



August 27, 2020

Via Electronic Mail

Ms. Lora W. Johnson, CMC, LMMC
Clerk of Council
Council of the City of New Orleans
Room 1E09, City Hall
1300 Perdido Street
New Orleans, LA 70112
lwjohnson@nola.gov

**In Re: RESOLUTION AND ORDER ESTABLISHING ADOCKET AND
OPENING A RULEMAKING PROCEEDING TO ESTABLISH
RENEWABLE PORTFOLIO STANDARDS
DOCKET NO. UD-19-01**

Dear Ms. Johnson:

Please find enclosed Energy Future New Orleans's (EFNO) Comments in the above-mentioned docket. Please file the attached communication and this letter in the record of the proceeding. As a result of the remote operations of the Council's office related to COVID-19, EFNO submits this letter electronically and will submit the requisite original and number of hard copies once the Council resumes normal operations, or as you direct. EFNO 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 contact me.

Thank you for your time and attention,

Sincerely,

A handwritten signature in black ink, reading 'Logan Atkinson Burke', is written over a horizontal line.

Logan Atkinson Burke
Executive Director
Alliance for Affordable Energy
Energy Future New Orleans



Via Electronic Mail Only
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Councilmembers,

The City Council of New Orleans must step in to right the course of the development of a Renewable Energy Portfolio Standard ("RPS") for our City. The Energy Future New Orleans Coalition ("EFNO") has worked collaboratively and in good faith to participate in the development of an RPS. As of today, the contracted Advisors have proposed an approach that will not meet the Council's objectives nor ensure the outcomes needed for our City. It is time for a Council-directed course correction.

Over the past five months EFNO has participated in two technical conferences, provided formal written letters to the Council and parties with recommendations and proposals to take the Council's directions from Resolution R-20-104 and to create a transparent and successful policy. This group has a sincere desire to accomplish what the Council identified as their goals in the resolution, and in press coverage that followed.

Unfortunately, our good intentions and hard work have so far been met with draft policy language that gives the electric utility an ever-growing list of tools that excuse, forgive, or even credit an unsuccessful effort. While the Council's directions described a mandate, the policy on the table includes various opportunities, even invitations, for Entergy to miss goals. The Advisors have invited quibbling and equivocation on the most important aspects of the Standard. As two hurricanes formed in the Gulf, and despite the Council's clear intention to reduce carbon emissions from our energy supply, Entergy and Air Products joined forces in a disappointing and forceful effort against even defining "emissions reductions."

After a great deal of discussion and not without a strong measure of internal compromise, EFNO has identified a potential Council action that could resolve many of the concerns raised in this docket. As the Council has recently approved the initiation of the next cycle of Integrated Resource Planning with resolution R-20-257, EFNO proposes that rather than instate a renewables policy not founded on data and that primes the City for failure, the Council should suspend this RPS rulemaking and instead pass a "clean bill" resolution mandating clean energy and emissions reductions goals which can be implemented following the current Integrated Resource Planning cycle. The IRP must include a full evaluation of an RPS Compliance Scenario, along with all the foundational support that comes from that proceeding, including technical analysis, modeling, and cost projections. Only with such an analytical foundation--currently missing in the Advisors' work--the details of RPS implementation and oversight can be properly formulated.

Simply stated, we propose the Council vote on a resolution that confirms the performance objectives and guidelines of the Council's mandate and allow a robust IRP analytical and engagement process to guide and inform implementation.

Significant Problems in the Advisors' Current Renewable and Clean Portfolio Standard ("RCPS") Scheme

The Advisors have not used a formal process in developing their RCPS proposal that captures the concerns and comments of participating stakeholders. As such, this letter offers some of the concerns EFNO members have voiced in the technical sessions and informal comment opportunities. Far more has been shared with the Advisors than economy will allow for in this letter.

As currently drafted, the draft Advisors' RCPS provides off-ramps and extra credit against performance obligations that are unnecessary and/or unfounded. More attention has been paid in this process to these standard-weakening mechanisms than on tracking, reporting, and achieving emissions reductions. These measures include arbitrary multipliers that create the illusion of compliance with clean energy goals but vaporize when multipliers are no longer applied. Indeed, if multipliers are needed to encourage market adoption of certain priority resources--to overcome barriers to economic adoption of clean energy measures--the IRP process should point to appropriate levels of credit.

Another unnecessary and mission-defeating side-step the draft rule enables is "banking" of renewable energy credits multiple years after credits have been generated or procured. Rather than encourage energy resource investments that perform consistently over multiple years, banking just sets up a strong utility incentive for meeting its quota with opportunity purchases of excess credits that would not earn certification credit when applied in later years. If the purpose of the Council's policy is to change the way that New Orleans' energy is generated and where it comes from, then surely a policy that enables a start-stop approach is antithetical to the goals. The impacts of a banking measure on market development and stability was not considered or evaluated by the Advisors in spite of the abundant evidence from on again-off again federal tax policy on the orderly development of self-sustaining clean energy markets. A policy that does not continue to build upon its successes will not lead to the market transformation necessary to transition our energy system. The RCPS should provide a clear guideline for this transformation, that establishes metrics for success, rather than various mechanisms like banking and multipliers that obscure overall goals.

Future Council Action

Alongside a "clean bill" resolution, we urge the Council to require transparent disclosure of emissions data and RPS performance metrics. Without a widely-understood baseline of emissions, using the most recent data and reasonably accurate forecast of existing resource availability, the Council and public cannot track success or understand what next steps are necessary to move the city in the right direction. Indeed, the first RPS technical conference with the Advisors revealed a major difference between assumed and actual "clean energy generation" from the Grand Gulf plant. Advisors have proposed revisiting their RCPS once a decade--an irresponsible level of oversight given that Grand Gulf remains currently at a full outage.

The Council has already done the right thing: You have confirmed an intent and determination to transform our City's energy usage and supply, reduce carbon emissions, protect ratepayers, and take truly effective and meaningful climate action. The next and clearest step is to direct Entergy and the parties to engage with the IRP process to develop an RPS Compliance Plan that reflects a path forward to achieve our common and necessary goals.

Respectfully submitted,

Andy Kowalczyk, 350 New Orleans

Logan Burke, Alliance for Affordable Energy

Brent Newman, Audubon Louisiana

Andreanecia Morris, Greater New Orleans Housing Alliance

Joe Daniel, Union of Concerned Scientists

Thad Culley, Vote Solar

cc: Docket UD-19-01 Service List (via email)