



*By Electronic Mail
(Bfmason1@nola.gov)*

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

January 12, 2023

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 FOR THE CITY OF NEW ORLEANS (DOCKET NO. UD-22-04)

Dear Ms. Johnson:

Please find enclosed the Responsive Comments of Sierra Club in the above-mentioned docket. Please file the attached comments and this letter in the record of the proceeding. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "Elena Saxonhouse".

Elena Saxonhouse
Managing Attorney
Sierra Club

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

IN RE: RESOLUTION AND ORDER)	
ESTABLISHING RULEMAKING TO)	
CONSIDER SAVINGS TARGET AND)	
PROGRAM DESIGN FOR ENERGY)	
EFFICIENCY, CONSERVATION,)	DOCKET UD-22-04
DEMAND RESPONSE, AND OTHER)	
DEMAND-SIDE MANAGEMENT)	
PROGRAMS AS WELL AS CUSTOMER-)	
OWNED DISTRIBUTED ENERGY)	
RESOURCES AND BATTERY)	
STORAGE)	

RESPONSIVE COMMENTS OF SIERRA CLUB

Sierra Club submits the following comments in response to the comments filed in this docket on October 31, 2022, as well as comments and questions raised at the December 8, 2022 Technical Conference.

I. Recommendations for a Working Group

Several parties, including Sierra Club, have recommended that the City Council establish a demand-side management working group to address reforms to the Energy Smart program and related policies. While the establishment of the working group should not delay key reforms and programming that can begin in the near-term, a working group with a clear charge, deliverables, timeline, and follow-up Council action, would be an effective way to design and implement longer term reforms. Sierra Club urges the Council to adopt the following procedural and substantive recommendations for a new working group.

A. Procedural Recommendations

For any workgroup established in this rulemaking to be effective, the City Council should ensure the workgroup has clear directives, deliverables, and timelines.¹ Further, the Council

¹ For examples of workgroup best practices, please refer to the Responsive Comments of Alliance for Affordable Energy and the National Audubon Society.

should identify ahead of time its own procedures and timelines for acting on the workgroup's recommendations for policy changes.

Sierra Club urges the Council to establish a working group coordinated by an independent facilitator selected by the Council. It should be open to all interested stakeholders, in addition to the intervenors in this docket. Community action agencies, contractors, and others who implement energy efficiency programs and coordinate benefits for households would be important participants. The workgroup's discussions and findings should be open to the public such that the process is transparent and accountable.

The working group should begin meeting as soon as possible following the Council's selection of a facilitator. An interim report should be due no more than six months following the first meeting of the working group. An additional report containing specific recommendations should be due no later than one year after the initiation of the workgroup or in time to be included in the next Council docket that considers Entergy New Orleans' ("ENO's") Energy Smart Implementation Plan or budget (i.e., other than Docket UD-20-02), whichever is earlier. The Council should instruct the workgroup to prioritize the design of the geographic targeting program such that it can be implemented by the end of 2023, if possible. Upon receiving the workgroup's recommendations, the Council could also open up a rulemaking docket to consider and act upon any issues not directly within the scope of the existing Energy Smart Implementation Plan or a future docket in which the Energy Smart plan is being considered

For the purposes of transparency, efficiency, and effectiveness of the workgroup, the Council should provide guidance on what types of ENO data may be designated confidential or highly sensitive protected material ("HSPM") and a procedure for automatic review of those designations. If ENO is permitted to broadly designate information as confidential/HSPM unless and until challenged by another member of the workgroup, it could hamstring the ability of the workgroup to consider the effectiveness and reach of existing programs and how they could be improved. For example, ENO tracks a good amount of data as to the number and type of EE measures implemented each month and each year in each zip code in its service territory.² However, in a response to Sierra Club's data request seeking the information, ENO has claimed

² See ENO Response to Sierra Club Data Request 1-2(a) and corresponding Excel attachment, both attached hereto as Exhibit 1.

this basic information is HSPM,³ which is barred from any type of dissemination and may only be reviewed by those signing a non-disclosure agreement per the Council’s Protective Order applicable to this docket. ENO has not explained why this type of data, which has been shared by other utilities without even a confidentiality designation,⁴ would cause the company “unreasonable risk of harm” per the Protective Order. While Sierra Club is aware that procedures exist for challenging such designations, putting the onus on workgroup participants to challenge designations of confidentiality and HSPM for this type of basic data would unnecessarily delay workgroup discussions and analysis. With the data currently collected by ENO, the company or stakeholders could perform an equity analysis to determine what areas of the service territory have been underserved thus far with measures that will meaningfully help address energy burden and heat islands like insulation and air sealing. However, with a confidentiality or HSPM designation impacting the underlying data it would be difficult, or even impossible, to discuss, share, and act upon the results of such an analysis.

B. Substantive Recommendations

As Sierra Club presented at the technical conference, the Council should charge a working group with evaluating and making recommendations for improvements to ENO’s low-income and multi-family energy efficiency programs in several key areas. Sierra Club identifies below some actions that the Council and ENO can take immediately, but more detailed program design, and program changes that require more analysis and planning, would be well suited to a working group. Sierra Club recommends the Council charge the working group with developing policy and program design recommendations in the following areas:

- Geographic Targeting (neighborhood program)
- Health and Safety
- Multi-Family and Renters

The working group should also address two issues cutting across the above topics:

- Data Collection and Reporting
- Leveraging External Funding

³ See ENO Response to Sierra Club Data Request 1-6 (attached hereto as Exhibit 2).

⁴ See, e.g., Revised Direct Testimony of Roger Colton, Michigan Public Service Commission, Case No. U-20876 (attached hereto as Exhibit 3) at 16 (examining distribution of energy efficiency investments by zip code using data provided by DTE Electric Company in discovery).

Given the significant overlap between these topics, Sierra Club recommends they all be housed within one working group, though subcommittees could be formed as needed.

1. Geographic Targeting Program

As discussed in Section II below, the Council and ENO could act immediately to commit to goals, timeline, and a seed budget for a geographic targeting program to better serve the areas of the city facing overlapping energy, heat, and other burdens. ENO should also commit to conducting an evaluation of which of the many areas of overlapping burdens in the company's service territory should be prioritized for a focused program. (Sierra Club has provided suggestions for metrics to evaluate and examples of other utilities studies below and in its initial comments.) Following those near-term actions, workgroup discussions could provide feedback on ENO's proposed geographic areas of focus, and help to develop an outreach plan, a target number of households in each census tract, community partners for outreach and implementation, and a plan to avoid deferrals as discussed below. The Council's charge to the workgroup should include a deliverable that specifically addresses these elements and any others it would like to see in a new geographic targeting/neighborhood initiative.

2. Health and Safety Complement

The Council should also charge the workgroup with identifying sustainable funding options, and implementing partners, for a complement to the geographic targeting program, or low-income EE program generally, to minimize the number of households who are turned away from weatherization or other EE services because the home presents a health or safety issue such as asbestos, mold, lead, structural damage, or faulty wiring (i.e., "deferrals" or "walkaways"). As discussed in Sierra Club's initial comments, a health and safety component is key to ensuring a low-income efficiency program can reach all households in need that wish to participate. Yet, ENO currently has no plan for addressing deferrals and is not even tracking when or where deferrals occur.⁵ While ENO stated during the technical conference that it is "thinking about" reviving a sister Home Performance program the company had some years back that served this

⁵ See ENO Responses to Sierra Club Data Requests 1-2b (attached hereto as Exhibit 1) and 1-7 (attached hereto as Exhibit 4).

purpose, it has not included such a program in planning or budgeting for the upcoming program years.

The workgroup should be charged with identifying specific strategies for a health and safety complement to Energy Smart's low-income programs (or at minimum to complement the geographic targeting program discussed above). The workgroup should also be charged with identifying external sources of funding for such a program, along with specific local partners for different areas of the service territory. Suggestions for external funding and partnerships that could serve as a starting point are included in Sierra Club's initial comments, pages 24-25, 31-34, and Exhibit 1 to those comments.

While the workgroup would develop the strategy for addressing deferrals in the medium term, *the Council can and should require ENO to immediately start working with its implementing partners to track and report all deferrals*, including the location of the home by census tract, and specific reason for each deferral. This information can then inform the working group process. As another short-term action, the Council should identify a goal that ultimately ENO would not need to turn anyone away from weatherization services as a result of these health and safety issues.

3. Multi-Family and Renters

The Council should charge the workgroup with identifying specific next steps and strategies, and a timeline, to improve accessibility to, and participation in, energy efficiency offerings for multi-family buildings and particularly for income-eligible renters. As discussed in Sierra Club's initial comments, the Energy Smart program could be improved by more intentionally tailoring programs to address the specific barriers to energy efficiency faced by income-qualified renters and affordable multi-family housing.⁶

Reforms to the Energy Smart program as a whole could be tackled as a longer-term project of the workgroup, but the geographic targeting program may present an opportunity to try out new ideas for multi-family housing and renters on a smaller scale, so the topics should be considered

⁶ Sierra Club Comments filed October 31, 2022 in Docket UD-22-04 (hereinafter "Sierra Club Initial Comments") at 21-23.

simultaneously. As discussed in Sierra Club's initial comments, addressing this issue is important because:

- Rental properties are a majority of the residential housing market in New Orleans.
- A majority of renters are responsible for their own electric bills.
- Multi-family households in New Orleans have a higher median energy burden than single-family households.

The census tracts Sierra Club identified as the most severely energy burdened in New Orleans in Sierra Club's initial comments have very high rental shares. Tract 17.51, for example, has an average annual energy burden of 16% and 87% rental share.⁷ If ENO is going to effectively reach and serve that census tract, it must have programs that fit with the needs of multi-family buildings and income-eligible renters.

A first step would be evaluating the current participation of multi-family buildings in existing programs, and the barriers to participation for landlords and for renters. APTIM currently collects data on whether the EE measures installed are at a single-family⁸ or multi-family building, and how many units if multi-family.⁹ A third party, Axicom, collects data on whether the measures are installed in a home that is rented or owned, and reports it to ENO.¹⁰ ENO does not currently collect what type of affordable multi-family buildings (e.g., subsidized or non-subsidized) are participating in Energy Smart programs. Adding this data point to ENO's tracking could help identify best practices specifically tailored to different types of housing.

The APTIM ideas for improving participation noted in its Energy Smart EM&V Plan and Sierra Club's initial comments could be some of the first to be explored in a workgroup, with input from the Louisiana Housing Corporation and the Greater New Orleans Housing Alliance.¹¹

Sierra Club further recommends that the working group consider how the low-income weatherization and HPwES offerings could be expanded to buildings with more than four units,

⁷ Census American Community Survey 2019.

⁸ ENO currently defines a single-family home as a building with four or fewer units. *See* Excel Attachment to ENO Response to Sierra Club Data Request 1-2, Cell E10 (attached hereto as Exhibit 1).

⁹ *See id.*, Columns A-B.

¹⁰ *Id.*

¹¹ Sierra Club Initial Comments at 22.

as 30% of New Orleans’s rental stock consists of buildings of more than four units and these two programs currently only address single-family homes or buildings with four or fewer units.¹²

Sierra Club’s initial comments also cited guidance for other best practices and successful programs for multi-family buildings and renters that could be reviewed by the working group, such as the 2021 ACEEE Report, *A New Lease on Energy*. This report contains a list of policy options and case studies from several cities that have made concerted efforts to make energy efficiency programs more accessible to renters.¹³

4. Data Collection and Reporting

The Council should charge the working group with discussing data and reporting needs to ensure an equitable and effective Energy Smart Program. This would also include how information should be reported to stakeholders and the public.

There are several key gaps in data collected by ENO. As noted above, ENO and its partners should immediately begin tracking information about deferrals. Other tracking needs include tracking by census tract, as zip codes are often too large to drill down to the needs of a particular community.¹⁴

The next step after establishing data already collected and to be collected, would be determining how to share it with stakeholders and the public. For instance, ENO collects information on disconnections for nonpayment by location, which can help provide a geographic picture of energy insecurity, but it does not appear that this data is publicly reported.¹⁵

5. Leveraging Funding

The Council should also charge the workgroup with exploring funding and partnership possibilities, particularly for health and safety measures and a heat pump program, discussed below. Organizations such as the Green and Healthy Home Initiative (“GHHI”) or American Council for an Energy Efficient Economy (“ACEEE”) may be able to help facilitate this effort.

¹² *Id.* at 21.

¹³ *Id.* at 22 n.37.

¹⁴ See Sierra Club Initial Comments at 29-30; ENO Response to Sierra Club Data Request 1-2(a) (attached as Exhibit 1).

¹⁵ ENO Response to Sierra Club Data Request 1-2(a) (attached as Exhibit 1).

As noted in Sierra Club’s initial comments, GHHI has worked on programs across the country that have integrated healthy homes funding with energy efficiency programs for thirty years. ACEEE is also assisting local governments in getting organized to take advantage of the many new funding opportunities presented by federal legislation.¹⁶ Sierra Club’s initial comments discuss a number of these funding opportunities at pages 32-35. As discussed in Section III below, some opportunities are available immediately and should be prioritized for short-term action. However, a work group could develop a longer-term strategy for sustainable funding sources.

Finally, as discussed in Section IV below, Sierra Club also recommends that the Council consider requiring ENO to include air source heat pumps as an efficiency measure to replace inefficient electric resistance heating, as well as provide highly efficient air conditioning. If the Council adopts this recommendation, the working group should consider how to integrate a heat pump pilot or program with new geographic targeting and multi-family initiatives.

Sierra Club’s initial comments identified other best practices for low-income energy efficiency programs, all of which deserve attention by ENO, the Council and stakeholders. However, Sierra Club is mindful that the workgroup will not have unlimited capacity and recommends that the above topics constitute the workgroup’s 2023-24 priorities.

II. Near-Term Recommendations for a Geographic Targeting Program

ENO states in its comments that “Energy Smart staff will use geo-mapping to identify areas with higher need of energy efficiency project penetration,” and that “ENO is open to discussing potential programs and initiatives to further reach areas that show extreme energy burden and areas that have severe heat island impacts.”¹⁷ Sierra Club is encouraged that ENO is open to a targeted low-income energy efficiency program to address the most highly burdened areas of its service territory. However, the proceedings thus far have made clear the need for a

¹⁶ For example, ACEEE is hosting a virtual summit on this topic on January 19 and 20, 2023 “featuring sessions for local and state government staff and community-based organizations on leveraging federal funding and multi-sector, community-centered approaches to scaling up holistic retrofits in affordable housing.” See Residential Retrofits for Energy Equity, <https://www.aceee.org/r2e2-summit>.

¹⁷ ENO Comments filed October 31, 2022 in Docket UD-22-04 (hereinafter “ENO Initial Comments”) at 4.

more specific commitment by ENO and direction from the Council as to the goals of the program and its necessary integration with the health and safety component discussed above.

During the technical conference, ENO did not provide much information about a possible initiative to use geomapping to identify areas that show extreme energy burden and have severe heat island impacts. ENO's primary focus was on how to market Energy Smart programs to specific geographic areas. There was no discussion of potential program design or program goals and objectives and ENO's representatives conceded it had not yet established goals or outcomes for the program.

Since the Sierra Club has experience working with two investor owned utility companies on designing geographic targeting energy efficiency program initiatives, our comments below share program design elements and program goals and outcomes as a starting point for ENO and APTIM staff as they design this program and, ideally, create a program implementation plan in collaboration with a working group established by the City Council.

The Sierra Club entered into separate settlement agreements with DTE Energy and Consumers Energy. In those settlement agreements, the parties agreed that the utilities would conduct research studies to inform the prioritization of neighborhoods for energy efficiency assistance and a plan for increasing participation in these areas, goals and objectives for the geotargeting initiatives, the budget amount for the initiative and a timeline for implementation of the initiative.

Sierra Club urges the City Council to include in its rulemaking order for this docket an instruction for ENO to conduct research studies to inform the prioritization of neighborhoods for energy efficiency assistance and a plan for increasing participation in those areas, goals and objectives for the geotargeting initiative based on Sierra Club's recommendations, a budget allocation for this initiative, and a timeline for the implementation of the geotargeting initiative. Additional details of the geotargeting initiative ideally would be fleshed out in a working group so that ENO can incorporate the input of community leaders, stakeholders, and implementing partners.

A. Neighborhood-based delivery

At the technical conference, parties expressed an interest in a neighborhood-based delivery model for energy efficiency services targeted to particularly burdened areas of the City. This would be a departure from ENO's current approach, which does not distinguish among

different areas of Orleans Parish and has not historically grouped buildings together for a neighborhood approach to installations.¹⁸ Sierra Club agrees that the geographic targeting program for extreme energy burden and severe heat island impacted communities should be a neighborhood-based delivery program (as described in Sierra Club’s initial comments, at pages 18-20). However, this must be more than an effort to go door-to-door with direct install measures. The primary participation goal for this program should be to deliver comprehensive, building shell energy efficiency services and weatherization measures to low-income households that suffer from extreme energy burden and severe heat island impacts.¹⁹ A neighborhood-based approach would overcome existing barriers to access and participation and help direct resources to households who can benefit most from the Energy Smart Program.

In Michigan, DTE Energy chose a neighborhood-based approach for their geographic targeting initiative. In order to determine the existing barriers to access and participation for DTE’s Energy Waste Reduction Program for the target geographic areas, they distributed surveys so they could gain customer insights to inform program design, outreach and implementation. The goal of the surveys were to: (1) Focus on building rapport and understanding of respondents to increase empathy and strengthen insights about customer perspectives, values, challenges, sense of community, resources, etc. and (2) Enhance cultural sensitivity of program design, outreach, and implementation strategies. The results of these surveys helped DTE Energy design a program that could best deliver comprehensive, building shell energy efficiency services and weatherization measures to the target geographic measures because the program included design elements that could meet the unique needs of the households in the target geographic areas.²⁰ Sierra Club recommends that ENO consider a similar approach once the company has determined the target geographic areas for their program in collaboration with stakeholders and partners.

As a part of a neighborhood-based delivery program, customers in target geographic areas would automatically qualify for the Energy Smart Program. Upon signing up, customers

¹⁸ See ENO Initial Comments at 4 (Energy Smart currently “target[ed]” to all of Orleans Parish).

¹⁹ See also Sierra Club Initial Comments at 26-27.

²⁰ For more information on the geographic targeting programs being initiated by DTE and Consumers, and these utilities’ research and stakeholder processes, please see Exhibits 7-10. DTE also presented its findings to the Michigan Public Service Commission’s low-income energy workgroup (see recording at <https://www.youtube.com/watch?v=uD-ITYBJkME>).

would receive an energy audit from the program implementer serving that neighborhood, and access to the weatherization upgrades recommended by the audit. In addition, ENO and its implementing partners would coordinate with local administrators of any non-utility funded or administered housing and energy programs, to address health and safety hazards that would enable qualifying households to receive Energy Smart services. Proactively addressing health and safety hazards is one way to ensure that the Energy Smart Program reaches households suffering from extreme energy burden. Researchers have found that many households with high energy burdens also live in older, inefficient, and unhealthy housing.²¹

There are many benefits to a neighborhood-based approach. One of those benefits is the opportunity to market a program through a trusted neighbor instead of from the utility. A neighbor that is satisfied with a utility program may tell their neighbors who they know are also experiencing inefficiencies in their homes and struggles with paying utility bills. This neighbor-to-neighbor marketing is only successful if the customer is satisfied with the program and that is the result of designing a program that meets the needs of that specific community.

B. Program Goals and Objectives

In order to have a successful geographic targeting initiative there must be program goals and objectives related to improvements for the selected geographic areas. Just determining where to target resources is not enough. If ENO intends to target the Energy Smart Program to areas with extreme energy burden and that have severe heat island impacts, there should be program goals and objectives associated with improving those conditions for households in the target geographic areas. In order to ensure that the Energy Smart Program is accessible to households that suffer from extreme energy burden and severe heat island impacts, there also must be a program goal to address health and safety issues and reduce Energy Smart Program deferrals. Since ENO does not track Energy Smart Program walkaways, they should include tracking deferral data as part of the program. Tracking deferral data can help quantify the need in ENO's service territory and identify trends which can inform the types of assistance programs needed to deliver pre-weatherization services.

²¹Ariel Dreihobl, Lauren Ross, and Roxana Ayala, American Council for an Energy Efficiency Economy, September 2020, How High Are Household Energy Burdens: An Assessment of National and Metropolitan Energy Burden across the United States.

Sierra Club worked with both DTE Energy and Consumers Energy on the program objectives for their geographic targeting initiatives. ENO can use these program objectives as a starting point as they think about next steps for their geotargeting initiative. If the Council agrees with these objectives, Sierra Club urges the Council to include similar goals for a geographic targeting in the rulemaking order resulting from this docket.

DTE Energy and Consumer Energy's geographic targeting initiatives had the following objectives for the selected areas: (1) increased participation in income qualified single family and multi-family programs in identified areas, supporting bill reduction, health, safety, and comfort benefits to participating households; (2) partnering agencies and/or contractors identify customers in these areas who need air sealing and insulation and are able to provide those measures as needed; (3) energy auditors working in these areas are provided education on identifying health and safety hazards such as wiring issues, mold, lead, and asbestos and to communicate the presence and impact of the hazards to the occupant; and (4) partnering agencies and/or contractors working in these areas are supported by the utility in identifying place-based, or other, opportunities to leverage funding from other federal, state, and/or private sources.

In addition to the above listed objectives, Consumers Energy's Flint Initiative aimed to find and provide energy waste reduction intervention to economically vulnerable customers including those in arrears, struggling to pay utility bills, and at risk of deferral due to health and safety concerns. Consumer Energy also agreed to work with a third-party evaluator to develop and implement a plan for initiative evaluation including analysis of items such as bill impact, disconnections, impact on arrears, and health impacts.

To measure success in achieving goal (1) above, the Council and ENO should evaluate the participation of income-qualified customers in programs that provide meaningful bill savings while improving the comfort and safety of their homes. They will need the appropriate data to do so. In ENO's discovery response 1-9, the company explains that they do not separately identify income qualified customers in their participation data for all of the Energy Smart Programs. As ENO works to identify areas with higher need of energy efficiency project penetration and extreme energy burden and severe heat island impacted geographies it is likely that a common factor for all of these areas will be high poverty rates. It will be important for ENO to develop key performance indicators for low-income participation in Energy Smart Programs and any

geographic targeting initiatives. The purpose of a “participation” KPI should not be to increase distribution of “education” materials or low-cost, but low-savings, measures (e.g., self-installed high-efficiency light bulbs or kits with low-flow aerators) to a large percentage of the low-income population. Rather, it should be to engage low-income households in whole house energy-efficiency treatments. Establishing a participation KPI thus requires setting a program objective of the number or percentage of low-income households participating in programs that offer these whole home measures. The KPI then measures the extent to which that objective has been achieved. To implement such a KPI, ENO would also need to begin tracking participation by number of households, rather than by square footage (for insulation) or “CFM reduced” for air sealing.²²

III. Near-Term Funding Opportunities

At the technical conference, ENO expressed an interest in leveraging external funding to subsidize an expansion of its income-qualified and health and safety programs, but raised concerns about the timing of such funding being available. In response, Sierra Club notes that there are near term opportunities for ENO to leverage over \$31 million in Weatherization Assistance Program (WAP) and Weatherization Readiness funds through coordination with the Louisiana Housing Corporation. The WAP funds are from the Bipartisan Infrastructure Law (BIL) and are in addition to the WAP funds that Congress appropriates each year. The Weatherization Readiness Fund (WRF) was established under the Consolidated Appropriations Act, 2022 and included \$15,000,000 to be made available to establish the fund. The WRF provides funds to address necessary repairs (e.g., Health and Safety issues, structural) in dwellings that have been deferred from receiving weatherization services.

In the FY 2023 Louisiana Low-Income Home Energy Assistance Program (LIHEAP) Model Plan, the Louisiana Housing Corporation stated that they were preparing for the \$30.9 million that the State of Louisiana will receive from the U.S. Department of Energy (DOE) from the BIL for the WAP. Funds were expected to be released at the end of 2022.²³ The Department of Energy (DOE) encouraged BIL WAP grantees to carve out time and DOE WAP

²² See ENO Response to Sierra Club Data Request 1-5 and accompanying Excel attachment (attached hereto as Exhibits 5a and 5b) (first tab of spreadsheet, entitled “Unit Measure List”).

²³ FY 2023 Louisiana Low-Income Home Energy Assistance Program Model Plan, <https://www.lhc.la.gov/hubfs/Document%20Libraries/Energy%20Assistance/FY%202023%20LIHEAP%20Plan%20Changes%20-%20FINAL.pdf>.

funding to seek opportunities and lasting partnerships that can improve and expand WAP activities in a state. This can include partnerships with local utilities, other state or local agencies with existing programs or funding streams, and more. Funds accessed via successful leveraging activities can run adjacent to DOE WAP funds to provide supplemental resources or services to a residence or a program such that they are more flexible and not subject to all DOE restrictions. The Louisiana Housing Corporation and their subgrantees will also be expanding outreach in support of the Justice40 effort to deliver at least 40 percent of the overall benefits from Federal investments in climate and clean energy to disadvantaged communities. Outreach initiatives will pursue a comprehensive approach to advancing equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality. ENO should consider coordinating outreach efforts with the Louisiana Housing Corporation as they develop an outreach plan for the geographic targeting initiative. There will likely be overlap between the extreme energy burdened and severe heat island impacted communities that ENO is targeting and the disadvantaged communities that the Louisiana Housing Corporation will be targeting in compliance with the Justice40 Initiative.

The PY 2022 Louisiana Weatherization Assistance Program (WAP) State Plan includes LIHEAP Weatherization Readiness Funding with a budget of \$1,307,770.²⁴ Leveraging weatherization readiness funding with Energy Smart Program funding could help address health and safety issues that contribute to Energy Smart Program deferrals. This is especially important as ENO explores targeting areas of extreme energy burden and severe heat island impacts for increased Energy Smart Program participation.

Sierra Club urges the City Council to include in its rulemaking order an instruction to invite the appropriate staff from the Louisiana Housing Corporation to participate in the working group to explore funding and partnership opportunities.

IV. Air Source Heat Pumps as an Efficiency Measure

Heat pumps can cut energy use in half compared to standard electric resistance heaters, and provide both air conditioning and heating, essentially providing households two new appliances for the price of one. In cooling mode, heat pumps are five times more efficient than a

²⁴ PY 2022 Louisiana Weatherization Assistance Program (WAP) State Plan, <https://www.lhc.la.gov/hubfs/WEATHERIZATION/2022%20WAP%20State%20Plan%20Summary%20and%20Changes%20-%20Final.pdf>.

standard air conditioner. These energy savings lower household energy bills. Heat pumps are low-maintenance and have no harmful emissions. In short, heat pump HVAC systems are an ideal technology to simultaneously address both energy burden and the heat island effect that is growing worse with climate change. The need to bring down cooling bills in particular is evidenced by the Louisiana Housing Corporation’s finding that “unprecedented cooling bill charges in 2022 [led] to an increased need in cooling [bill] assistance” for the state’s income-eligible population.²⁵

There are also significant federal incentives available to make heat pumps affordable for all. Sierra Club therefore urges the Council to consider instructing ENO to develop a program to encourage customers’ adoption of air source heat pumps, if it is not doing so already. This is one important way to “make Energy Smart programs more effective and accessible.”²⁶ ENO’s only electrification programs (eTech) currently appear to be targeted toward the commercial sector, and do not include heat pumps; only a new EV charger program is proposed for residential customers.²⁷ A heat pump pilot or program would dovetail well with several of the improvements recommended by Sierra Club: the geographic targeting initiative, enhanced multi-family offerings, and integration of external funding sources.

Excluding heat pumps from ENO’s efficiency programs could leave significant funding on the table. There are currently unprecedented federal incentives for low-income families to purchase and install air source heat pumps, as well as other electrification and efficiency measures. The Inflation Reduction Act includes a program known as the High-Efficiency Electric Home Rebate Act (“HEERA”) that covers 100 percent of electrification project costs (up to \$14,000) for low-income households and 50 percent of costs (up to \$14,000) for moderate-income households. Qualified electrification projects include heat pump HVAC systems, heat pump water heaters, electric stoves and cooktops, heat pump clothes dryers, and enabling measures such as upgrading circuit panels, insulation, air sealing, ventilation, and wiring. Project

²⁵ Louisiana Housing Corporation, FY 2023 Louisiana Low-Income Home Energy Assistance Program (LIHEAP) Model Plan, <https://www.lhc.la.gov/hubfs/Document%20Libraries/Energy%20Assistance/FY%202023%20LIHEAP%20Plan%20Changes%20-%20FINAL.pdf>.

²⁶ Council of the City of New Orleans, 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 at 3.

²⁷ See ENO Initial Comments at 8-9.

costs will cover both purchase and installation costs.²⁸ Especially when stacked with other incentives, such as the Inflation Reduction Act’s 25C tax credit, this funding can make heat pumps affordable even for low-income households.²⁹

ENO could play a role in bringing these resources together to vastly improve heating efficiency in its territory. As explained by ACEEE, “The various federal programs can be confusing, with each having unique eligibility requirements and different incentive amounts. In addition, state and local governments, companies, and advocates will need to promote these programs locally. Local program administrators can perform a great service by helping their customers understand these programs and braid them together for maximum impact.”³⁰

ENO could also play a role in workforce development to ensure there are enough trained contractors to successfully install a large volume of heat pumps.

V. Summary of Recommendations for the City Council

Near-term actions:

1. Instruct ENO to commit to a timeline and budget allocation for developing and implementing a geographic targeting initiative that will prioritize selected neighborhoods for increasing participation among income-qualified customers in the Energy Smart program, providing more whole-home measures such as insulation and air sealing, and addressing any health and safety issues that may be a barrier to receiving Energy Smart services. (Please refer also to the summary of this recommendation on pages 38-39 of Sierra Club’s initial comments.).
2. Instruct ENO to undertake research and analysis of the demographics and overlapping burdens of its service territory, and of historical Energy Smart participation, to inform its selection of proposed neighborhoods to prioritize for the above initiative. Sierra Club recommended metrics for prioritization in its initial comments, pages 9-18.
3. Instruct ENO to begin tracking deferrals in the Energy Smart program and set a goal of eliminating deferrals.

²⁸ Rewiring American, Fact Sheet, <https://www.rewiringamerica.org/policy/high-efficiency-electric-home-rebate-act>.

²⁹ See ACEEE Policy Brief, September 20222, attached hereto as Exhibit 6.

³⁰ *Id.*

4. Establish a working group coordinated by an independent facilitator that includes stakeholders and has specific charges and a timeline to:
 - (a) provide feedback on ENO’s proposed prioritization scheme for the neighborhood targeting initiative, and inform design and implementation of the initiative
 - (b) provide recommendations for a Health and Safety complement to Energy Smart income-qualified programs to avoid deferrals
 - (c) explore external funding and partnership opportunities that can support the expansion of income-qualified Energy Smart programs, such as the Health and Safety complement, and promotion of air source heat pumps. The Council should ensure that representatives from the Louisiana Housing Corporation are invited to participate.
 - (d) identify specific next steps, strategies, and a timeline, to improve accessibility to, and participation in, energy efficiency offerings for multi-family buildings and income-eligible renters
 - (e) establish data and reporting needs to ensure an equitable and effective Energy Smart Program.
5. Establish a timeline and process by which the Council will consider the recommendations of the above workgroup.

Medium-Term Actions:

1. Review and act upon recommendations of the above working group such that approved reforms to the Energy Smart program can be implemented no later than the next time an Energy Smart Implementation Plan or budget is before the Council.
2. Instruct ENO to develop a program to encourage adoption of heat pumps as an energy efficiency measure that capitalizes upon the Inflation Reduction Act’s point-of-sale rebates likely to be in place later in 2023.³¹

³¹ The rebates will be administered by the Louisiana State Energy Office, which must develop a plan for implementation.

3. Instruct ENO to review and consider other best practices for low-income energy efficiency programs to incorporate into Energy Smart, such as those recommended in Sierra Club's initial comments (please see summary page 39-40). This process would also benefit from stakeholder review and input through a workgroup.

Respectfully submitted,



Elena Saxonhouse
Managing Attorney
Sierra Club - Environmental Law Program
2101 Webster Street, Suite 1300
Oakland, CA 94612
(415) 265-2943
elena.saxonhouse@sierraclub.org

Sharonda Williams-Tack
Senior Attorney
Sierra Club - Environmental Law Program
50 F Street, NW
Washington, DC 20001
sharonda.williams-tack@sierraclub.org

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

**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**

DOCKET NO. UD-22-04

CERTIFICATE OF SERVICE

I do hereby certify that I have, this 12th day of January 2023, served the Responsive Comments of Sierra Club upon all other known parties of this proceeding and to the attached Service List by electronic mail.



Elena Saxonhouse
Managing Attorney
Sierra Club
Environmental Law Program
2101 Webster Street, Suite 1300
Oakland, CA 94612
elena.saxonhouse@sierraclub.org

Service List

Lora W. Johnson, lwjohnson@nola.gov

Clerk of Council

City Hall - Room 1E09

1300 Perdido Street

New Orleans, LA 70112

Tel: (504) 658-1085

Fax: (504) 658-1140

Service of Discovery not required

Erin Spears, espears@nola.gov

Chief of Staff, Council Utilities Regulatory Office

Bobbie Mason, bfmason1@nola.gov

Christopher Roberts, cwroberts@nola.gov

Jessica Hendricks, Jessica.Hendricks@nola.gov

Byron Minor, Byron.minor@nola.gov

City Hall - Room 6E07

1300 Perdido Street

New Orleans, LA 70112

Tel: (504) 658-1110

Fax: (504) 658-1117

Krystal D. Hendon, CM Morrell Chief-of-Staff, krystal.hendon@nola.gov

1300 Perdido St. Rm. 2W50

New Orleans, LA. 70112

Andrew Tuozzolo, CM Moreno Chief-of-Staff, avtuozzolo@nola.gov

1300 Perdido St. Rm. 2W40

New Orleans, LA. 70112

Paul Harang, 504-658-1101 / (504) 250-6837, Paul.harang@nola.gov

Interim Chief of Staff

City Hall - Room 1E06

1300 Perdido Street

New Orleans, LA 70112

Donesia D. Turner, Donesia.Turner@nola.gov

Ashley Spears, Ashley.Spears@nola.gov

Law Department

City Hall - 5th Floor

New Orleans, LA 70112

Tel: (504) 658-9800

Fax: (504) 658-9869

Service of Discovery not required

Norman White, Norman.White@nola.gov
Department of Finance
City Hall - Room 3E06
1300 Perdido Street
New Orleans, LA 70112
Tel: (504) 658-1502
Fax: (504) 658-1705

Greg Nichols, grnichols@nola.gov
Deputy Chief Resilience Officer
Office of Resilience & Sustainability
1300 Perdido Street, Suite 8E08
New Orleans, LA 70112
Tel: 504-658-4958
Cell: 504-253-1626

ADMINISTRATIVE HEARING OFFICER

Hon. Jeffrey S. Gulin, judgegulin@gmail.com
3203 Bridle Ridge Lane
Lutherville, MD 2109
Tel: (410) 627-5357

CITY COUNCIL CONSULTANTS and SUPPORT STAFF

Clinton A. Vince, clinton.vince@dentons.com
Presley Reed, presley.reedjr@dentons.com
Emma F. Hand, emma.hand@dentons.com
Adriana Velez-Leon, adriana.velez-leon@dentons.com
Dee McGill, dee.mcgill@dentons.com
Denton Law Firm,
1900 K Street NW
Washington, DC 20006
Tel: (202) 408-6400
Fax: (202) 408-6399

Basile J. Uddo, (504) 583-8604 cell, buddo@earthlink.net
J. A. "Jay Beatmann, Jr. (504) 256-6142 cell, (504) 524-5446 office direct,
jay.beatmann@dentons.com
c/o DENTONS US LLP
650 Poydras Street
Suite 2850
New Orleans, LA 70130

Joseph W. Rogers, jrogers@legendcgl.com
Victor M. Prep, vprep@legendcgl.com

Byron S. Watson, bwatson@legendcgl.com
Legend Consulting Group
6041 South Syracuse Way, Suite 105
Greenwood Village, CO 80111
Tel: (303) 843-0351
Fax: (303) 843-0529

ENTERGY NEW ORLEANS, LLC

Courtney R. Nicholson, (504) 670-3680, cnicho2@entergy.com
Entergy New Orleans, LLC
Vice-President, Regulatory and Public Affairs
Barbara Casey, (504) 670-3567, bcasey@entergy.com
Entergy New Orleans, LLC
Director, Regulatory Affairs
Polly Rosemond, prosemo@entergy.com
Kevin T. Boleware, (504) 670-3673, kbolewa@entergy.com
Brittany Dennis, bdenni1@entergy.com
Keith Wood, (504) 670-3633, kwood@entergy.com
Derek Mills, (504) 670-3527, dmills3@entergy.com
Ross Thevenot, (504) 670-3556, rtheven@entergy.com
1600 Perdido Street, L-MAG 505B
New Orleans, LA 70112

Vincent Avocato, (281) 297-3508, vavocat@entergy.com
Entergy New Orleans, LLC
2107 Research Forest Drive, T-LFN-4
The Woodlands, TX 77380

Brian L. Guillot, (504) 576-6523, bguill1@entergy.com
Leslie M. LaCoste (504) 576-4102, llacost@entergy.com
Lacresha D. Wilkerson, (504) 576-6571, lwilke1@entergy.com
Ed Wicker, (504) 576-3101, ewicker@entergy.com
Linda Prisuta, (504) 576-4137, lprisut@entergy.com
Entergy Services, LLC
Mail Unit L-ENT-26E
639 Loyola Avenue
New Orleans, LA 70113
Fax: 504-576-5579

Joe Romano, III (504) 576-4764, jroman1@entergy.com
Tim Rapier, (504) 576-4740, trapier@entergy.com
Farah Webre, (504) 576-6038, fwebre@entergy.com
Entergy Services, LLC
Mail Unit L-ENT-3K
639 Loyola Avenue

New Orleans, LA 70113
Fax: (504) 576-6029

W. Raley Alford, III, (504) 523-1580, wra@stanleyreuter.com
Stanley, Reuter, Ross, Thornton, & Alford, LLC
O/B/O Entergy New Orleans, LLC
909 Poydras Street, Suite 2500
New Orleans, Louisiana 70112
Fax: (504) 524-0069

INTERVENORS

National Audubon Society

Brent Newman, 303-681-8420, Brent.newman@audubon.org
Senior Policy Director
3801 Canal Street, Suite 400
New Orleans, LA 70119

Nicholas Dixon, 225-315-3026, Nicholas.dixon@audubon.org
Outreach Associate
3801 Canal Street, Suite 400
New Orleans, LA 70119

Karl Rabago, karl@rabagoenergy.com
Rabago Energy

Alliance for Affordable Energy

Logan A. Burke, logan@all4energy.org
Jesse S. George, jesse@all4energy.org
Sophie Zaken, regulatory@all4energy.org
Susan Stevens Miller, Earth Justice, smiller@earthjustice.org
Chinyere A. Osuala, Earth Justice, cosuala@earthjustice.org
Jim Grevatt, Energy Futures Group, jgrevatt@energyfuturesgroup.com
4505 S. Claiborne Ave
New Orleans, Louisiana 70125
Tel: (504) 208-9761

Susan Stevens Miller, smiller@earthjustice.org
Chinyere Osuala, cosuala@earthjustice.org
Maya DeGasperi (she/her), mdegasperi@earthjustice.org
Earthjustice (On behalf of Alliance for Affordable Energy)
1625 Massachusetts Avenue, N.W., Suite 702
Washington, D.C. 20036
Tel: (443) 534-6401

Sierra Club

Elena Saxonhouse, elena.saxonhouse@sierraclub.org
Environmental Law Program
2101 Webster Street, Suite 1300
Oakland, CA 94612
Tel: (415) 265-2943

Sharonda Williams-Tack, sharonda.williams-tack@sierraclub.org
50 F Street, NW
Washington, DC 20001

INTERESTED PARTIES

Michelle Kruegler, LEED AP BDE+C, michelle.krueger@aptim.com
Program Director
APTIM | Energy Solutions
Tel: (225) 432-3393

Jackie Dadakis, jackie@greencoastenterprises.com
Chief Executive Officer
Green Coast Enterprises
Tel: (504) 459-4006
Cell: (504) 264-2394