



October 31, 2022

By Electronic Mail

Clerk of Council
Room 1E09, City Hall
1300 Perdido St.
New Orleans, LA 70112

IN RE: RESOLUTION AND ORDER ESTABLISHING RULEMAKING TO CONSIDER SAVINGS TARGETS AND PROGRAM DESIGN FOR ENERGY EFFICIENCY, CONSERVATION, DEMAND RESPONSE AND OTHER DEMAND-SIDE MANAGEMENT PROGRAMS AS WELL AS CUSTOMER-OWNED DISTRIBUTED ENERGY RESOURCES AND BATTERY STORAGE

Dear Ms. Johnson,

Attached please find the Comments of the Alliance for Affordable Energy in the above matter. Please file the attached document and this letter in the record of the proceeding. We will file physical copies at your instruction. If you have any questions, please do not hesitate to contact me.

Thank you for your assistance with this matter.

Sincerely,

Susan Stevens Miller
Senior Staff Attorney
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Cc: Official Service List for Docket UD-22-04

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BEFORE THE COUNCIL OF THE CITY OF NEW ORLEANS

**IN RE: RESOLUTION AND ORDER)
ESTABLISHING RULEMAKING TO)
CONSIDER SAVINGS TARGETS)
AND PROGRAM DESIGN FOR)
ENERGY EFFICIENCY,)
CONSERVATION, DEMAND)
RESPONSE AND OTHER DEMAND-)
SIDE MANAGEMENT PROGRAMS)
AS WELL AS CUSTOMER-OWNED)
DISTRIBUTED ENERGY)
RESOURCES AND BATTERY)
STORAGE)**

DOCKET NO. UD-22-04

COMMENTS OF THE ALLIANCE FOR AFFORDABLE ENERGY

Date: October 31, 2022

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COMMENTS OF THE ALLIANCE FOR AFFORDABLE ENERGY

I. BACKGROUND

On September 15, 2022 the Council of the City of New Orleans (“Council”) issued Resolution No. R-22-413 regarding considerations related to setting goals for Energy Smart programs beginning in Program Year (“PY”)16. In the Resolution, the Council establishes “Docket No. UD-22-04 to consider modification of the Energy Smart energy efficiency and conservation program as well as potential Council policy with respect to [demand-side management] and customer-owned [distributed energy resources] and energy storage.”¹ The Alliance for Affordable Energy (“AAE” or “the Alliance”) provides these comments for the Council’s consideration in this Docket. These comments and recommendations do not represent the entirety of the modifications and expansions of Energy Smart that the Alliance supports, and

¹ Resolution No. R-22-413, Resolution and Order Establishing Rulemaking to Consider Savings Targets and Program Design for Energy Efficiency, Conservation, Demand Response and Other Demand-Side Management Programs as Well as Customer-Owned Distributed Energy Resources and Battery Storage, at 4 (Sept. 15, 2022) (“Resolution No. R-22-413”), <https://council.nola.gov/council/media/Assets/Committees/Climate/R-22-413-Rulemaking-Docket.pdf>.

AAE anticipates offering further recommendations and support for additional measures after considering the filings submitted by other stakeholders.

II. SUMMARY OF RECOMMENDATIONS

The Council indicates that it “wishes to consider what the next phase of the Energy Smart Program should be and whether the 2% goal should be maintained, increased, or otherwise altered.”² AAE recommends the following actions by the Council:

1. Maintain the 2% goal as a minimum achievement threshold for energy efficiency (“EE”) savings funded through Entergy New Orleans (“ENO” or “the Company”) program funds beginning in PY16 for at least the next three-year program cycle;
2. Establish additional performance metrics for ENO requiring 15% of total portfolio savings to benefit income-qualified (“IQ”) customers;
3. Establish new data collection and reporting protocols to ensure that program benefits are being targeted to those most in need;
4. Require ENO to develop and implement program enhancements for low-to-moderate income (“LMI”) customer programs that leverage the historic opportunity provided by the Inflation Reduction Act (“IRA”) rebates and tax credits;
5. Establish a Demand-Reduction Target that aligns with the achievable potential identified in ENO’s potential study, and includes a long-term goal of a 7% reduction in projected peak load with reductions targets at intervals along the way, including 6% by 2030;
6. Implement a Demand-Side Management (“DSM”) Working Group

² Resolution No. R-22-413 at 2.

A. Maintain the 2% energy savings goal for at least the PY16 to PY18 program cycle.

Based on the Energy Independence and Security ACT (“EISA”) Phase II enforcement decisions that will affect ENO’s ability to claim savings for promoting many LED lighting products, ENO proposes an Energy Smart Implementation Plan (“the Plan”) that “shows a regression in savings for PY14, relative to the 0.2% annual, incremental growth goal. Recovery is planned for PY15, when multiple initiatives will enable the program to recover from the EISA impacts and target the 2.0% annual kWh savings goal in that year.”³ However, the Plan proposes that ENO will achieve 2% savings in PY15 despite scaling back savings from many LED lighting products. The Plan was filed a year and a half before the beginning of PY14, which, in AAE’s view, is sufficient lead time for ENO to adjust its programs to meet the 2% savings target in PY14 and for subsequent years. Indeed, ENO’s 2021 Integrated Resource Plan DSM Potential Study states that “The 2% program case, which was calibrated to the current PY10-12 Implementation Plan, achieves at least 2% of sales savings from 2025 through 2029.”⁴

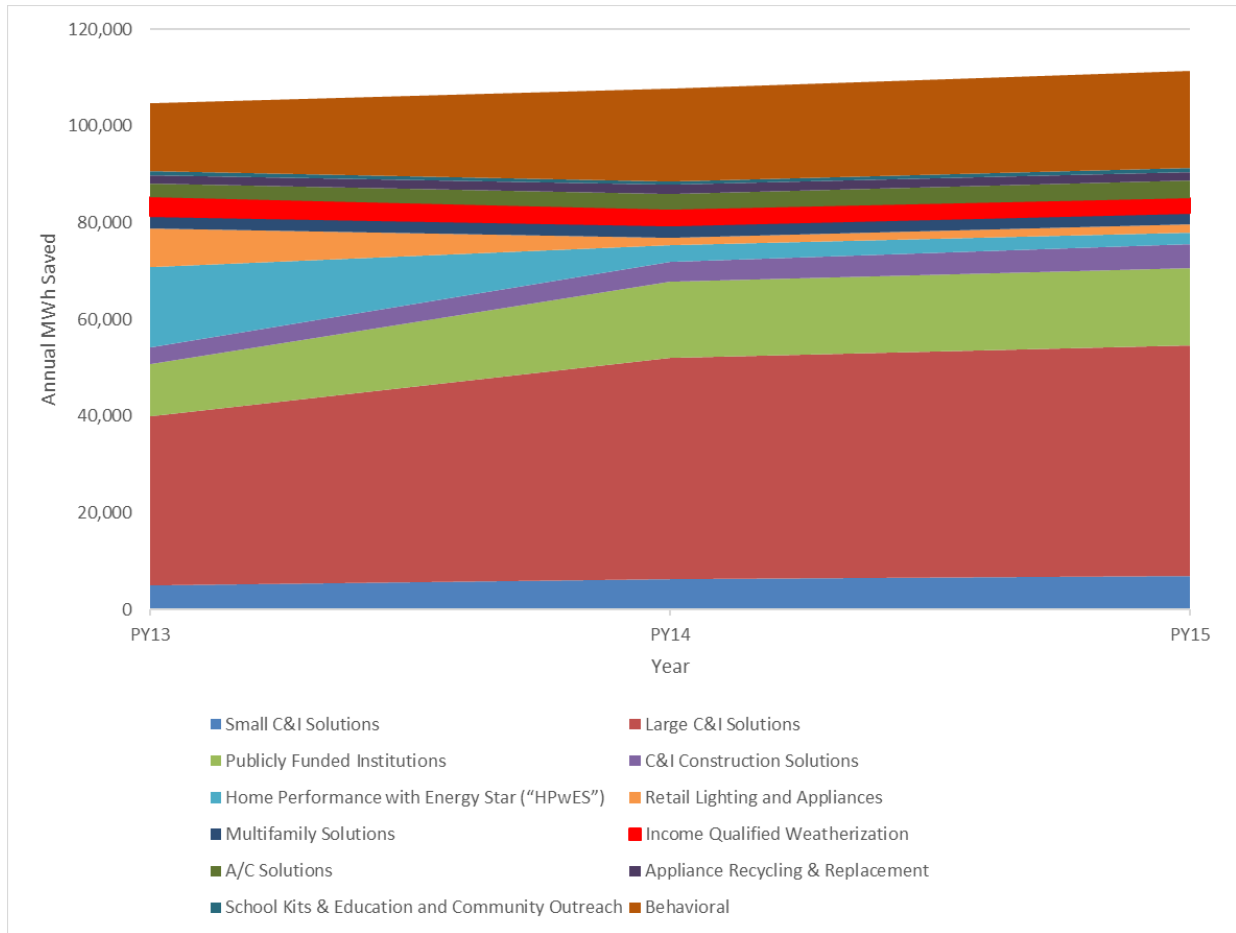
The Plan increases investments and savings in PY14 for several program areas to reach the 2% requirement, but it does not do so uniformly. Figure 1 illustrates that savings in Home Performance with ENERGY STAR and Retail Lighting and Appliances are expected to decrease

³ Entergy New Orleans, LLC’s Application for Approval of the Implementation Plan for Program Years 13-15 of the Energy Smart Program (“Application”), Exhibit: *Energy Smart Implementation Plan Report for Program Years 13 through 15*, at pdf p. 21, Docket Nos. UD-20-02 and UD-08-02 (July 29, 2022) (“Energy Smart Implementation Plan Report for PY13–15”).

⁴ 2021 Integrated Resource Plan DSM Potential Study, Prepared for Entergy New Orleans LLC by Guidehouse, at xvi, Docket No. UD-20-02 (July 30, 2021) (“2021 IRP DSM Study”).

between PY13 to PY14, which the Plan explains is due to changes in federal lighting efficiency standards.⁵

Figure 1: PY13–PY15 Program Savings⁶



Rather than attempting to significantly ramp up participation in home efficiency improvement measures such as insulation, air sealing, and the installation of new high efficiency heating and cooling equipment, it appears that ENO is content to simply decrease the benefits that are

⁵ Energy Smart Implementation Plan Report for PY13–15 at pdf p. 15; Application, Exhibit: *January 1, 2023–December 31, 2025 Program Years 13, 14 and 15 Energy Smart Energy Efficiency Demand Side Management Plan*, at pdf p. 35–36.

⁶ *Id.* at pdf pp. 19–20 (Tables for Program Year 13, Program Year 14, and Program Year 15 proposed budgets).

available to households. Instead, ENO focuses its increased investments and savings in the Large Commercial & Industrial (“C&I”) Solutions and Publicly Funded Institutions program areas, as well as the Behavioral program.⁷

The last three years of volatile energy costs, increasing extreme heat and cold, and economic challenges have highlighted the stark need for energy programs that address the needs of residents. More specifically, households with low-wealth, high energy burdens have been pushed into energy insecurity.⁸ There are historic and systemic reasons for the fact that a family in Central City has a very different relationship with their utility bill than a household a mile away in Uptown. A renter in a small double shotgun house who lives on St. Andrew Street may experience a hot August day that feels like 113 degrees, and receive a utility bill that month equaling half their income. While no utility or energy program has the sole ability to address all of the overlapping drivers, stretching back generations, that have created these inequities, AAE contends that New Orleans is uniquely positioned to start with focused energy policy. Redirecting program benefits and investments to large C&I programs is not the right starting point.

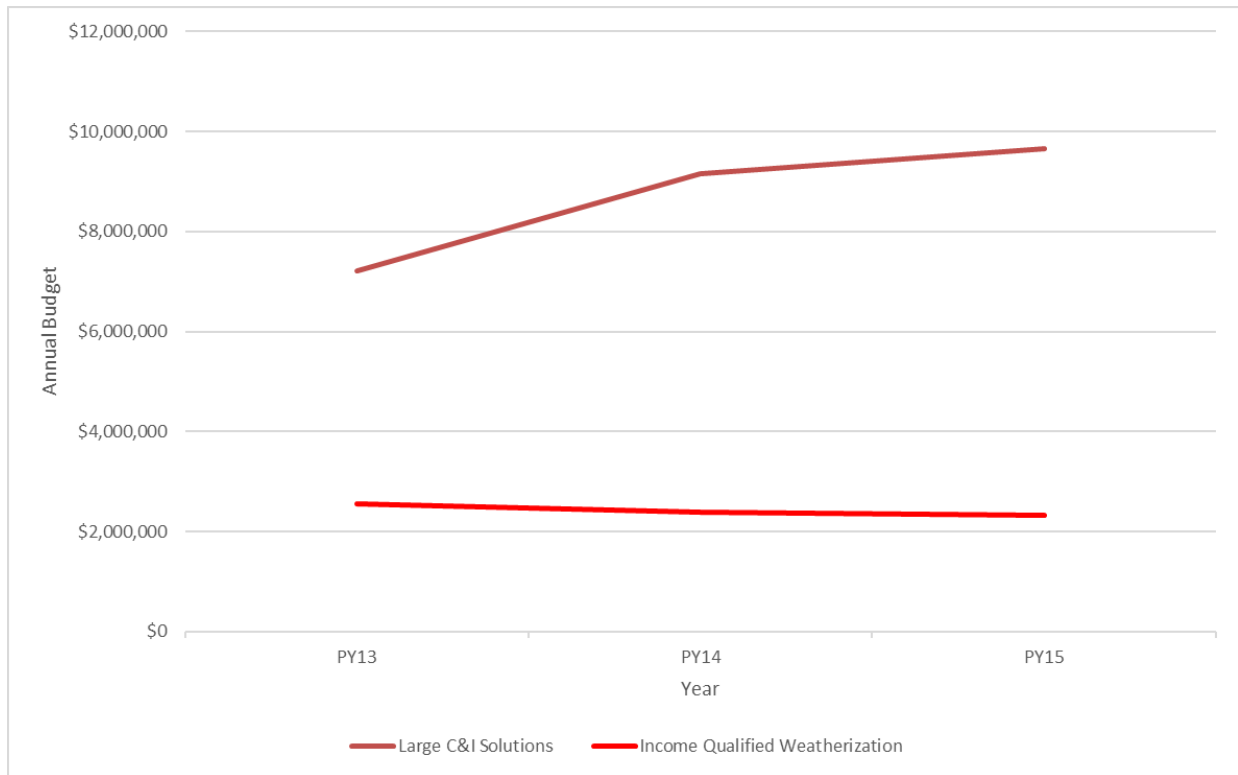
⁷ See Figure 1: PY13–PY15 Program Savings.

⁸ See Trevor Memmott et al., *Sociodemographic disparities in energy insecurity among low-income households before and during the COVID-19 pandemic*, 6 *Nature Energy* 186 (2021), <https://www.nature.com/articles/s41560-020-00763-9>; Carlos Martin, *The Inflation Reduction Act will reduce household energy insecurity—but it could do more*, Brookings Institute (Aug. 22, 2022), <https://www.brookings.edu/blog/the-avenue/2022/08/22/the-inflation-reduction-act-will-reduce-household-energy-insecurity-but-it-could-do-more/> (“The last Household Pulse Survey from the Census Bureau confirms that rates for all energy hardships are higher now than the 2020 observations used above, and likely increasing in the near future [and] . . . [e]nergy costs have soared in the last two years.”); see also William D. Bryan & Maggie Kelley, *Energy Insecurity Fundamentals for the Southeast*, Southeast Energy Efficiency Alliance (Feb. 2021), https://issuu.com/seealliance/docs/report_energyinsecurity_02_15_2021_v1.

B. Establish additional performance metrics for ENO requiring certain levels of savings and investments to benefit income-qualified (IQ) customers

Understanding that the PY13–PY15 Plan is not the primary focus of this docket, AAE contends that the information that plan provides should be viewed both as ENO’s roadmap for achieving the current 2% savings requirement and as indicative of the future direction that ENO might propose, should the Council extend its savings requirement. In this light, it is notable that during the PY13–PY15 Plan period, the proposed annual investments in the IQ Weatherization program decrease by over 8% while the investments in the Large C&I program increase by roughly one-third. The proposed budgets for these two programs are compared in Figure 2.

Figure 2: PY13-PY15 Program Budgets⁹

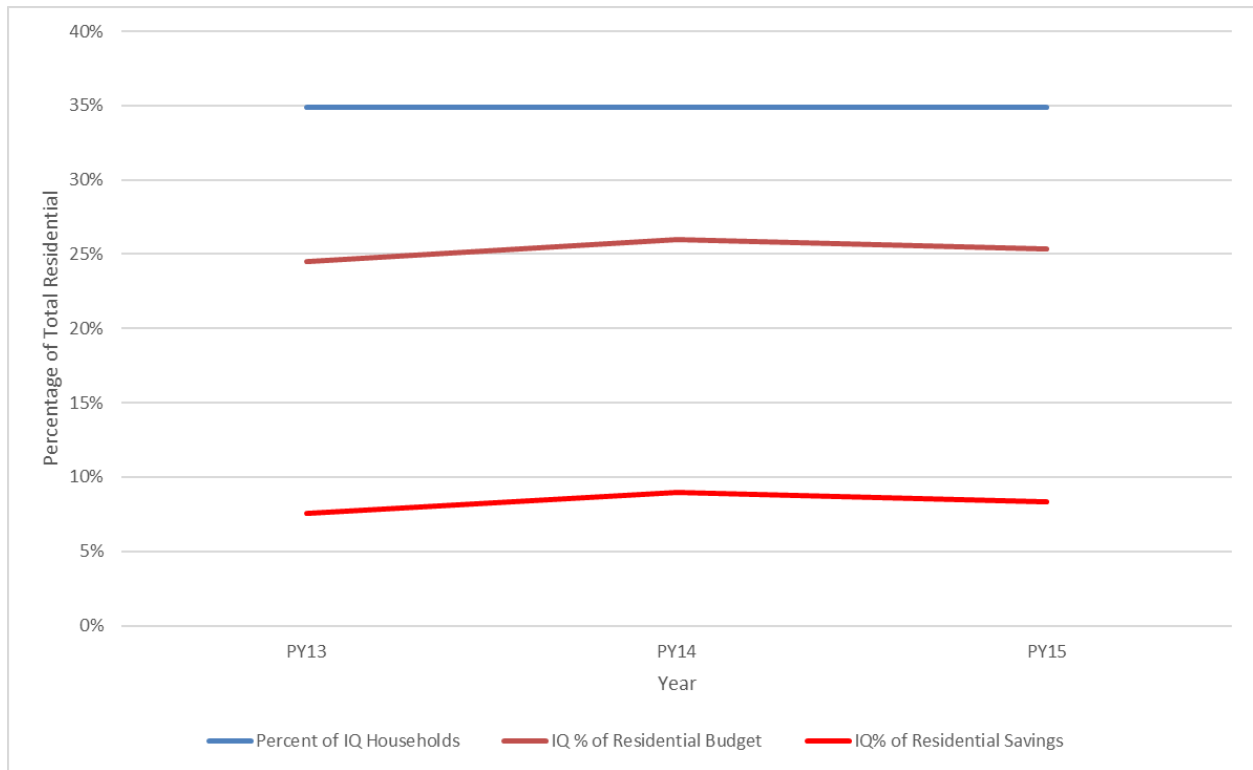


⁹ Energy Smart Implementation Plan Report for PY13–15 at pdf pp. 19–20 (Tables for Program Year 13, Program Year 14, and Program Year 15 proposed budgets).

It is not clear to AAE that the IQ budgets proposed in the Plan bear any relationship to the level of need experienced by ENO’s ratepayers. Indeed, by any obvious metric, the PY13–PY15 Plan (and by extension the IQ program proposal) is not equitable. Consider that roughly 35% of ENO’s residential customers have incomes that are low enough for them to qualify and participate in the IQ program,¹⁰ while only about a quarter of the residential program budgets are targeted for IQ Weatherization, and less than 10% of the annual residential portfolio savings are expected to benefit IQ customers as illustrated in Figure 3. To put it bluntly, IQ households are paying for a greater share of the residential program budgets than is expended on programs intended to serve them. Even more troubling is that these households, having the greatest need for energy bill relief that could be provided in the form of energy savings, receive an even smaller share of the residential savings—just over 8% on average from PY13 to PY15, despite making up 35% of the households served by ENO.

¹⁰ 64,840 households under 200% of the Federal Poverty Level (“FPL”) per the Department of Energy Low-Income Energy Affordability Data (“LEAD”) tool: U.S. Dept. of Energy, *LEAD Tool* (exported Oct. 25, 2022) (“LEAD Tool”), <https://www.energy.gov/eere/slsc/maps/lead-tool> (filtering by Federal Poverty Level and Housing Counts). 186,600 residential accounts per EIA 861 data for 2020: U.S. Energy Information Administration, *Annual Electric Power Industry Report, Form EIA-861 detailed data files*, at Year 2020 sheet ‘Sales_Ult_Cust_2020’ (“EIA-861 Data”), <https://www.eia.gov/electricity/data/eia861/>.

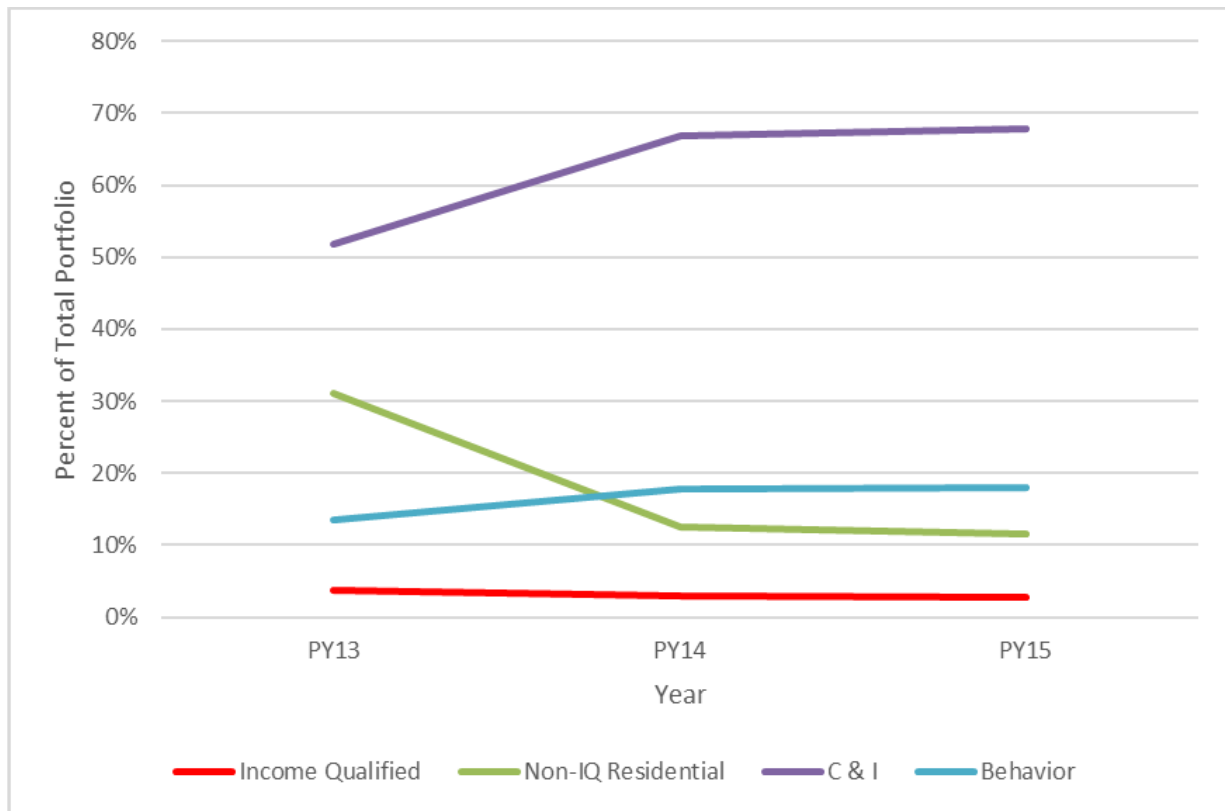
Figure 3: Percent of Residential customers below 200% FPL compared with % of Residential IQ budgets and savings¹¹



The disparity is even more stark when looking at total portfolio savings, as illustrated in Figure 4. The savings attributable to IQ Weatherization in the Plan decline from 3.6% in PY13 to 2.7% in PY15. Savings for some other residential programs also decline while savings for C&I increase significantly. AAE recognizes that this is related to the cost of obtaining the savings that are available in the different sectors but does not accept that the result should be a portfolio that fails to provide equitable opportunities for the Company’s customers who are most in need of energy savings benefits.

¹¹ *Id.*; Energy Smart Implementation Plan Report for PY13–15 at pdf pp. 19–20 (Tables for Program Year 13, Program Year 14, and Program Year 15 proposed budgets).

Figure 4: Percent of Total Portfolio Savings by Sector¹²



Participation rates in the IQ Weatherization program over the past several years support AAE’s position that the share of benefits accruing to IQ-eligible households is inadequate. ENO states that “Over the last three years alone, the Program has helped 2,321 income qualified customers by installing energy savings measures in their homes and apartments at no cost to them.”¹³ AAE appreciates the significance of this help for the households that participate, but the rate of participation is too slow. At an average of less than 800 households per year, it would take 80 years to reach all of the households in New Orleans that are currently eligible for the IQ

¹² *Id.*

¹³ Energy Smart Implementation Plan Report for PY13–15 at pdf p. 14.

program.¹⁴ In the meantime, customers who have been unable to participate will continue to pay for the programs without seeing direct benefits for their households.

To address these inequities, AAE recommends that within the 2% portfolio savings requirement, a subgoal should be established to ensure that IQ customers receive an equitable share of investments and benefits. AAE proposes that at least 15%¹⁵ of total portfolio savings should result from the participation of IQ households in program offerings that are specifically designed to serve the needs of the IQ community, such as the IQ Weatherization program.

It is also important to note that this is a simplified approach to ensuring equal distribution of benefits—but it falls far short of being “equitable.” Even this greatly increased level of investment and savings for IQ households is not likely to be enough to overcome historic inequalities, systemically higher energy burdens, and increased harmful effects of climate change.

C. *An Enhanced level of effort is needed in disadvantaged communities*
(i) *Extraordinary Energy Burdens*

The LEAD tool developed by the U.S. Department of Energy provides a stark illustration of the severity of energy burdens¹⁶ of households in Orleans Parish. As shown in Figure 5, the average IQ household in Orleans Parish is notably more energy burdened than average

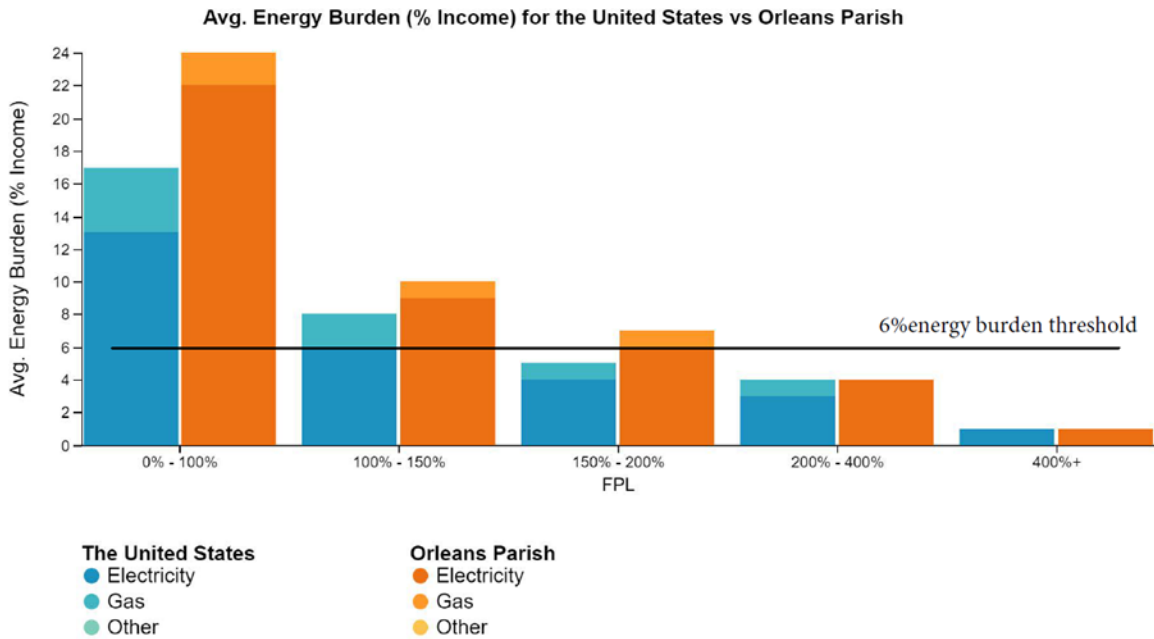
¹⁴ LEAD Tool. See energy.gov/eere/slsc/maps/lead-tool, *supra* n.10.

¹⁵ EIA 861 shows that residential sales were 42% of total ENO sales in 2020. EIA-861 Data at Year 2020 sheet ‘Sales_Ult_Cust_2020’ (<https://www.eia.gov/electricity/data/eia861/>) (calculated by dividing Residential kWh sales (column k) by Total kWh sales (column w)). For simplicity, AAE calculates that the IQ household share of total residential sales would be equal to the share of IQ households, or 35%. 35% of residential sales would equal 15% of total sales.

¹⁶ Energy burden is the percent of gross monthly household income that would be needed to pay energy bills. Energy burden above 6% is considered high, and above 10% is considered severe. Ariel Drehobl et al., *How High Are Household Energy Burdens?: An Assessment of National and Metropolitan Energy Burden across the United States*, at 3 (Sept. 2020), <https://www.aceee.org/sites/default/files/pdfs/u2006.pdf>.

households in the same income categories in the U.S. as a whole. Households in Orleans Parish with incomes below 200% FPL are also far more energy burdened than Orleans households at higher income levels.

Figure 5: Orleans Parish Energy Burdens Compared to U.S.¹⁷



Low-Income Energy Affordability Data Tool Chart Export (<https://lead.openei.org/>)
 Exported On: 10/25/2022
 Building Age: Before 1940, 1940 - 59, 1960 - 79, 1980 - 99, 2000 - 09, 2010+
 Heating Fuel Type: Utility Gas, Bottled Gas, Electricity, Fuel Oil, Coal, Wood, Solar, Other, None
 Building Type: 1 unit detached, 1 unit attached, 2 units, 3 - 4 units, 5 - 9 units, 10 - 19 units, 20 - 49 units, 50+ units, Boat/RV/Van, Mobile/Trailer
 Rent/Own: Renter-occupied, Owner-occupied
 FPL: 0% - 100%, 100% - 150%, 150% - 200%, 200% - 400%, 400%+

Energy Smart is not being utilized at a level that is comparable to the number of IQ households in the community, let alone providing savings at a level that is consistent with their energy use. Even if it were, that would still not be close to what is required to bring energy burdens down to the level experienced by households above the IQ threshold or even below a 6% energy burden. IQ households should not, in effect, pay for more EE than they are able to directly benefit from. AAE bases its recommended 15% of portfolio savings minimum threshold to achieve a more equitable distribution of benefits so that IQ program benefits will be

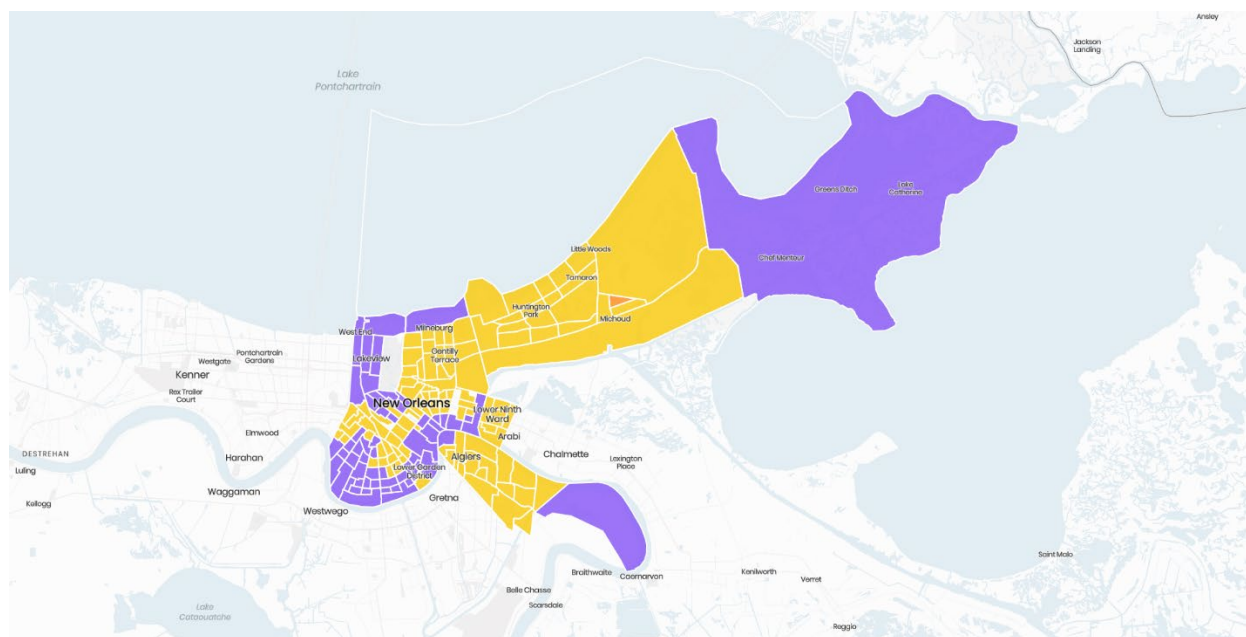
¹⁷ LEAD Tool. See energy.gov/eere/slsc/maps/lead-tool, *supra* n.10.

commensurate with the share of households that would qualify to participate in the IQ program. Importantly, this requirement should be established for the Energy Smart portfolio regardless of ENO's ability to leverage Inflation Reduction Act funds—even though AAE recommends that ENO should make specific efforts to leverage those funds, as discussed below.

D. Establish new data collection and reporting protocols to ensure that program benefits are targeted to those most in need

While all customers who meet income criteria should be afforded a full opportunity to participate in ENO's IQ programs, it is clear that certain geographic areas within New Orleans face severe energy burdens as a community, in addition to numerous other harmful consequences of historic, systemic discrimination. Figure 6 shows the median percentage of racial groups by census tract. In areas shaded yellow, the median is Black, and in those areas shaded purple the median group is white.

Figure 6: Median Percentage of Racial Groups¹⁸



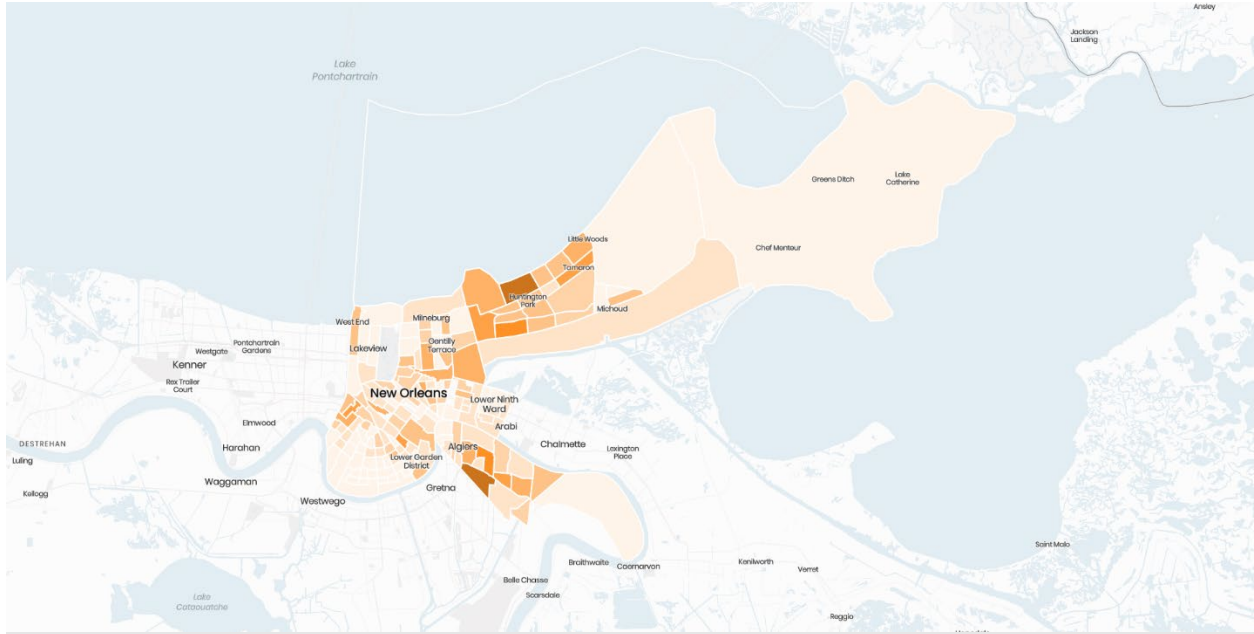
Regarding recent participants in the IQ Weatherization program, ENO states that “[i]n many cases, these customers live in geographic areas of the city that are affected by heat islands or particularly severe energy burdens.”¹⁹ This recognition is important, and AAE recommends the Council direct ENO to obtain these geographic data pertaining to energy burden, urban heat index, and race, and to further correlate it with utility data on arrearages and disconnections. The reporting should also be presented with disconnection, late fee, and arrearage levels in order for the Council and other stakeholders to track how increased and targeted programming improves energy security over time. ENO should target its increased IQ program investments to the communities that are most in need, as evidenced by analysis of these data. AAE further recommends the Council require ENO to track participation in its IQ programs by census tract,

¹⁸ See Greenlink Analytics, *Greenlink Equity Map* (last visited Oct. 2022), <https://www.equitymap.org/> (“Greenlink Equity Map”) (Mapped using census tract race percentages data for Orleans Parish, Louisiana).

¹⁹ Energy Smart Implementation Plan Report for PY13–15 at pdf p. 14.

so the Council can determine the extent to which ENO is succeeding in providing services to energy burdened communities that must contend with urban heat islands.

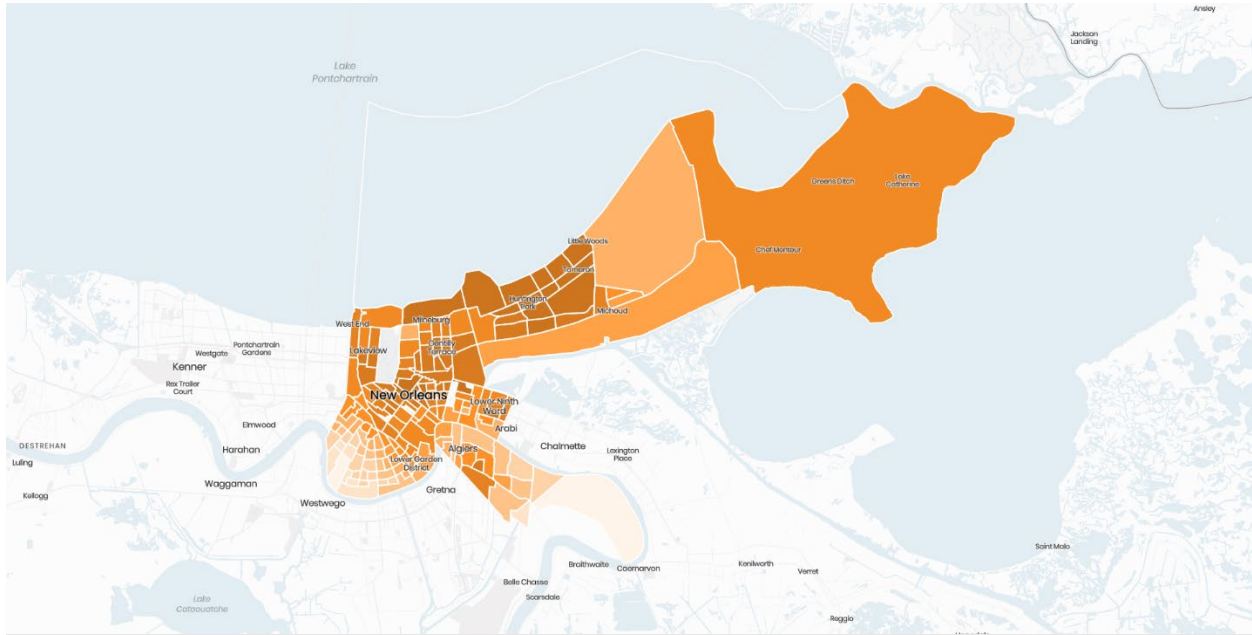
Figure 7: Severe Energy Burden above 10%²⁰



The areas with median populations that are predominantly Black are strongly correlated with severe energy burdens above 10%, illustrated in Figure 7, where a darker shading indicates higher energy burden. There is also significant correlation between the areas with severe energy burden and higher temperatures, as shown in Figure 8 in which darker shading indicates a higher urban heat index.

²⁰ Greenlink Equity Map. See <https://www.equitymap.org/>, *supra* n.18 (Mapped using census tract data for Orleans Parish, Louisiana, and Energy burden above ten percent).

Figure 8: Urban Heat Index²¹



E. Require ENO to develop IQ program enhancements to leverage the historic opportunity provided by the IRA rebates and tax credits. Energy Smart should develop IQ program processes to facilitate and streamline the process for customers to improve home energy efficiency using Energy Smart program funds and IRA rebates and credits together.

The influx of funding that the Infrastructure Investment and Jobs Act (“IIJA”) and IRA are expected to provide in support of energy efficiency and climate preservation will, if effectively implemented, provide significant benefits to the region’s disadvantaged households. Energy Smart can and should play an important role in ensuring that these funds are made accessible to households that might otherwise struggle to navigate potentially complex program rules.

²¹ Greenlink Equity Map. See <https://www.equitymap.org/>, *supra* n.18 (Mapped using census tract data for Orleans Parish, Louisiana, and heat index data).

The proposed IRA incentives in particular are significant, especially for lower-income households. AAE’s understanding is that the majority of funds targeted for household EE investments are intended to flow through State Energy Offices (“SEO”),²² and each state will need to determine the specific participation processes that it will employ to put these funds to use. It also appears that the U.S. Department of Energy needs to flesh out certain details regarding the deployment of the allocated funds before they can be made available to the states.

Significant funds will become available for the installation of heat pumps that provide highly efficient air conditioning and heating, as well as heat pump water heaters and other electric technologies. It may be possible for lower-income households to upgrade to a high efficiency heat pump without spending any of their own funds. There are also generous incentives for overall building efficiency improvements, such as those that result from building insulation, air sealing improvements, and other measures. A partial listing of these is shown below in Table 3. As written, the IRA states that households whose annual income is below 80% of Area Median Income (“AMI”) will be eligible for an incentive of 100% of the installed cost up to the maximums shown in the table. Households with incomes between 80% AMI and 150% AMI will be eligible to receive 50% of the installed cost up to the maximum amounts shown.²³

²² See generally, Inflation Reduction Act of 2022, H.R.5376, 117th Cong., Sections 50121; 50122 (2022) (“IRA”), <https://www.congress.gov/bill/117th-congress/house-bill/5376/text>.

²³ IRA Sections 50121(d)(3); 50122(c)(3)-(4).

Table 1: Expected IRA Incentives²⁴

Efficiency Upgrade	Maximum Incentive
Heat Pump Water Heater	\$ 1,750
Air Source Heat Pump	\$ 8,000
Electric Induction Stove	\$ 840
Heat Pump Clothes Dryer	\$ 840
Electric Panel Upgrades	\$ 4,000
Basic Weatherization	\$ 1,600
Electric Wiring	\$ 2,500
Whole Home Energy Reduction	\$ 8,000

There are also significant increases and extensions of federal energy efficiency tax credit provisions, and it appears that homeowners can use both the incentives and tax credits for applicable purchases.²⁵

However, federal funds often come with cumbersome application and reporting processes. We strongly recommend the Council require ENO to develop IQ program enhancements targeted to LMI households that are specifically designed to ensure that LMI customers can take full advantage of the opportunities presented by the IRA. Without such a resource providing information and participation support, it is unlikely that the City’s households will be able to take full advantage of this historic funding opportunity. For example, the Whole Home Energy Reduction Rebates (“HOPE for HOMES”) initiative will base incentives on modeled energy savings.²⁶ Energy Smart could fill a critical role by providing energy audits,

²⁴ Information is from Rewiring America and subject to change as rules are further developed: Rewiring America, *Savings Calculator* (last visited Oct. 2022), <https://www.rewiringamerica.org/app/ira-calculator>.

²⁵ Information is from Rewiring America and subject to change as rules are further developed: Rewiring America, *High-Efficiency Electric Home Rebate Program IRA Fact Sheet*, (last visited Oct. 2022), https://assets.ctfassets.net/v4qx5q5o44nj/7LiHS6hhVKaIdph8bdVV8b/fbac70d0d6e74ce7a467ad526d47af29/HEEHRA_factsheet.pdf. See generally, Rewiring America, *Fact Sheets*, <https://www.rewiringamerica.org/ira-fact-sheets>.

²⁶ *Id.* See generally, Rewiring America, *Fact Sheets*, <https://www.rewiringamerica.org/ira-fact-sheets>.

ensuring that qualified home energy modelers are available to conduct the required analysis, and including construction management as a program service for LMI homes in New Orleans.

Ideally, the IRA support services should be provided seamlessly as a component of ENO's IQ Weatherization program to make it as easy as possible for IQ households to maximize their savings.

F. Establish a peak reduction target

Entergy's most recent DSM Potential Study outlines achievable cost effective Demand Response ("DR") programs that reach 70 MW by 2040, or just over 7% of summer peak demand.²⁷ With 60 of these MW achievable by 2029, AAE recommends the Council set a Demand Reduction target that aligns with the achievable potential identified in the study, with a long-term goal of demand reductions from DR programs to reach 7% of projected peak load, and reduction targets at intervals along the way, including 6% by 2030. Additional demand reductions are also expected as a result of efficiency measures, however, AAE recommends that the Demand Response programs are a better indicator of the utility's efforts to reduce overall demand.

Thanks to previous DR programs and pilots, we feel confident that the utility has the information it needs to move forward, in particular, with a Peak Time Rebate DR program. Further discussion about other specific programs or time-of-use mechanisms should be discussed by a stakeholder DSM working group, described below.

G. Demand-side management working group

The Alliance recommends the Council create a DSM Working Group, and that the group meet four times annually to address program success, development, or changes that can better

²⁷ 2021 IRP DSM Study at 70.

serve New Orleanians. Successful working groups such as “Parties Working Collaboratively” in Arkansas and the “Stakeholder Advisory Group” in Illinois have demonstrated that the appropriate commitment of resources to stakeholder collaboratives can effectively drive policy and program improvements. A strong “Working Group” could work through the potential benefits and pitfalls of various program proposals and develop consensus recommendations for the Commission to consider. The Working Group should be facilitated by the Council Utility Regulatory Office and should also include representatives of the third party administrator. This Working Group should develop plans for implementation and new programs starting in 2023, in order for programming to be ready for 2024 and beyond, and for identifying new recommendations for Council approval. The Working Group should include intervenors in this docket but should also allow for a process to include participants who may not have intervened in this docket.

III. CONCLUSION AND SUMMARY OF AAE RECOMMENDATIONS

In conclusion, while we reserve the right to provide additional recommendations as we receive more information from other stakeholders, the Alliance recommends that the City Council:

1. Maintain the 2% goal as a minimum achievement threshold for energy efficiency savings funded through Entergy New Orleans (“ENO”) program funds beginning in PY16 for at least the next three-year program cycle;
2. Establish additional performance metrics for ENO requiring 15% of total portfolio savings to benefit income-qualified customers;
3. Establish new data collection and reporting protocols to ensure that program benefits are being targeted to those most in need;

4. Require ENO to develop and implement program enhancements for low-to-moderate customer programs that leverage the historic opportunity provided by the Inflation Reduction Act rebates and tax credits;
5. Establish a Demand-Reduction Target that aligns with the achievable potential identified in ENO's potential study, with a long-term goal of demand reductions from Demand Reduction programs to reach 7% of projected peak load, with reductions targets at intervals along the way, including 6% by 2030; and
6. Implement a Demand-Side Management Working Group.

Date: October 31, 2022

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**IN RE: RESOLUTION AND ORDER ESTABLISHING RULEMAKING TO
CONSIDER SAVINGS TARGET AND PROGRAM DESIGN FOR ENERGY
EFFICIENCY, CONSERVATION, DEMAND RESPONSE, AND OTHER
DEMAND-SIDE MANAGEMENT PROGRAMS AS WELL AS CUSTOMER-
OWNED DISTRIBUTED ENERGY RESOURCES AND BATTERY
STORAGE**

I, Maya DeGasperi, hereby certify that I have this 31st day of October, 2022, served copies of the foregoing on all known parties on the Official Service List for Docket No. UD-22-04 by electronic mail.



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