Jul 7, 2025

Councilmember Helena Moreno – Chair, Climate and Sustainability Committee
Councilmember JP Morrell – Chair, Utility, Cable, Telecom and Technology Committee
New Orleans City Council
1300 Perdido Street
New Orleans, LA 70112

Dear Committee Chairs Moreno and Morrell and Members of the Utility and Climate Committees:

We write on behalf of Together New Orleans to highlight what we believe are the most important issues at stake as the Council approaches a decision in the Distributed Energy Resources docket (the “VPP docket”). With the Advisors’ report set for release on July 16th, the Council faces a rare and consequential opportunity to shape the future of energy resilience, equity and affordability in New Orleans.

There is, in our view, significant room for compromise and collaboration among the parties. At the same time, the risks of inaction or adopting an unworkable approach are simply too great to ignore. Both here and in other cities, grid modernization efforts have faltered when they relied on models that were too incremental or placed too much control in the hands of a single entity. Recent federal legislation has now tightened the timeline for accessing full federal tax incentives. New Orleans cannot afford a process that is defined by bureaucracy, delay or approaches that are set up to fail.

Our purpose in this letter is to clearly communicate what Together New Orleans considers the essential provisions for a DER program that will truly deliver on the Council’s goals. These provisions boil down to three core principles:

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1. The program must maintain vendor neutrality and independent administration.

A successful DER program depends on genuine competition and broad participation. Third-party vendors and community partners (vetted and pre-approved by a third-party administrator) must be able to propose, finance and own DER systems. Program funds must be distributed based on clear, objective criteria — not utility discretion.

Entergy New Orleans (ENO) has repeatedly signaled its opposition to any use of system funds for programs not under its exclusive control and to the very principle of vendor neutrality — a defining objective of this docket. ENO’s proposal would position itself as the exclusive administrator, routing all incentives through the utility and restricting participation to utility-approved vendors. This approach is the antithesis of vendor neutrality: it creates conflicts of interest, stifles competition and risks limiting the program’s reach to a narrow circle of existing contractors. While TNO and AAE recognize ENO’s legitimate responsibility for grid operations and reliability, that role cannot extend to allowing ENO to serve as both referee and sole beneficiary.

2. The program must make DERs affordable for New Orleans customers — and avoid magical thinking.

For this initiative to succeed, it must put distributed energy resources within reach of ordinary New Orleanians — not just the affluent. For the next two years, federal tax credits and grant programs can be leveraged to cover 60 percent or more of the cost of solar and storage projects, but this is only possible if the program structure supports third-party ownership and aggregation and provides local upfront incentives that bridge the affordability gap.

ENO's proposal fails to address this fundamental issue. Nowhere does it explain how low-income or working families are expected to cover the $12,000 to $16,000 shortfall between ENO's incentive and the actual cost of a battery system. A plan that assumes households can find or finance these funds — especially those hardest hit by outages and high bills — is not a plan built for equitable deployment. Without adequate incentive levels that align with federal support, the program will exist on paper only with real benefits out of reach for nearly every family and community institution in the city.

3. The program needs aggressive, enforceable deployment timelines — and protection from delay tactics.

The Council's plan must include concrete, enforceable deadlines for launching the incentive fund, establishing eligibility and deploying funds to projects. Specifically, the upfront incentive must be fully established by the end of Q1 2026 and funds must begin flowing to projects by Q2 2026.

In recent decades, New Orleans has suffered a deadly, long-duration power outage about once every ten years. Every year of delay is another roll of the dice — with lives, health and livelihoods at stake.

The recent passage of the federal budget bill only increases the urgency. While incentives for battery storage remain, the solar Investment Tax Credit will be available at its current level only for projects that become operational by the end of 2027. If implementation is delayed — whether through administrative inertia or deliberate stalling — New Orleans could lose out on tens of millions of dollars in federal support that simply will not be available to later projects. The city cannot afford to let this opportunity slip away.

Conclusion

Together New Orleans is committed to working with the Council, ENO and all stakeholders toward a plan that truly works for our city. But we cannot support any approach that fails to meet these core principles. The stakes are simply too high.

Thank you for your leadership and for the opportunity to contribute to this vital work.

Respectfully,

[Together New Orleans signature block]

[Alliance for Affordable Energy signature block]