



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

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

March 29, 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 **Comments of Sierra Club on the Advisors' Report Regarding Parties' Proposed Changes and Additional Guidance** 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, 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 SIERRA CLUB ON THE ADVISORS' REPORT REGARDING  
PARTIES' PROPOSED CHANGES AND ADDITIONAL GUIDANCE**

**I. Introduction**

Sierra Club agrees with the Advisors that recommendations for “enhancing income-qualified programming, developing a geographic targeting and neighborhood delivery model, and working collaboratively with other agencies and other entities receiving funding that could enhance the Energy Smart Program, are generally consistent with the Council’s goals for this proceeding, and should be further developed,”<sup>1</sup> and that the parties are fairly well aligned around these issues.

The below comments provide additional detail in response to the Advisors’ recommendations and requests for more information. In each section below, Sierra Club also includes (1) immediate actions the Council should take to advance these goals, which are largely absent from the Advisors’ Report, and (2) specific charges and deliverables the Council should seek from a newly created DSM working group to inform the next cycle of Energy Smart implementation planning.<sup>2</sup> While Sierra Club supports the creation of a DSM working group to develop policies and programs for implementation in 2025, that effort should not delay significant progress that ENO and the City of New Orleans could make in the next year and a half to advance a more equitable and effective Energy Smart program.<sup>3</sup>

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<sup>1</sup> Advisors’ Report at 30.

<sup>2</sup> Sierra Club supports the comments of the Alliance for Affordable Energy and Audubon Society as to the makeup and logistics of such a working group, and has recommended specific deliverables throughout the comments below.

<sup>3</sup> Sierra Club also supports the comments made by the Alliance for Affordable Energy and Audubon Society on the additional issues addressed in those parties’ comments.

## II. Geographic Targeting and Neighborhood-Based Delivery

Sierra Club appreciates the Advisors' concurrence that geographic targeting and neighborhood delivery of programs "could improve the ability of the Energy Smart Program to get deeper penetration into hard-to-reach neighborhoods that suffer from inequitable energy burdens and urban heat island impacts" and welcomes the opportunity to provide "more refinement" on its recommendations, including responding to the Advisors concerns about the concept of "automatic enrollment."<sup>4</sup> While Sierra Club agrees that more discussion is needed to develop a final implementation plan for such a program, Sierra Club urges that some steps could begin sooner than 2025, especially as ENO is already familiar with some of the most likely areas for targeting and has expressed willingness to implement some elements of a program in the coming year. In addition, the program need not be proposed and approved as a "pilot" because it is not a new program, but a way of prioritizing and increasing participation in specific areas for home audits and weatherization services that are already part of the Energy Smart offerings.

As noted in the Advisors Report, Sierra Club provided detailed recommendations for establishing a geographic targeting and neighborhood-based delivery program to address energy burden and heat island effects in its two prior sets of comments, including suggested goals, indicators for selecting areas to target, a neighborhood-based approach to outreach and providing services, and possibilities for integrating energy efficiency funding with funding for other issues likely to arise in homes in the most burdened neighborhoods.<sup>5</sup> These prior comments also include references to detailed presentations on other geographic targeting implementation plans for reference. Sierra Club reiterates those recommendations and references while summarizing below the elements that must be developed for a successful program, along with recommended timelines and deliverables.

The following elements could form the outline of an implementation plan for a geographic targeting and neighborhood delivery program. As Sierra Club noted in prior comments, to successfully increase participation and meaningfully address the burdens experienced in the selected areas, such a program should be more than just a shift in marketing and outreach. An implementation plan should seek to address the following questions:

1. What are the goals for the program?
2. What methodology will be used for prioritizing neighborhoods for enhanced service?
3. What is the target number of homes to serve in each neighborhood, and over what time period?
4. What is the outreach plan?
  - Includes identifying partners available to serve as a trusted messenger for outreach in each neighborhood
5. How will enrollment work?

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<sup>4</sup> Advisors' Report at 21.

<sup>5</sup> Sierra Club Initial Comments at 18-20; Sierra Club Reply Comments at 8-11.

6. Will there be a limit on EE upgrades that will be provided as part of this program once identified by an audit? (Sierra Club and other parties recommend a focus on envelope measures such as air sealing and insulation.)
7. Are there contractors available to provide the EE upgrades in each neighborhood?
8. What budget will be devoted to this program in the first year?
9. Are there external funding sources available that will help expand this program in 2025 and beyond?
10. How will the program interact with other beneficial programs for this population, such as arrearage management, or incentives to switch from gas to electric appliances?
11. What is the plan to avoid deferrals due to health and safety issues in the home?
12. What is the plan for stakeholder and community input on the implementation plan?

To “kick-start” the program, as the Advisors put it, the Council should order ENO to confer with stakeholders at one to two meetings over the next several months, then prepare a draft implementation plan, including elements 1 through 8 above, by a date certain in late summer or early fall 2023. The plan could include a short-term approach for 2024 that would not disrupt existing plans for partners working in the selected neighborhoods, and a longer-term approach for 2025 and later years, which could be more fully fleshed out with input from a DSM working group, including the addition of elements 9-12 and more robust community input. The plan for 2024 could be finalized in late 2023 following review and input by the parties and other stakeholders.

Although the Advisors have expressed reservations as to whether a geographic targeting and neighborhood delivery program could be implemented in 2024, elements 1-8 above are fairly straightforward. Some require information from the utility and its implementing partners to inform further discussion between the parties, but in Sierra Club’s experience, these issues can be hammered out over a short period of time. In addition, through this docket, the parties have already made progress on several of these elements. Specifically, Sierra Club has already offered goals adopted by other utilities that could serve as a starting point for discussion for element #1. Sierra Club has also already proposed approaches for prioritization for element #2, to which ENO appears open. Likewise, ENO has stated it is already discussing at least some form of outreach or marketing, which would fall under element #4. Once neighborhoods are selected for service, the utility and stakeholders could agree on an appropriate starting point for the target number of homes (element #3), in conjunction with a discussion as to the expected costs for each household, available contractors (element #7), and the proportion of ENO’s budget for income-qualified programs that would be devoted to these neighborhoods (element #8). There could be a goal to ramp up the number of houses as additional external funding is obtained. Indeed, having these details and goals in place would greatly assist in creating proposals for funding. (See Section V below.)

For element #5, how enrollment would work, one advantage of the neighborhood delivery approach is that eligibility and enrollment can be streamlined. In response to the Advisors’ request for clarification as to what Sierra Club meant by its recommendation for “automatic enrollment” within a geographic targeting/neighborhood delivery program, Sierra Club clarifies

that *eligibility* would be automatic once the neighborhood is selected for enhanced outreach and service. At that point, each home in the target neighborhood would be *offered* a home audit as a starting point for weatherization services. Making eligibility automatic for these selected areas should simplify the program and increase cost-effectiveness because both outreach and service could be provided to a block of houses at the same time without having to make distinctions between different homes based on income-qualification questions. Moreover, it could improve word-of-mouth recommendations for the program so that neighbors can recommend the program to each other without knowing each other's income. It would also make it more straightforward to enlist the help of trusted community partners with outreach and enrollment since they would not need to collect income information. If the neighborhood targeting is done thoughtfully, with input from stakeholders with local knowledge, the program will most likely reach neighborhoods where most households would meet the income qualification threshold, or would be very close to doing so.

Elements #9-12 are also essential for a complete implementation plan. The Council could charge a DSM workgroup, or subcommittee thereof, with developing a draft plan for these elements no later than second quarter of 2024 and finalizing the plan based on input from stakeholders, including the impacted communities, by the end of that year. Implementation of that plan would begin in 2025.

### **III. Targeting Payment-Troubled Customers**

In addition to targeting and qualifying customers by neighborhood, the Energy Smart program could also help address energy burden by automatically qualifying payment-troubled customers for an audit and any building envelope measures identified in the audit. This type of automatic qualification and outreach could be done without additional program changes. ENO can identify customers in arrears, on billing payment plans, and/or customers receiving Low-Income Home Energy Assistance Program (LIHEAP) payments and automatically qualify them for an audit. This can be done on a rolling basis, meaning that, as the billing department processes certain bills, they can provide ratepayer information to the DSM program side of the Company who will then start targeting those customers with marketing and offering an audit. This can also be done wholesale, meaning ENO can automatically enroll now all customers identified as having arrears greater than 90 days, customers on billing assistance programs, and, if the data is available, customers receiving LIHEAP payments. Sierra Club urges the Council to consider this approach along with the other “automatic enrollment” ideas suggested by the Advisors.

### **IV. Addressing Health & Safety Deferrals**

In response to Sierra Club's comments on the “deferral” (which, in reality, often translates to “denial”) of energy efficiency upgrades due to underlying health and safety issues in a home, the Advisors agree that “a more coordinated approach to resolving health and safety issues that lead to deferrals of energy efficiency upgrades would be beneficial.”<sup>6</sup> The Advisors

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<sup>6</sup> Advisors' Report at 3.

recommend that “developing such an approach would be an appropriate task set for the DSM Working Group.”<sup>7</sup>

Sierra Club agrees that the DSM workgroup could be relied upon to develop strategies to address this issue, along with the funding sources to support it, but there are also certain steps that ENO can and should take in the short term to begin addressing this issue. These include:

1. Beginning data collection regarding deferrals as to (a) the location of the home by census tract, (b) the specific reason for each deferral, (c) whether the home was eventually treated with the desired energy efficiency upgrades, (d) the cost of the health and safety repairs/upgrades; (e) energy efficiency measures that were able to be installed as a result of the repairs.
2. Setting a goal that the Energy Smart program will ultimately not need to turn anyone away from weatherization services as a result of these health and safety issues.
3. Assisting existing weatherization partners in seeking current funding opportunities to address this issue, and reporting back to the Council on the progress of these efforts. (See comments on Program Funding below for more on these opportunities.)

None of these steps should require a workgroup’s input, especially where it could take some months to establish the group and it may only meet 2-4 times a year.

ENO has not raised any specific objections to beginning this work. In its Reply comments, ENO notes that it already includes \$500 supplemental funding for pre-weatherization repairs, as well as referrals to other agencies for certain issues like asbestos.<sup>8</sup> However, ENO does not indicate (or likely know) how often this approach is effective in avoiding the deferral and assuring the energy efficiency service is ultimately provided. As the types of repairs needed to address health and safety issues are often much more expensive, it is likely this supplement does not avoid many deferrals. Nor does ENO indicate any barriers to tracking deferrals in response to Sierra Club’s suggestion in its initial comments. Accordingly, although the Advisors’ Report does not include these immediate action items, Sierra Club urges the Council to include them in its order in this docket.

Following or in conjunction with the short-term actions by ENO recommended above, a DSM workgroup could help develop the strategy for a program to achieve the zero-deferrals goal. As discussed above, the geographic targeting program would also need to include an element to address this issue, as it is especially likely to arise in the targeted neighborhoods. The workgroup could also consider whether there are any barriers related to the available service providers for issues like asbestos and lead abatement (e.g., lack of service providers in certain areas), and how those barriers can be overcome.

The DSM workgroup or a Health & Safety subcommittee should be charged with deliverables that include:

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<sup>7</sup> *Id.*

<sup>8</sup> ENO Reply Comments at 23.

1. Identifying specific strategies for a health and safety complement to Energy Smart's Income-Qualified Weatherization program, or as an initial step, to ensure the success of the geographic targeting program discussed above.
2. Identifying external sources of funding for home repairs necessary before energy efficiency work can proceed, and outlining next steps to obtain that funding.<sup>9</sup>
3. Identifying any gaps in contractors available to provide health and safety services within the service territory and creating a workforce development plan for filling those gaps

The Council should require the DSM workgroup to complete this work, or approve the work of a subcommittee, in time to complement its existing income-qualified program with a health and safety component in the 2025 plan year.

Other utilities have found programs that provide supplemental funding for pre-weatherization repairs to be highly successful and popular among implementing partners. For example, DTE delivers health and safety measures to owner-occupied households, with a standard approval limit of \$10,000 per household, and makes efforts to leverage other funding if that amount does not meet the need.<sup>10</sup> For example, in 2020, the first year of the program, 22 customers identified through DTE's Payment Troubled Customers' Initiative (a targeting program to serve customers behind on their bills with energy efficiency measures) were referred to DTE's Low-Income Health and Safety pilot and were able to receive energy waste reduction measures instead of being deferred as "walkaways."<sup>11</sup> DTE renewed the pilot for 2022 and 2023.<sup>12</sup> DTE tracks and reports the progress of its Low-Income Health and Safety program, reporting the number of participating properties; types of repairs identified; cost of repairs identified; repairs completed; repairs not completed; reason the repairs were not completed; and energy efficiency measures that were able to be installed as a result of the repairs and associated savings values.<sup>13</sup> As DTE's pilot demonstrated success, it is now supplemented by public and private philanthropic funding for broader reach.<sup>14</sup> The Council should set ENO on a path to a

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<sup>9</sup> Section V below discusses some of these funding opportunities. Suggestions for external funding and partnerships that could serve as a starting point are also included in Sierra Club's initial comments, pages 24-25, 31-34, and Exhibit 1 to those comments.

<sup>10</sup> Stipulation and Settlement Agreement, February 13, 2020, *In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determinations, and/or approvals necessary for DTE Electric Company to fully comply with Public Act 295 of 2008, as amended by Public Act 342 of 2016*, Case No. U-20373, Michigan Public Service Commission, <https://mi-psc.force.com/sfc/servlet.shepherd/version/download/068t000000DcffAAAR> (hereinafter 2020 DTE Settlement).

<sup>11</sup> Direct Testimony of J. Lebrun, DTE, *In the matter, on the Commission's own motion, regarding the regulatory reviews, revisions, determinations, and/or approvals necessary for DTE Electric Company to fully comply with Public Act 295 of 2008, as amended by Public Act 342 of 2016*, Case No. U-20876, <https://mi-psc.force.com/sfc/servlet.shepherd/version/download/068t000000UbYKJAA3>.

<sup>12</sup> Sierra Club Initial Comments, Exhibit 2 at 3.

<sup>13</sup> 2020 DTE Settlement at 4-5.

<sup>14</sup> Sarah Rahal, *\$20M Detroit Home Repair Fund to Assist Low-Income Homeowners*, The Detroit News (May 3, 2022), <https://www.detroitnews.com/story/news/local/detroit-city/2022/05/03/detroit-home-repair-fund-low-income-gilbert-family-foundation-dte-promedica/9585176002/>.

similarly successful and well-funded program by requiring both the near-term and medium-term actions discussed above.

## V. Data Collection and Reporting

Sierra Club agrees with the Advisors’ conclusion that “[m]any of the Council’s goals and the goals proposed by the Parties would benefit from enhanced availability of data,” and that some of the goals of enhanced data collection should be to “make it easier to: (i) identify geographic clusters of customers that would benefit from income-qualified programs, [and] (ii) specifically address energy burden and urban heat island impacts.”<sup>15</sup> Sierra Club would add to this list of goals for enhanced data collection (1) to begin understanding and reducing deferrals/walkaways; (2) to identify inequities in energy efficiency investments across the service territory; (3) to identify what programs or measures are benefiting affordability and energy security; and (4) to improve offerings to multi-family buildings. Sierra Club agrees with other parties’ comments that tracking income-qualified participation in market rate programs is not a priority data need, however.

The Council should require ENO to track and report the data points in Table 1 below to support the above goals. Table 1 demonstrates key gaps in ENO’s current data collection around the census-level location of Energy Smart investments to date, deferrals, and certain multi-family housing data. The Council should order ENO to begin tracking this data within the next six months, which would allow time for any necessary IT upgrades or coordination with partners.

If the Council instead defers action on data collection to a DSM working group, it should charge the working group with considering each of the following data points, the need for both tracking and reporting, and recommendations for addressing ENO’s claims that some of this data is Highly Sensitive Protective Material under Official Protective Order adopted pursuant to Council Resolution R-07-432.<sup>16</sup>

<b>Data Point</b>	<b>Does ENO already collect?</b>
<b>Energy Efficiency Measures Installed</b>	
Type of measure	Yes
Number of each type of measure	Yes
Year installed	Yes
Month installed	Yes
Zip code where installed	Yes

<sup>15</sup> Advisors’ Report at 24.

<sup>16</sup> See Sierra Club Reply Comments at 2.

<sup>17</sup> The source of information in Table 1 is ENO’s discovery responses in this docket. See Sierra Club Reply Comments, Exhibit 1a.

<i>Census tract where installed</i>	<i>No</i>
Renter status where installed (renter vs. owner)	Yes (once a year)
Single-family or multi-family building	Yes
If multi-family, how many units	Yes
<i>Affordable housing type (public, subsidized, or unsubsidized)</i>	<i>No</i>
Program expenditures by measure (i.e., incentive payments, contracts, equipment, etc.)	Yes
<b>Health and Safety Deferrals</b>	
<i>Number of deferrals/walkaways</i>	<i>No</i>
<i>Reason for each deferral/walkaway</i>	<i>No</i>
<i>Location of each deferral/walkaway by zip code or census tract</i>	<i>No</i>
<i>Cost of health and safety repairs/upgrades, if provided</i>	<i>No</i>
<i>Energy efficiency measures that were able to be installed as a result of the repairs</i>	<i>No</i>
<b>Affordability and Energy Security<sup>18</sup></b>	
Number of disconnections for nonpayment	Yes
<i>Location of disconnections for nonpayment</i>	Yes, by zip code <i>No, by census tract</i>
Duration of disconnections for nonpayment	Yes
<b>Renters and Multi-Family Housing</b>	
Number of customers who rent vs. own their own home	Yes
<i>Number of customers who live in subsidized housing</i>	<i>No</i>
Number of income-qualified renters in multi-family buildings served with Energy Smart services	(Unknown)

Addressing the gaps in data on census-tract level location, deferrals, type of affordable housing, and income-qualified renters will help improve the Energy Smart program and make it more equitable. For example, although ENO claims that its multi-family programs have served

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<sup>18</sup> Data points as to the level of unpaid bills by location are also important for evaluating energy security. See Sierra Club Initial Comments at 30 (citing National Consumers Law Center recommendations for data collection).

many income-qualified renters,<sup>19</sup> the number of income-qualified customers who have been served in multi-family buildings is not currently reported. It is thus unclear whether ENO's statement is accurate, or whether multi-family offerings must be adjusted or enhanced to reach income-qualified renters. Additional data would help determine whether ENO should prioritize improvements to this program. Likewise, understanding the locations of disconnections for nonpayment and other data on affordability would assist in targeting resources to address severe energy burden.<sup>20</sup> However, none of this data – or the other data already collected by ENO – will serve the above goals if it remains private to ENO without review by stakeholders or the Council. Sierra Club urges the Council to ensure that once collected, the aggregated data may be shared publicly, or at a minimum with a broad group of stakeholders.

Sierra Club has not seen evidence supporting the Advisors' concern around "significant privacy and data security issues that arise with enhanced data collection."<sup>21</sup> In response to Sierra Club's discovery request for historic data on measures installed, ENO provided aggregated data as to its Energy Smart activities in the zip codes recommended for geographic targeting in Sierra Club's initial comments. There are no privacy barriers to sharing this type of data in the aggregate to determine where ENO has put its resources in the past, as is necessary to understand whether those investments have been equitable. The average census tract has hundreds of households so, even at the more granular level of census tracts, revealing aggregated data would not allow the identification of specific customers. Nor does Entergy's Privacy Policy stand in the way of reporting aggregated data for any of the points in Table 1. While Entergy bars sharing "personal information" with a third party, the information that would be gathered through the data points above does not appear to meet the definition of "personal information."<sup>22</sup>

## **V. Program Funding**

Thanks to legislation passed by Congress in 2021 and 2022, there is currently unprecedented public funding for energy efficiency and decarbonization of buildings. If ENO and the City are purposeful in taking advantage of this influx of resources, improving the Energy

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<sup>19</sup> ENO Reply Comments at 1-2.

<sup>20</sup> See National Consumer Law Center, Issue Brief: The Need for Utility Reporting of Key Credit and Collections Data Now and After the Covid-19 Crisis (April 2020), <https://www.nclc.org/resources/the-need-for-utility-reporting-of-key-credit-and-collections-datanow-and-after-the-covid-19-crisis/>.

<sup>21</sup> Advisors' Report at 24.

<sup>22</sup> "Personal Information" is defined as an "address, email address, phone number, fax number, tax identification number, IP address, social security number, resume, bank name and account number, credit card number and billing details, credit card provider, Entergy utility account number, User or other password, or other information that might identify you." Entergy Privacy Policy (Aug. 6, 2019), <https://www.entergy.com/privacy-policy/>. The policy also contains a caveat for using the information to improve the company's business and services: "When you initiate service with Entergy, regardless of whether you do so using this Website, over the phone, through our walk-in customer care centers, via fax, or by email, we will collect certain information that may include certain Personal Information: We will use this information for activities including: To operate, evaluate, and improve our business (including developing new products and services; managing our communications . . ." Entergy Privacy Policy (Aug. 6, 2019), <https://www.entergy.com/privacy-policy/>.

Smart program to provide more targeted and robust service to lower income households need not cost ratepayers an “excessive amount,” as concerns the Advisors. The Advisors recommend that “identifying and assisting ENO with developing partnerships with the various state agencies and other entities administering and distributing funding to assist participants with other issues in their homes that cause deferrals would be an appropriate task for the DSM Working Group.”<sup>23</sup> Sierra Club agrees, but urges the Council to also consider how external funding could be leveraged for low-income weatherization and decarbonization more broadly, and the role of the City in partnering with ENO or other organizations to apply for funds. In addition, while the Council could task the DSM working group with identifying and facilitating opportunities for external funding as an ongoing project, some opportunities that could help fund services for income-qualified households in 2024 or 2025 will be lost if not acted upon in the near term.<sup>24</sup>

There are two distinct types of funding opportunities that require attention: (1) consumer-facing rebates and tax credits, and (2) grant funding that would flow to the City, ENO, a community-based organization, or a partnership between one or more of these entities, through either a formula grant (in the case of the City) or a competitive grant process. Both types of funding will help supplement ratepayer funding for the improvements to the Energy Smart program that the parties and Advisors are recommending.

#### **A. Consumer-Facing Funding**

The Inflation Reduction Act (IRA) established two rebate programs that will vastly reduce the cost of energy efficiency retrofits and the replacement of fossil fuel-burning appliances with more efficient electric appliances. The first is known as the HOMES program, and includes rebates for whole-house energy efficiency upgrades for single-family homes and multifamily buildings. This rebate will be up to \$8,000 (\$400,000 for a multifamily building) depending on energy savings and household income. Both homeowners and aggregators are eligible. The second is the HEEHRA program, which provides up to \$14,000 total to households below 150% of the area median income for point-of-sale rebates for purchase and installation of qualified Energy Star appliances such as electric heat pumps for space heating and cooling. The program also includes rebates for panel upgrades, wiring, and insulation. The rebates for these programs are expected to become available by 2024 and will help ensure that many ENO customers can help fund weatherization and electrification efforts in their homes at low or no cost. The IRA also establishes a 30% tax credit for energy efficiency improvements, home energy audits, and certain other energy investments.

To ensure that New Orleans residents get the full benefits of these programs, ENO must work with the Louisiana State Energy Office (charged with implementing the program in Louisiana) to make sure the rebates are easily accessible and can be braided with other funding sources. As discussed in Sierra Club’s prior comments, ENO also has a role to play in educating

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<sup>23</sup> Advisors’ Report at 28.

<sup>24</sup> Sierra Club also recognizes that other entities within the City are involved in planning for and obtaining new federal funding such that there may be other workgroup spaces appropriate for this task. It is important that any effort to obtain funding for efficiency programs coordinate closely with ENO to maximize the use of funds and ensure that resources are prioritized for the areas most in need.

its customers about these benefits and ensuring they have a streamlined process for receiving them.<sup>25</sup>

## **B. Grant Funding**

Federal grants are available to fund efforts to weatherize homes in disadvantaged communities, avoid deferrals by providing the necessary repairs, decarbonize buildings, and address health concerns such as lead and asthma. Sierra Club's prior comments in this docket have provided a number of examples of these opportunities. To reiterate and provide additional detail, each of the following programs could provide funding that would keep ratepayer charges for the Energy Smart program stable:

### *[Climate Pollution Reduction Grants \(EPA\)](#)*

The City of New Orleans is eligible for \$1 million under this IRA program, but must submit a notice of its intent to claim the amount by April 28, 2023. While these funds are primarily for city-wide planning and implementation of a climate plan, if the plan includes weatherization of income-qualified homes, or of homes in certain disadvantaged communities, the implementation grant could cover a portion of that weatherization in conjunction with ENO's Energy Smart program. The funding appears flexible enough to also include home repairs that are necessary before weatherization or electrification work could be done. (See also Sierra Club's initial comments, pages 35-36.)

### *[Climate and Environmental Justice Block Grants \(EPA\)](#)*

This competitive grant program could also be leveraged to fund weatherization, the home repairs necessary for weatherization, and electrification, as discussed in Sierra Club's initial comments, pages 36-37. As it is targeted specifically to disadvantaged communities, the geographic targeting and neighborhood delivery program would be a good fit for a proposal for this funding. Some of the funding for these grants is [already available](#), while additional grant opportunities will be rolled out later this year and into the future.

### *[Energy Efficiency and Conservation Block Grants \(DOE\)](#)*

The City of New Orleans is eligible for \$381,470 in formula grant funding from this program. DOE is offering several upcoming webinars on this funding opportunity, and has provided [details](#) about the program for potential applicants. Past webinars are recorded and available on the DOE website linked above and DOE also provides "office hours" for questions about the program. The deadline for local governments to apply is January 31, 2024, though applications may be submitted now. A variety of spending would be eligible for this grant, including building energy audits and energy efficiency retrofits. (See also Sierra Club initial comments, page 34).

### *[Weatherization Assistance Program/ Weatherization Readiness Funding Set-Aside](#)*

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<sup>25</sup> See Sierra Club Reply Comments at 16.

The Bipartisan Infrastructure Law increased funding for the longstanding Weatherization Assistance Program, such that the entities providing weatherization services for the Energy Smart program should be able to reach more homes.<sup>26</sup> Moreover, while WAP funding has historically been limited to the efficiency projects themselves, there is now a Weatherization Readiness Fund set-aside, which funds “necessary repairs (e.g., Health and Safety issues, structural) in dwellings that have been deferred from receiving weatherization services.”<sup>27</sup> As discussed in Sierra Club’s initial comments pages 33-34, Louisiana was granted nearly \$31 million in WAP funding, and the Louisiana Housing Corporation has applied for funding from the Weatherization Readiness Fund.

As discussed Sierra Club’s initial comments, page 32, the Department of Housing and Urban Development’s Lead Hazard Control Grant Program, and programs providing funding to address asthma are other opportunities that the City and ENO should explore.

### **C. Technical Assistance for Funding Opportunities**

In addition to the assistance provided directly by the agencies administering the above funding programs, a number of other entities are helping cities and utilities interested in seeking funding for efficiency, healthy homes, and decarbonization projects achieve their goals. As mentioned in Sierra Club’s prior comments, these include, among others, the Green and Healthy Homes Initiative, and ACEEE’s [Residential Retrofits for Energy Equity](#) program, a nationwide initiative to accelerate energy upgrades for affordable housing.

Given all of the above, Sierra Club is confident that ENO and its partners can work to keep overall costs of the Energy Smart program to ratepayers low, while still enhancing and targeting its services in the ways recommended by the Parties and Advisors. As immediate steps, the Council should require ENO to file a quarterly report as to (1) its progress in partnering with Louisiana State Energy Office towards a customer-friendly rebate program for HOMES and HEEHRA; and (2) the external funding or partnership opportunities it is pursuing or has obtained to supplement its own funding for the Energy Smart program, and any barriers that may exist to obtaining funding. The Council should also charge the DSM working group with investigating and external funding opportunities on an ongoing basis and include as a deliverable a quarterly or bi-annual report recommending partnerships and grant applications that ENO, its partners, or the City itself should pursue.

## **VI. Heat Pump Program**

Sierra Club’s Reply comments included a recommendation that the Council 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. The Advisors’ Report notes, “Given that the Energy Smart A/C Solutions program includes rebates for the purchase and

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<sup>26</sup> Sierra Club recognizes that organizational capacity can be a barrier to taking advantage of additional funds. If such barriers exist, a DSM working group could identify those and begin developing solutions.

<sup>27</sup> Weatherization Program Notice 23-4, Dept. of Energy (Jan. 27, 2023), [https://www.energy.gov/sites/default/files/2023-01/WPN\\_23\\_4\\_Weatherization\\_Readiness\\_Funds\\_Expansion\\_of\\_Scope.pdf](https://www.energy.gov/sites/default/files/2023-01/WPN_23_4_Weatherization_Readiness_Funds_Expansion_of_Scope.pdf).

installation of an Air Source Heat Pump, the Sierra Club should provide clarification as to what further program designs regarding air source heat pumps or modifications to the A/C Solutions Program should be considered.”<sup>28</sup> Sierra Club is encouraged that Energy Smart is providing rebates for heat pumps already. However, these are only in the range of \$150-500.<sup>29</sup> These relatively small amounts unfortunately do not make heat pumps affordable for income-eligible customers and accordingly would not help address the energy burden and heat island issues envisioned in Sierra Club’s recommendation. Federal rebates through the HEEHRA program discussed above, on the other hand, cover 100% of cost of the purchase and installation of a heat pump air conditioner/heater– up to \$8,000– for low-income households and 50% of costs for moderate-income households. The IRA also provides a tax credit for heat pump air conditioner/heaters of 30%, capped at \$2,000 per year. For an effective heat pump rebate program, ENO should ensure customers are aware of this funding and work to streamline the process such that customers have a “one-stop-shop” experience in obtaining a heat pump replacement with funds from the federal rebate and tax credits. The other difference between the current approach and Sierra Club’s recommendation would be that ENO would specifically target low-income customers for outreach as to the benefits of heat pumps and availability of funding.

A heat pump pilot or program would dovetail well with several of the other improvements recommended by Sierra Club such as the geographic targeting initiative and enhanced multifamily offerings. In addition, it is likely to be highly cost effective given the significant savings achieved by the A/C Solutions program thus far<sup>30</sup> and the availability of federal funding. Sierra Club reiterates its recommendation that the Council instruct ENO to develop a program that encourages the adoption of heat pumps as an energy efficiency measure, particularly for income-qualified households.

## **VII. Conclusion**

The above comments provide additional detail on the reforms recommended by Sierra Club in response to the Advisors’ concerns and questions. The comments identify both immediate actions for the Council and specific tasks and deliverables that could be deferred to a DSM working group, should the Council choose to create one. Sierra Club reiterates that a DSM workgroup, while serving a valuable purpose, should not delay the crucial near-term actions identified above and listed in Sierra Club’s reply comments, pages 16-17. As the Council is aware, income-qualified households in New Orleans face one of the highest energy burdens in the country, while New Orleans also ranks highest in the country for urban heat island intensity. The City should waste no time in implementing changes to the Energy Smart program that will provide greater relief to households facing these dual burdens.

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<sup>28</sup> Advisors’ Report at 27.

<sup>29</sup> <https://www.energysmartnola.info/central-air-conditioner-rebates/>. Sierra Club also notes that the Energy Smart Implementation Plan currently does not reference these rebates, and thus it is unclear whether this program is continuing.

<sup>30</sup> See Advisors’ Report, Appendix A.

Respectfully submitted,

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

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**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 29<sup>th</sup> day of March 2023, served the **Comments of Sierra Club on the Advisors' Report Regarding Parties' Proposed Changes and Additional Guidance** upon all other known parties of this proceeding and to the attached Service List by electronic mail.



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