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September 23, 2019

**By Hand Delivery**

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

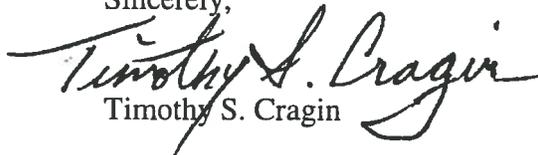
**Re: Monthly Progress Report on Entergy New Orleans, LLC's Collaboration with Sewerage & Water Board of New Orleans re: Reliability of Electric Service, Submitted Pursuant to Council Resolution R-19-78**

Dear Ms. Johnson:

Please find enclosed for your further handling an original and three copies of Entergy New Orleans, LLC's ("ENO") September 2019 Monthly Progress Report on Its Collaboration with the Sewerage and Water Board of New Orleans to Improve Reliability of Electric Service and Expedite a Long-Term Solution, which is submitted pursuant to Council Resolution R-19-78. Please file an original and two copies into the record and return a date-stamped copy to our courier.

Thank you for your assistance with this matter.

Sincerely,

  
Timothy S. Cragin

TSC\rdm

Enclosures

RECEIVED  
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BY: 

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cc (via electronic mail): Council President Helena Moreno  
Council Vice President Jason Rogers Williams  
Councilmember Joseph I. Giarrusso, III  
Councilmember Jay H. Banks  
Councilmember Kristin Gisleson Palmer  
Councilmember Jared C. Brossett  
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## **Entergy New Orleans, LLC's September 2019 Monthly Progress Report on Its Collaboration with the Sewerage and Water Board of New Orleans To Improve Reliability of Electric Service and Expedite a Long-Term Solution**

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Pursuant to Council Resolution R-19-78, Entergy New Orleans, LLC (“ENO” or the “Company”) submits this monthly progress report regarding its collaboration with the Sewerage and Water Board of New Orleans (“SWBNO”) to develop solutions to help ensure the reliability of electric service to SWBNO facilities, and to facilitate the transition of SWBNO to ENO as the primary source of reliable and economic power. As previously reported to the Council, the Company has already completed short-term mitigation measures to improve reliability to SWBNO until a long-term solution is in place, which have resulted in tangible results as discussed below. The Company has also identified certain improvements previously classified as mid-term that have been completed and further improve reliability in the near-term as the collaboration with SWBNO continues. Importantly, the remaining mid-term options under consideration do not represent a long-term solution. This report discusses the independent engineering analysis that identifies the preferred mid-term solution that would be reasonable to pursue prior to implementing the long-term solution.

### Short-term Risk Mitigation Measures

In its March 2019 report to the Council, the Company summarized the short-term measures undertaken to improve reliability in the near-term, including distribution feeder inspection and repair, substation maintenance and upgrades, as well as steps taken to improve communication between SWBNO and Entergy operations personnel. These improvements continue to provide improved reliability to SWBNO by reducing the risk of outages related to equipment failure.

In addition to the short-term measures completed to date, as previously reported to the Council, the Company has identified certain improvements previously classified as mid-term improvements that have been acted upon now to further improve reliability in the near-term as the collaboration with SWBNO continues. These improvements continue to provide improved reliability to SWBNO by providing the ability to isolate service points from feeder faults occurring outside of the backbone that serves SWBNO.

### Mid-Term Options

As previously reported to the Council, ENO and SWBNO formed a Joint Reliability Team (“JRT”) to collaborate in developing mid-term options and a long-term solution to help ensure the reliability of electric service to SWBNO facilities. The JRT meets at least once per month having previously met on the following dates prior to this report: December 5, 2018; and January 16, January 31, February 13, March 13, April 17, May 15, June 12, July 17, and August 7, 2019. On September 18, 2019, the JRT held a joint meeting with the independent 3<sup>rd</sup> party engineering firm, Power Control Systems International, Inc. (“PCS”), to conduct a final review of draft recommendations.

As previously reported to the Council, the mid-term options relate solely to upgrades that can be made to improve reliability of the distribution system that serves SWBNO's Carrollton

plant today and are not a long-term solution. In consultation with PCS, the JRT has finalized a preferred mid-term solution that has two complementary components designed to provide additional capacity on, and enhance reliability of, the distribution system that currently serves SWBNO's potable water system at its Carrollton plant. The first component will provide additional capacity at the Sycamore vault, facilitating SWBNO's plans to convert aging steam-driven pumps to electric-motor-driven pumps. This requires ENO to replace two 3.75MVA transformers with two 5MVA transformers at Sycamore and build a new distribution feeder from ENO's Joliet Substation to Sycamore, providing a back-up source of power in the event of an outage on the primary feeder. The second component would further improve reliability of the distribution system that currently serves the Carrollton plant by supporting uninterrupted pump operations when switching from primary to backup utility sources. This requires ENO to extend distribution feeder 2016 to a new 10MVA transformer that will be connected to the SWBNO generator turbine #6 bus. Additionally, SWBNO would be responsible for installing a high-speed motor bus transfer (MBT) scheme at the SWBNO frequency changer bus. This MBT scheme has been modeled and verified by PCS and would be capable of transferring from the primary source of power to a back-up a fraction of one second.

The JRT recommends implementation of the preferred mid-term solution as a bridge to the long-term solution. The preferred mid-term solution would significantly improve the reliability of SWBNO potable water pumps under single contingency ENO feeder faults. Additionally, the preferred mid-term solution would allow SWBNO to begin its transition to ENO as the primary source of reliable and economic power while development of the long-term solution continues.

### Long-Term Solution

As previously reported to the Council, while the preferred mid-term solution will improve reliability of the distribution system that powers the potable water system today, it will not provide the increased capacity necessary to power SWBNO's drainage pumping system served by the aging inefficient generation at the Carrollton plant. The long-term solution must provide both increased reliability and the additional capacity necessary to transition to ENO as SWBNO's primary source of power, including power for the drainage pumping system. The JRT has agreed that the long-term solution is to construct a new transmission substation adjacent to SWBNO's Carrollton plant. The new substation would provide increased reliability by routing power directly from the transmission system which is inherently less susceptible to outages, while also providing the increased capacity necessary to serve drainage pumps currently powered by aging and inefficient SWBNO generation. Importantly, the SWBNO's request for additional load-serving capacity on the distribution system highlights the need to expedite a transition to the long-term solution to construct a new transmission voltage substation allowing ENO to serve as the primary source of reliable and economic power.

Resolution R-19-78 directs ENO to expedite the development of a long-term solution and to provide a timeframe in which such a solution could be presented to the Council. ENO and SWBNO previously agreed to retain PCS to:

- i) Conduct an independent and impartial audit of the electrical facilities that serve the Carrollton plant;
- ii) Jointly evaluate the mid-term options and long-term solution; and

- iii) Provide a written report that makes recommendations for an optimized solution set.

PCS has completed a draft report summarizing the results of their analysis, including findings that support the preferred mid-term solution. The draft report is under review by ENO and SWBNO and is expected to be finalized in October. The Company will continue to update the Council on the progress of the study and the timing of a planned filing with the Council in future reports.