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October 24, 2025

VIA Electronic Delivery
Clerk of Council
City Hall, Room 1E09
1300 Perdido Street
New Orleans, Louisiana 70112

Re: Entergy New Orleans, LLC's Reply Comments to Renewable Portfolio Standards Council Docket No. UD-19-01

Dear Clerk of Council:

Entergy New Orleans, LLC ("ENO") respectfully submits its Renewable and Clean Portfolio Standard ("RCPS") Reply Comments regarding Initial Comments submitted to ENO's 2026-2028 RCPS Compliance Plan. ENO submits these Reply Comments electronically and will provide the requisite original and number of hard copies if and when directed to do so.

If you have any questions pertaining to this information, please contact me at (504) 670-3680.

Sincerely,

Leroy Nix

LN/ds

Enclosures
cc: Official Service List (via email)

BEFORE THE
COUNCIL OF THE CITY OF NEW ORLEANS

IN RE: A RULEMAKING PROCEEDING TO ESTABLISH RENEWABLE PORTFOLIO STANDARDS	**))))**	**DOCKET NO. UD-19-01**

ENTERGY NEW ORLEANS, LLC'S REPLY COMMENTS

Entergy New Orleans, LLC ("ENO" or "the Company") submits these Reply Comments in response to the Comments submitted by the Alliance for Affordable Energy ("AAE") regarding ENO's 2026-2028 Renewable and Clean Portfolio Standard ("RCPS") Compliance Plan ("Plan").

INTRODUCTION

In its Comments, the AAE objects to the following: 1) ENO using nuclear power generating facilities and purchasing renewable energy certificates ("RECs") to meet compliance requirements under the RCPS; 2) large event electrification as an eligible compliance resource; 3) electrification of the Sewerage and Water Board ("SWB") as an eligible compliance resource; and 4) ENO receiving compliance credit for community solar resources. The AAE also seeks clarity from ENO on changes to its acquisitions of RECs for the Green Select program.

COMMENTS

1. Nuclear and purchased RECs as RCPS compliance resources

Although the AAE has objected since the inception of the RCPS rules against the inclusion of nuclear energy and REC purchases, ENO appropriately utilizes both clean resources for compliance as they are permitted under the RCPS. The Council found that zero-carbon emissions resources, including utility-scale and distribution-scale renewable resources, energy efficiency, demand-side management, energy storage and zero-carbon emissions generation such as nuclear power, should be permitted to count toward achievement of the Council's standard.[1]

[1] R-21-182 at Appendix C at p. 43

2. Large Event Electrification Meets the RCPS Criteria as a Qualified Measure

The AAE cites to one of the "whereas" clauses in Resolution R-21-182 which notes that beneficial electrification projects would not be included as Tier 1 resources under the Rules.[2] However, that statement does not at all suggest, as the AAE seems to imply, that the Council is opposed to beneficial electrification measures. On the contrary, beneficial electrification projects are explicitly allowed as Qualified Measures that count as Tier 3 Resources if they meet the enumerated conditions in the Rules.

As the Council states in the first section Overview of the RCPS Rules, "The intent of the RCPS is to aggressively pursue reductions to carbon emissions to improve the health and quality of life of the citizens of New Orleans and to reduce the City's impact on climate change, which is an existential threat to the City's security…."[3] Because beneficial electrification projects in New Orleans directly reduce local carbon emissions that have a negative impact on citizens, the Council allows them to support compliance.

Large event electrification is an excellent example of the type of project the Council expressed interest in considering since it displaces the use of portable diesel generation with grid power and reduces local carbon emissions. An analogous source of compliance credits would be EV charging, which reduces local tailpipe emissions and which the Council has previously approved. The Company has requested approval of the calculation in its 2026-28 Compliance Plan to be used when evaluating such projects for compliance impacts.

3. The Sullivan Substation Project Meets the RCPS Criteria as a Qualified Measure

As discussed in the Company's Compliance Plan for 2023-25, the project to construct a 230kV transmission substation to serve the Sewerage & Water Board ("SWB") meets the criteria

[2] R-21-182 at p. 35.
[3] RCPS Rules, Section 1(a)(1)

for treatment as a Qualified Measure.[4] Converting the SWB service away from its old self-generation to the much cleaner ENO generation portfolio will have an obvious and positive effect on local carbon emissions, which is a primary consideration of the rules as discussed above.

As discussed in prior Reply Comments, which the Company incorporates by reference here, ENO has helped meet the SWB's goals to modernize its infrastructure and has invested a great deal of time and resources over the past several years towards the creation of this substation as well as a new, innovative rate structure that will allow the SWB to utilize grid electricity for much of its operations in lieu of burning fossil fuel in aging equipment to generate its own power.[5] The AAE itself acknowledged this, noting that the Sullivan Substation, "is expected to shift the vast majority of power consumption for SWB to Entergy New Orleans, and obviate the need for diesel, gas, and oil-fired generation onsite at the Carrollton Site."[6]

In the Resolution approving the Company's 2023-25 Compliance Plan, the Council stated that it believed, "it would be premature to approve Substation Electrification as a Qualified Measure at this time" since the substation was not expected to be in service until the following year.[7] Because the Sullivan substation is now complete and is expected to begin providing power to the SWB by the end of the year, it is ripe for consideration by the Council and should be approved as a Qualified Measure under the Rules.

4. <u>Community Solar Meets the RCPS Criteria as a Tier 1 Resource</u>

While the AAE states correctly the current position of the Council's Community Solar rules on ownership of RECs, the Company believes it is important to again point out, as it has done previously, that not allocating RECs from Community Solar facilities to ENO will potentially add

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[4] See, RCPS Compliance Plan for 2023-25, Section 3(a) and Appendix B
[5] ENO Reply comments, filed October 12, 2022, at p.3
[6] AAE Comments, filed September 19, 2022, at p.2
[7] Resolution R-22-525, at p. 3.

costs for ENO's electric customers by causing them to pay twice for the same clean energy credits.[8] Customers will pay initially for the locally generated solar energy produced by Subscriber Organizations via the rendering of Subscriber Credits at the full retail rate or more (which cost ENO will collect through the Fuel Adjustment Clause ("FAC") as allowed by the Community Solar rules). If ENO is not allowed to receive and retire the RECs from the community solar energy towards RCPS compliance, and it is short of its compliance obligation in a year, it will (subject to limitations in the RCPS rules) purchase RECs on the market and collect that cost as well from customers upon Council approval. Rather than allow this outcome, the Company has requested the Council allow it to treat Community Solar energy as a Tier 1 resource for RCPS compliance purposes as described in its Plan.

The AAE's argument that Community Solar projects would not comprise part of ENO's portfolio is incorrect. Subscriber Organizations will deliver the full output of their CSG Facilities to ENO via the distribution grid under the Standard Offer PPA, Form CSG-4, approved by the Council and executed for each CSG Facility. Therefore, these community solar resources will be part of the generation portfolio used to serve ENO's customers in the same way as other resources subject to PPAs between ENO and counterparties, such as Iris Solar or St. James Solar.

5. <u>ENO's Purchase of RECs for Green Select</u>

As explained in Section 2(b) of the Plan, ENO is separately purchasing RECs needed to offset MWh for Green Select participants, using revenues collected through ENO's Green Power Option ("GPO") rider, rather than retiring RECs from portfolio resources that can go towards RCPS compliance. For context, approximately 3,500 RECs are expected to be required to offset Green Select participation in 2025.

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[8] In addition to the discussion in Section 3(d) of the Company's 2026-28 RCPS Compliance Plan, see also Additional Comments filed in Docket UD-18-03 on June 16, 2023, at p. 10-11.

CONCLUSION

For all these reasons, and those previously articulated, the Council should approve large event electrification and the Sullivan Substation project as Qualified Measures, as well as community solar generation as a Tier 1 resource. The comments submitted by the AAE do not support a different result.