

July 17, 2024

Via Electronic Mail

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

RESOLUTION AND ORDER ESTABLISHING A DOCKET AND PROCEDURAL SCHEDULE WITH RESPECT TO STORM HARDENING AND RESILIENCE (Docket No. UD-21-03)

Dear Clerk:

Please find enclosed the Alliance for Affordable Energy's Proposed Resilience Metrics and Enforcement Mechanism under this 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.

se S. George

cerely,

New Orleans Policy Director

Alliance for Affordable Energy

Before The Council of the City of New Orleans

In Re: RESOLUTION AND ORDER

DOCKET NO. UD-21-03

ESTABLISHING A DOCKET AND

PROCEDURAL SCHEDULE WITH RESPECT

TO STORM HARDENING AND RESILIENCE

JULY 17, 2024

THE ALLIANCE FOR AFFORDABLE ENERGY'S PROPOSED RESILIENCE

METRICS

I. INTRODUCTION

On February 22, 2024, the New Orleans City Council ("the Council") adopted Resolution R-24-73, providing limited approval, guidance and additional procedural deadlines with respect to proposed system resiliency and storm hardening expenses in Docket UD-21-03. The amended procedural schedule required the parties to convene a fourth public technical conference between July 22, 2024 and August 30, 2024 to attempt to identify a framework for prioritization and potential approval of additional distribution and transmission hardening projects. The purpose of the technical conference is to 1) identify the components of a metrics-based accountability measure to assess the projects and the frequency with which resilience reports should be filed, 2) strive for consensus on how hardening projects, reliability, and preparing the grid for distributed energy resources can be accomplished in a coordinated planning effort, and 3) consider locational, customer-specific and non-economic factors such that projects can be implemented throughout New Orleans on a more measured pace and with lower customer impact, particularly to those communities most vulnerable to energy insecurity and climate disaster. Lastly, the

Resolution solicits proposed metrics, from any party who wishes to submit them, no later than one week prior to the technical conference. The technical conference is scheduled for July 24, 2024 and the Alliance hereby submits these proposed metrics for consideration by the Council and other parties. The Alliance also appreciates the opportunity to present this proposal during the technical conference and will plan to do so. In addition to the proposed metrics, the Alliance also submits for consideration a proposed performance incentive mechanism which would improve ENO's accountability regarding the most critical metrics.

II. PROPOSED METRICS

In May 2024, the U.S. Department of Energy, Lawrence Berkeley National Laboratories, E4TheFuture, and Synapse Energy Economics released the *Distributional Equity Analysis for Energy Efficiency and Other Distributed Energy Resources: A Practical Guide* (https://emp.lbl.gov/publications/distributional-equity-analysis). According to the guide "distributional equity analysis (DEA) is an analytical framework that allows utilities, regulators, communities, and stakeholders to answer questions about the equity implications of utility investments and to consider those implications alongside benefit-cost analysis (BCA)". (Page x) Page 8 of the guide also states, "DEA is applicable to more than just utility investments in [distributed energy resources] DERs. DEA is applicable to investments in generation, transmission, and distribution investments, including grid modernization technologies and storm-hardening initiatives. In sum, DEA is appropriate in any situation in which a utility would conduct BCA to determine if an investment or initiative has benefits that exceed costs." Slide 28 of the presentation provided during a June 25, 2024 webinar on the guide provides a table showing a list of metrics that can be included in a DEA (https://live-etabiblio.pantheonsite.io/sites/default/files/

dea_final_webinar_20240625.pdf). The Alliance leverages that list of metrics to develop its proposed metrics in the table below. It is important to emphasize that we propose that most of these metrics be calculated for all customers as well as broken out for vulnerable and less vulnerable customers. The only metric that is not conducive to this breakout is BCA, which we indicate in our table. As a result, it is our recommendation that BCA be calculated for all customers and examined alongside the other metrics.

Proposed Metrics (*for all customers, for vulnerable customers, and for less vulnerable customers)
Participation
of installations
#/% customers the installations serve
cost (in dollars) of installations
MMBtu/kW saved/generated by installations
Resilience
CMI for customers served by the installations, including major event days
CAIDI for customers served by the installations, including major event days
CAIFI for customers served by the installations, including major event days
SAIDI, including major event days
SAIFI, including major event days
Cost Effectiveness/Affordability
Benefit cost ratio (*not able to be broken out by customer vulnerability)
Cost per customer served by the installations
Change in rates
Change in bills
Energy burden

Shutoffs
Public Health
GHG Emissions produced/avoided by installations
Other Environmental Pollutants produced/avoided by installations
Hospitalizations related to grid outages
Deaths related to grid outages
Economy
Jobs related to installations

III. PROPOSED ENFORCEMENT MECHANISM

Performance metrics provide information that utilities, regulators, and other stakeholders can use to prioritize investments and monitor performance relative to baselines. Performance standards can be established to set the minimum acceptable performance. Performance targets can be established to establish desired levels of performance that exceeds the minimum standards. The Alliance believes that performance standards, targets, and enforcement mechanisms are necessary to set clear goals, guide prioritization, and ensure accountability. The Alliance recommends performance standards, targets, and enforcement mechanisms for one metric to start: Customer Average Interruption Duration Index ("CAIDI"), **including major event days**.

We suggest the enforcement mechanism be structured as follows.

- For any year in which ENO's CAIDI with major event days falls somewhere between its target and its standard, ENO shall be found to be in compliance.
- For any year in which ENO's CAIDI with major event days is higher than its standard, it is penalized for its substandard performance.

The CAIDI metric should include only the customers served by the proposed investments in resilience and a baseline should be calculated to inform the standard and target.

IV. CONCLUSION

The Alliance thanks the Council for this opportunity to provide these proposals. We look forward to the Council's adoption of metrics that measure resilience and equity and consideration of performance incentives to ensure ENO is accountable to its customers regarding its plans to improve both resilience and equity.

Submitted respectfully,

Jesse S. George

New Orleans Policy Director Alliance for Affordable Energy

Before The Council of the City of New Orleans

In Re: RESOLUTION AND ORDER
ESTABLISHING A DOCKET AND
PROCEDURAL SCHEDULE WITH RESPECT
TO STORM HARDENING AND RESILIENCE

DOCKET NO. UD-21-03

JULY 21, 2023

CERTIFICATE OF SERVICE

I do hereby certify that I have, this 17th day of July 2024, served the foregoing correspondence upon all other known parties of this proceeding by electronic mail.

Jesse S. George

Alliance for Affordable Energy

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