



June 16, 2023

By Hand Delivery and U.S. Mail

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

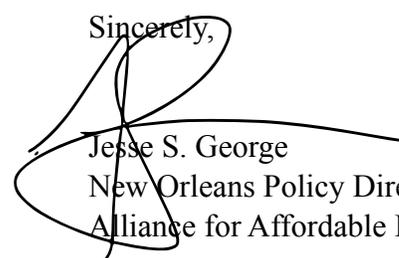
In Re: A RULEMAKING PROCEEDING TO ESTABLISH RULES FOR COMMUNITY SOLAR
PROJECTS (Docket No. UD-18-03)

Dear Ms. Johnson:

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

Thank you for your time and attention.

Sincerely,



Jesse S. George
New Orleans Policy Director
Alliance for Affordable Energy

**Before
The Council of the City of New Orleans**

**IN RE: A RULEMAKING PROCEEDING
TO ESTABLISH RULES FOR
COMMUNITY SOLAR PROJECTS**

DOCKET NO. UD-18-03

JUNE 16, 2023

COMMENTS OF THE ALLIANCE FOR AFFORDABLE ENERGY

I. INTRODUCTION

On July 13, 2022, Madison Energy Investments (“MEI”) filed its Motion to Amend the Community Solar Rules under the instant docket. In response, on August 18, 2022, the New Orleans City Council (“the Council”) adopted resolution R-22-370 establishing a comment period on MEI’s motion with a filing deadline of September 19, 2022. Following the comment period, on April 6, 2023, the Council adopted resolution R-23-130, granting MEI’s motion in part, by increasing eligible project size from 2MW to 5MW, and re-opening the docket for comment, with particular focus on 1) changes to the tariff rate, 2) whether the definition of “low-income customer” should be amended, 3) consolidated billing, 4) ownership and valuation of RECs, 5) increasing the minimum number of low-income subscribers per community solar generating (“CSG”) facility, and 6) power purchase agreements (“PPAs”). The Alliance for Affordable Energy (“AAE”) hereby submits the following comments in response to the Council’s request:

II. CHANGES TO THE TARIFF RATE

Since the Council first adopted the Community Solar Rules (“the Rules”) in 2018, New Orleans has seen no development in community solar. This is a strong indicator that the current Rules are not favorable to communities who want to co-own resources or solar developers. In

order to determine a tariff rate that will attract solar developers, the Council need only look to successful community solar programs in other jurisdictions. As illustrated by Figure 1 below, the states of Massachusetts, Minnesota, and New York are among the national leaders in community solar projects:

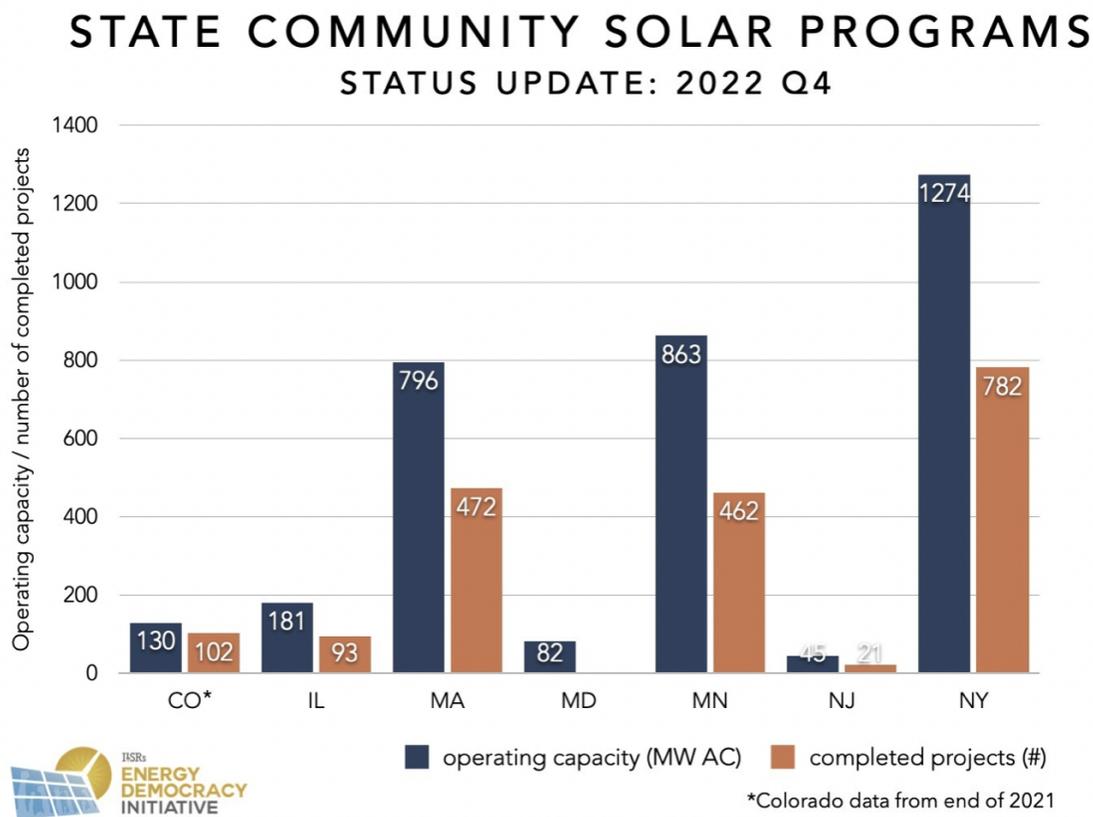


Fig. 1: Source: <https://ilsr.org/national-community-solar-programs-tracker/>

Analysis of the community solar rules in these states reveals that community solar projects are eligible to receive a retail rate tariff under each program, often with extra incentives for projects with a high volume of low-income subscribers.¹ Accordingly, the Alliance supports the adoption of a full retail tariff rate to provide adequate incentive for community solar developers.

¹<https://www.nrel.gov/docs/fy21osti/79548.pdf>

III. THE DEFINITION OF “LOW-INCOME CUSTOMER”

The current Rules define a “Low-Income Customer” as one “whose gross annual household income is at or below 60 percent of Area Median Income for the year of subscription or who is certified as eligible for any federal, state, or local assistance program that limits participation to households whose income is at or below 60 percent of Area Median Income.”² The Alliance is open to broadening this definition, either by increasing the percentage of Area Median Income that qualifies or by some other method, such as designating as eligible those living in certain census tracts that may be identified as high energy burden or high heat island impact areas.

IV. CONSOLIDATED BILLING

As stated in our previous filings under this docket, the Alliance does not oppose consolidated billing and, in fact, notes that consolidated billing is a feature of successful programs such as in New York.³ However, if the Council is to adopt consolidated billing, it must ensure that customer savings flow through under the consolidated billing scheme. For instance, in our comments on MEI’s Motion to Amend the Community Solar Rules, the Alliance suggested directing a higher percentage of the “Total Benefits of Community Solar” to all subscribers than MEI recommended in order to ensure that subscribers receive significant savings each month.⁴

²https://www.all4energy.org/uploads/1/0/5/6/105637723/2022_02_03_ud-18-03_curo_r-22-76_amended_low-income_customer_def.pdf

³ <https://www.nysersda.ny.gov/All-Programs/NY-Sun/Contractors/Resources-for-Contractors/Community-Solar>

⁴ “Comments of the Alliance for Affordable Energy”, September 19, 2022, pp. 2-6

V. OWNERSHIP AND VALUATION OF RENEWABLE ENERGY CREDITS

With regard to ownership of RECs, the Alliance favors the current Rules, under which ownership of RECs defaults to subscribers with the option to transfer ownership to community solar developers as a way to improve the economics of the projects. While most subscribers would likely opt to transfer ownership to the developer, allowing subscribers to maintain ownership might attract those, such as commercial entities, for which REC ownership could be desirable.

In terms of valuation, the Alliance supports amending the city's current Renewable and Clean Portfolio Standard ("RCPS") under docket UD-19-01 to establish a 10% carveout for locally-generated RECs. This would reflect the true benefits of locally-produced renewable energy and provide a strong signal to community solar developers.

VI. INCREASING THE MINIMUM NUMBER OF LOW-INCOME SUBSCRIBERS

While we do not oppose increasing the minimum number of low-income subscribers per project, the Alliance views this as an unnecessary change, as the current rules place no limits in this regard. However, if the Council wishes to amend the rules regarding low-income subscribers, one option would be to increase the compensation rate for projects with higher proportions of low-income subscribers via a tariff adder.

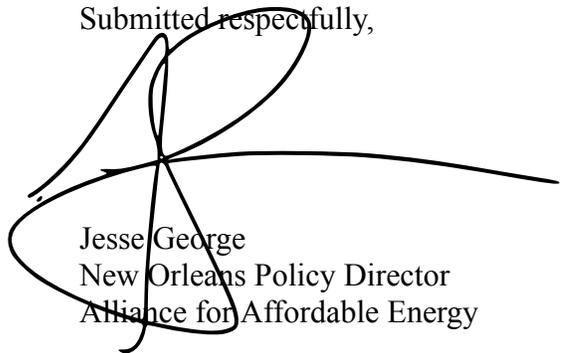
VII. POWER PURCHASE AGREEMENTS

The Alliance supports extending PPA terms under the Rules to 20 years in order to align more closely with other utility PPAs and to provide better financing options to community solar developers.

VIII. CONCLUSION

While the Council has taken the laudable step of adopting the Rules, it is clear that these Rules need refinement in order to spur the kind of development in solar power that New Orleanians wish to see. The Alliance believes that the best, most direct path to achieving our community solar goals is by adopting a retail rate tariff and a 10% carveout for locally-produced RECs under the city's RCPS. We thank you for the opportunity to help make New Orleans a leader in community solar.

Submitted respectfully,



Jesse George
New Orleans Policy Director
Alliance for Affordable Energy

**Before
The Council of the City of New Orleans**

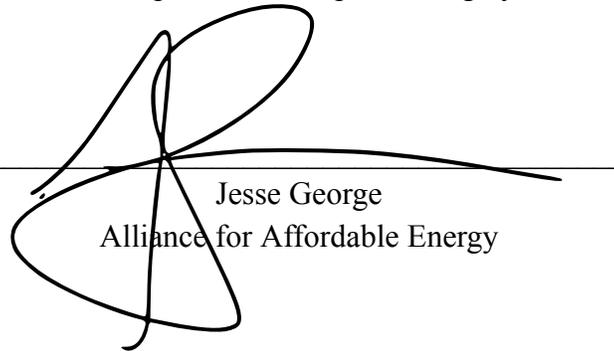
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CERTIFICATE OF SERVICE

I do hereby certify that I have, this 16th day of June 2023, served the foregoing correspondence upon all other known parties of this proceeding by electronic mail.



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Alliance for Affordable Energy

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