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September 22, 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 and Revised Proposal of Entergy New Orleans, LLC ("ENO") for filing in the above-referenced docket pursuant to Resolution No. R-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

LML/jlc 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 AND REVISED PROPOSAL

Entergy New Orleans, LLC ("ENO" or "the Company") submits these Comments in compliance with Resolution No. R-24-624 ("Resolution") regarding its revised proposal to expand the Energy Smart battery energy storage system ("BESS") pilot program by adding upfront incentives for battery systems. ENO agrees with the Advisors' Report Regarding Parties' Proposed Distribution Energy Resource Programs and Policies ("Report") filed July 16, 2025, in this docket that (a) expansion of the distributed energy resource ("DER") program can be accomplished through ENO's Energy Smart BESS pilot program, and (b) credits related to the settlement of litigation involving System Energy Resources, Inc. ("SERI Credits"), should not be used in this docket.

By way of background, the Resolution established a procedural schedule, subsequently amended by Order of the hearing officer dated May 13, 2025, for parties to submit proposals for the expansion of DERs, including comments on whether certain SERI Credits should be used to support DER programs composed of non-utility projects from third parties. Several intervenors filed proposals and comments on December 20, 2024, and ENO presented its own proposal for

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Filed September 12, 2025, in Docket UD-23-01.

consideration on March 14, 2025, which was followed by reply comments and a technical conference. The Advisors submitted their Report on July 16, 2025, summarizing the comments received and recommending, among other things, that (i) the parties collaborate in good faith to develop a DER expansion program, conducted initially as a pilot, possibly through Energy Smart, and (ii) SERI Credits should not be used in this docket.² The Report also included a bulleted list of recommended features that should be included in a pilot program.³

The procedural schedule now permits stakeholders to submit revised proposals. To that end, ENO submits and incorporates by reference its Reply Comments filed on September 12, 2025, in Docket UD-23-01, which supplemented and amended its Application for Approval of the Energy Smart Program Implementation Plan for Program Years 16 through 18 ("Application") filed June 16, 2025, both attached hereto as Exhibit A.⁴ In the Application, ENO outlines that its existing BESS demand response ("DR") program incentivizes participants to allow ENO to discharge their solar-paired battery systems during periods of peak demand utilizing a Distributed Energy Resource Management System ("DERMS") platform to control participants' battery systems during events.⁵ Expansion of the DER program, as contemplated by this docket, can be conducted as a pilot through the BESS program as described in the Application and Reply Comments.

In accordance with the recommendation in the Report that parties engage in good faith collaboration in this docket to create a pilot program that benefits ratepayers and increases the availability of DERs as described in the Advisors' Report, ENO and TNO have met several times

Report, pp. 1-2, 33-34.

Report, pp. 2-3, 34-35.

⁴ Application for Approval of the Implementation Plan for Program Years 16 through 18 of the Energy Smart Plan (June 16, 2025).

⁵ Application, pp. 7-8.

since the Report was published, most recently on September 19, to discuss the framework for a pilot and identify opportunities for alignment. Those discussions, in part, informed the revised proposal filed on September 12 in Docket UD-23-01 and captured in Exhibit A. While these meetings have been helpful in identifying alignment between the parties on several aspects of program structure and administration, ENO and TNO continue to disagree on two key points—the amount of funding that should be dedicated to the initial years of the BESS incentive pilot and the source of that funding. The Company would like to offer comments here on these two points.

Regarding the amount of funding needed to support a robust BESS incentive pilot, ENO continues to believe that meaningful progress and insight can be achieved from 2026-28 by initially deploying upfront incentives in the range of \$2 million to \$3 million per year and offering attractive ongoing DR participation incentives. Based on experience gained from implementation over the 2026-28 period, the funding levels can be reassessed and adjusted as appropriate.

Additionally, and in response to collaborative discussions with TNO, ENO made a significant adjustment by adding eligibility for small commercial customers to receive upfront BESS incentives in its revised proposal. Recognizing the market impacts that will occur due to changes in the Investment Tax Credits under the 2025 Budget Bill, ENO allocated approximately \$5 million in incentives to small commercial customers in 2026 and 2027, targeting approximately 30 installations in each of those years. ENO also increased per project incentives for low to moderate income ("LMI") customers but adjusted down the overall number of expected installations given tax credit impacts and prevailing market conditions. Ongoing participation incentives for the DR program were kept unchanged as these provide a significant benefit to participants.

With these modifications and the expansion to include small commercial customers, the overall budget for the three year pilot in Energy Smart was actually reduced to \$9.4 million from the \$10.2 million proposed by ENO in its June 16, 2025 filing. This amount is expected to support approximately 7 MW of new battery installations in the city and would position the Energy Smart pilot as a leading edge BESS incentive program among U.S. utilities. For example, the Duke Energy program in North Carolina has been identified by TNO and other intervenors as a leader in this space. The table below compares the scope of the Duke program and the proposed ENO Energy Smart pilot and demonstrates that the ENO program is targeted to achieve a significantly larger impact (nearly 5X larger) given the relative peak loads of the two utilities.⁶

	Duke	- NC	ENO	
	Summer Peak	Winter Peak	Summer Peak	Winter Peak
	Demand	Demand	Demand	Demand
Size of battery program (MW)	40.5	40.5	7	7
Utility Peak Demand (MW)	31,154	31,662	1,212	1,110
Proportion of Utility Peak	0.13%	0.13%	0.58%	0.63%

This funding was proposed to be recovered through the Energy Efficiency Cost Recovery ("EECR") Rider along with funding needed to support other Energy Smart programs. No SERI credits would be required to support the BESS incentive pilot. By approving ENO's proposed pilot, the Council would fund a robust BESS incentive pilot which incorporates the key recommendations from the Advisors' Report and provides a reasonable platform upon which to support BESS projects in the city at an appropriate budget level that can be supported through the EECR Rider instead of SERI Credits.

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Notes on the Table—the Duke-NC figures include both Duke Energy Carolinas and Duke Energy Progress in North Carolina. The size of the battery program is based on the expected installed kWh of battery capacity and a two-hour battery duration. The Duke-NC program is expected to allow up to 6,000 customers to participate and the battery incentive per customer is capped at 13.5 installed kWh of battery capacity. For more information about Duke program: https://www.duke-energy.com/partner-with-us/trade-allies/residential/powerpair.

CONCLUSION

ENO's revised BESS pilot proposal in Docket UD-23-01 would stand as a leading edge BESS incentive program among U.S. utilities. ENO has made good faith efforts to incorporate meaningful adjustments on small commercial eligibility and incentive amounts based on collaborative discussions with TNO, address the key recommendations identified in the Advisors' Report for a pilot to be implemented through Energy Smart, and offer a reasonable initial level of funding that can be accommodated through the EECR rider without the need for SERI Credits to achieve progress in battery deployment over the next three years. Incentive levels and limits can be reevaluated for the 2029-32 Energy Smart program based on the outcome of this initial implementation. ENO appreciates the opportunity to submit its revised BESS pilot proposal and Comments in this docket.

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 individuals.

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New Orleans, Louisiana, this 22nd day of September, 2025

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