

11 Importantly, and unlike Entergy New Orleans (“ENO” or “Entergy”) and some other parties who
12 would indefinitely defer the important and transformational work that New Orleans must do, we
13 urge the Council to adopt a strong mandatory R-RPS framework *now* in order to create the
14 urgency and commitment that Entergy and other naysayers lack.

15 ***Comments on Replies to Advisors’ Report by Various Parties***

16 *Entergy New Orleans*

17 1. Entergy states that in reaching decisions about the RPS, the Council must “remember that
18 ENO is obligated to provide, and the Council is obligated to ensure, reliable electric service to
19 New Orleans and its residents at the lowest reasonable cost.” We believe that Entergy is right
20 about its fundamental obligation as an electricity services provider. And for too long, Entergy
21 has failed to address the real and burdensome costs of storm-prone and climate change-causing
22 central station fossil energy electricity generation. The reason an R-RPS is necessary today is

1 because Entergy willfully ignored those costs for decades. ENO’s proposal for a voluntary Clean
2 Energy Standard (“CES”) of 70% by 2030 is too little and too lax in light of the Company’s
3 record of performance.

4 2. We agree with ENO that none of the Council Advisors’ “alternatives are yet developed
5 enough to provide the kind of comprehensive, detailed regulatory framework that will be
6 necessary to administer or enforce a goal that affects ENO’s entire portfolio of supply- and
7 demand-side resources, as well as electrification efforts and even third-party resources.”

8 Likewise, we assert that the analysis is not sufficient to support efforts to limit or weaken the
9 vision and reach of an RPS.

10 3. Entergy’s recommendation that “the Council should (i) make reducing emissions and
11 addressing climate change the primary focus of this proceeding and, as such, (ii) adopt a
12 technology-neutral CES” is illusory and ultimately inadequate. The very concept behind an RPS
13 is to change the direction on the business-as-usual choices that Entergy has made and continues
14 to make. The RPS that the Council adopts must express preferences for local, clean, resilience-
15 enhancing, job-creating, and sustainable resources. The best technologies with the best
16 comprehensive benefit-cost analysis results should be prioritized. Entergy’s proposal is, in the
17 end, for no standard at all.

18 4. In addition, Entergy’s premise in opposing a strong RPS that “currently-viable
19 technologies cannot support 100% carbon-free electricity or net-zero carbon emissions by 2050”
20 is false and caviling. First, “currently viable” is a vague and meaningless characterization.
21 Entergy has an abundant array of cost-effective and reliable distributed energy resources
22 available for use today, if it would only stop preferring uneconomic and polluting utility-scale

1 generation options. Second, Entergy’s position presumes that technologies will freeze in
2 performance and economics for the next 30 years. The costs and operational performance of
3 clean, distributed energy resources are continuously improving—where they are used. The
4 resources will improve in cost and performance if they are used in New Orleans. In today’s
5 electric utility environment, Entergy must be required by an R-RPS to solving for zero climate
6 emissions *and* cost-effectiveness *and* reliability—or make room for a utility operator that will.

7 5. We disagree with Entergy that its IRP process should drive the Council’s RPS policy.
8 Entergy has the approach exactly backwards. That is, the IRP should identify the optimal plan
9 for implementing the RPS.

10 6. We agree with Entergy that much work remains to be done in hammering out the details
11 of an RPS. But unlike Entergy, which would defer that important work indefinitely, we urge the
12 Council to adopt a strong mandatory R-RPS framework now in order to create the urgency and
13 commitment that Entergy lacks.

14 *Air Products and Chemicals, Inc.*

15 1. We agree with Air Products and Chemicals, Inc. (“APC” or “Air Products”) that further
16 analysis is an appropriate next step. APC raises the somewhat opaque way in which the
17 Advisors’ reviewed and characterized party analysis and recommendations in order to compose
18 their report and its three alternative optional approaches. Other parties have raised the same
19 concern. As SREA noted, the Advisors’ Report “may not fully capture [party] positions on all
20 items,” and therefore, the Council should “continue to develop opportunities for stakeholder
21 feedback and various iterations of the proposed RPS.”

1 2. Air Products proposes a cap on impacts on any rate impacts it may incur as a result of
2 RPS implementation. While we agree that guard rails like a rate impact cap are an appropriate
3 consideration, it is too early in the process to formally set the actual limitations—analysis of the
4 RPS pathways is required first. Any limitations must be equitable for *all* customers and must
5 recognize the major role that large industrial operations play in causing climate pollution.

6 3. We agree with APC that progress toward achieving the R-RPS should be tracked through
7 reports from Entergy. We further agree that such reports should be submitted in docketed
8 proceedings that give all interested stakeholders access to the information and an opportunity to
9 comment on appropriate action.

10 4. APC raises the issue of how Entergy’s failures to meet targets under an RPS will be
11 addressed. We agree that this is an important design element and deserves further discussion.

12 5. APC opposes commingling of funds from an alternative compliance mechanism with
13 funds in the Clean NOLA Fund. We believe this issue needs further discussion *after* the terms of
14 a compliance mechanism are established.

15 *Alliance for Affordable Energy & 350 New Orleans*

16 1. We endorse and reiterate Alliance for Affordable Energy’s (“AAE”) reply comments and
17 the recognition that the RPS should be seen as, and integrated with, a comprehensive strategy of
18 decarbonization and utility transformation. We further agree that this transformation should
19 include Entergy moving to a platform model of service that provides all New Orleans citizens
20 with non-discriminatory access to clean energy products and services.

21 2. We agree with and reiterate AAE’s comments that renewable energy procurement should
22 rely more on competitive procurement processes. Entergy’s capex bias and generous rate of

1 return create a strong incentive for the utility to prefer its own unnecessarily expensive fossil,
2 nuclear, and renewable resources. Markets are delivering renewables at much lower cost than
3 Entergy proposes.

4 3. We agree with and reiterate AAE’s comments that the RPS is not just about the type of
5 electricity supply resources that provide energy and capacity. The R-RPS can and will lead
6 Entergy and New Orleans in a particular direction toward a particular goal, that is, toward
7 enhanced grid resilience and greater integration of clean, renewable, job-creating distributed
8 energy resources.

9 4. We agree with AAE and 350 New Orleans on their comments regarding the Advisors’
10 promotion of nuclear power and carbon capture and storage (“CCS”). That is, these options
11 should not be a priority resource for an RPS or for New Orleans because they are unreliable and
12 too expensive. Under New Orleans’ R-RPS, best buys should go first—a sustainable energy
13 future requires it.

14 *PosiGen Solar*

15 1. We agree with PosiGen Solar (“PosiGen”) that customer- and third-party-owned and
16 operated solar resources represent a superior economic value to New Orleans as compared to
17 Entergy-owned solar.

18 2. We agree with PosiGen that leveraging private investment to secure energy resources in
19 the New Orleans community offers additional, premium value to an R-RPS investment strategy.
20 Further, the R-RPS community benefits can be strengthened with market-friendly mechanisms
21 like a local Green Bank.

22 3. We agree with PosiGen that Council should rely on the practical, real-world experiences
23 of actual businesses engaged in developing and delivering distributed energy resource services

1 and products. PosiGen’s comments are about what can be done. Further, we agree with PosiGen
2 that any assumptions about rate impacts must be grounded on facts and transparent data.

3 *Southern Renewable Energy Association*

4 1. In addition to Southern Renewable Energy Association’s (“SREA”) comments regarding
5 the Advisors’ Report’s characterization of party recommendations addressed above, we also
6 agree with SREA that any RPS tiers, carve-outs, or other technology-, customer-, and location-
7 specific provisions in the ultimate R-RPS should be carefully modeled and evaluated prior to
8 adoption. However, we caution that the Council should not make the “perfect” into the enemy of
9 the “good.” In the end, results should control, and the R-RPS policy should be flexible in service
10 of those results—a resilient and renewable energy system for New Orleans. We further support
11 SREA’s recognition that diversity—whether geographic, technological, or in ownership of
12 resources—can and will improve grid performance in New Orleans.

13 ***Conclusion***

14 The adoption of an R-RPS framework and the hard work to come in fleshing it out represent
15 some of the most auspicious and important work the Council can and should undertake to ensure
16 a safe, clean, equitable, and affordable life for New Orleans and its citizens today and in the
17 future. We appreciate the opportunity to provide these additional comments in the proceeding
18 and reiterate our commitment to active participation in the proceedings in the weeks and months
19 to come. The comments to date, as well as the report from the Advisors, are clarifying the
20 important decisions that the Council should and must soon make. The Audubon Society, the
21 Alliance for Affordable Energy, Vote Solar, 350 New Orleans, and other members of the Energy
22 Future New Orleans Coalition strongly urge the Council to adopt the R-RPS framework and to
23 set a truly sustainable course for New Orleans.