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August 8, 2025

VIA ELECTRONIC MAIL

Clerk of Council Clerkofcouncil@la.gov City Hall - Room 1E09 1300 Perdido Street New Orleans, LA 70112

Re: Resolution (R-24-624) and Order Establishing A Docket and Procedural

Schedule to Enhance Distributed Energy Resource Programs

(CNO Docket No. UD-24-02)

Dear Clerk of Council:

Attached please find the Comments of Entergy New Orleans, LLC ("ENO") on Advisors' Report for filing in the above-referenced docket pursuant to Resolution No. 24-624. ENO submits this filing electronically and will submit the requisite original and number of hard copies once the Council resumes normal operations or as you direct.

Thank you for your assistance in this matter, and please let me know if you have any questions or concerns.

Sincerely,

Leslie M. LaCoste

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Enclosures

cc: Official Service List UD-24-02 (via electronic mail)

BEFORE THE

COUNCIL OF THE CITY OF NEW ORLEANS

RESOLUTION AND ORDER R-24-624)	
ESTABLISHING A DOCKET AND)	
PROCEDURAL SCHEDULE TO)	DOCKET NO. UD-24-02
ENHANCE DISTRIBUTED ENERGY)	
RESOURCE PROGRAMS)	

ENTERGY NEW ORLEANS, LLC'S COMMENTS ON THE ADVISORS' REPORT DATED JULY 16, 2025

Entergy New Orleans, LLC ("ENO" or "the Company") submits these Comments on the Advisors' Report Regarding Parties' Proposed Distribution Energy Resource Programs and Policies dated July 16, 2025 (the "Report"). ENO appreciates the measured approach presented by the Advisors in the Report, and generally agrees with the Advisors' recommendations, as discussed further herein. ENO further notes that it remains committed to expanding the distributed energy resource ("DER") program.

INTRODUCTION

The Council opened this docket to consider, among other things, whether certain System Energy Resources, Inc. ("SERI") credits ("SERI Credits") should be used to support DER programs composed of non-utility projects from third parties, when the Council previously decided to return the SERI Credits to customers.¹ In multiple rounds of comments, ENO made clear that use of the SERI Credits by third parties for such projects would be inconsistent with the terms of the SERI Agreement in Principle ("SERI AIP") and Resolution No. R-24-194.² Together New

Resolution No. R-24-624.

² See ENO Comments (December 20, 2024), pp. 4-10; ENO Comments (March 14, 2025), pp. 5-9; ENO Reply Comments (March 31, 2025), pp. 5-7.

Orleans ("TNO") and the Alliance for Affordable Energy ("AAE"), among others, submitted various comments and also offered a DER proposal seeking to utilize the SERI Credits for their own non-utility programs and projects.³ Given the legal and other obstacles in third-party proposals, ENO presented its own proposal for consideration, as an alternative approach that would comply with regulatory law and policy.⁴ In response to these submissions, the Advisors submitted the Report containing the following recommendations, among others:

- The SERI Credits should be returned to ratepayers rather than funding the expansion of DERs.
- There should be good-faith collaboration between the parties to develop a DER expansion program, conducted initially as a pilot, possibly through Energy Smart.
- The DER expansion program should have sufficient reporting and information gathering during the pilot program to support a permanent virtual power plant ("VPP") tariff.

COMMENTS

The Advisors recommend that the SERI Credits at issue should not be used for non-utility programs, but rather should be returned directly to customers in a manner consistent with the SERI AIP. ENO agrees. ENO raised concerns in this docket about the appropriateness of using SERI Credits to fund DER programs, and believes that allowing third parties (or even ENO) to use SERI Credits for their own DER programs would be inconsistent with the terms of the SERI AIP and Resolution No. R-24-194, which contemplate that the SERI Credits should flow directly back to customers.

Second, ENO agrees that the expansion of the DER program could be accomplished through ENO's Energy Smart BESS pilot program. As the Advisors stated, utilizing a pilot

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³ TNO/AAE Comments (December 20, 2024); pp. 43-45.

ENO Comments (March 14, 2025), Exhibit 1.

program would allow the Council to gather information to evaluate the appropriate incentive levels, the impacts of the DER expansion program on the distribution system and on ratepayers, and the benefits of the program. The Advisors also recommend that the pilot program include several features, many of which are already included in ENO's proposal. For example, ENO's proposal is already Original Equipment Manufacturer ("OEM") and installer-neutral to allow for a diversity of participation pathways, business models, and battery types.

The Advisors also recommend certain features to allow for the information gathering mentioned above, such as being supported by a ratepayer bill impact calculation and cost effectiveness analysis. ENO agrees. ENO also agrees with the Advisors' recommendation that the pilot include data-driven incentive levels or allocated funds for low-to-moderate income ("LMI") customers to promote significant LMI participation. The Advisors also recommend that ENO act as Incentive Administrator of the pilot program. ENO is not opposed to this recommendation, as it is consistent with the function it currently performs for Energy Smart with the assistance of third-party administrators.

ENO is willing to collaborate with other parties in this docket to create a pilot program that benefits ratepayers and increases the availability of DERs as described by the Advisors in their Report. Given the Advisors' recommendation that efforts focus on an expansion of the Energy Smart BESS pilot program, ENO suggests that collaboration can take place through the procedural schedule established for review of the Energy Smart Implementation Plan in the Integrated Resource Plan docket, particularly given the Advisors' recommendation that expansion of the DER program be handled through ENO's Energy Smart BESS pilot program. Intervenors also support the expansion of DERs through the Energy Smart program structure.⁵ The expansion could be

⁵ RNO Comments (December 20, 2024), p.2; PosiGen Comments (March 31, 2025), p. 2; Enphase Comments (March 14, 2025), p. 2.

started as part of the BESS pilot program to allow the parties to gather information on how the program could best be handled. Lastly, the Advisors recommend that the pilot program include sufficient reporting to support a permanent VPP tariff. It is ENO's position that the record of this docket does not support creation of a permanent VPP tariff, and that it is not possible for stakeholders to properly opine on the reasonableness of such a mechanism based solely on comments in this rulemaking proceeding. A procedural schedule should be set that allows stakeholders an opportunity to present evidence, conduct discovery, and participate in an evidentiary hearing to establish a complete record upon which such a supportable decision could be made. ENO anticipates this could be accomplished in connection with a review of a subsequent electric base rate case. ⁶

CONCLUSION

By way of summary, ENO agrees that SERI Credits should be returned directly to customers rather than used to fund DER programs, and a DER expansion program can be accomplished through ENO's Energy Smart BESS pilot program, which would facilitate cost recovery through the existing Energy Efficiency Cost Recovery rider along with other Energy Smart costs.

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ENO reserves the right to fully brief this issue at a later time. Any future consideration of a VPP tariff that would provide incentives in response to real-time price signals to participants who discharge their solar-paired battery systems at times of high load or for purposes of energy arbitrage must involve changes to the current net metering rules to address the cost shift that occurs today. As ENO noted in recent comments in Docket UD-18-03, the current net metering arrangement that grants full retail credits for excess energy is projected to result in a cost shift to non-participating customers of approximately \$245 million over the next 20 years. ENO Comments (October 30, 2024), p. 10. Allowing net metering customers with batteries to also participate under a VPP tariff will enable these customers to add an additional value stream for themselves while considerable net energy metering costs continue being shifted to non-participants. Modifications to the net metering rules to reduce or eliminate the cost shift going forward should be part of any consideration of a VPP tariff.

Respectfully submitted,

By:

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CERTIFICATE OF SERVICE UD-24-02

I hereby certify that I have served the required number of copies of the foregoing pleading upon all other known parties of this proceeding individually and/or through their attorney of record or other duly designated individual.

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New Orleans, Louisiana, this 8th day of August, 2025

Leslie M. LaCoste