

RESOLUTION

NO. R-26-150

CITY HALL: April 23, 2026

BY: COUNCILMEMBERS MCCARRON, MORRELL, WILLARD, GREEN AND HUGHES

RESOLUTION AND ORDER DIRECTING SUPPLEMENTAL FILINGS AND FURTHER PROCEEDINGS FOR THE ENHANCEMENT OF DISTRIBUTED ENERGY RESOURCES UNDER THE ENERGY SMART BATTERY ENERGY STORAGE SYSTEM PHASE 3 PROGRAM

DOCKET NO. UD-24-02

WHEREAS, pursuant to the Home Rule Charter of the City of New Orleans, the Council of the City of New Orleans (“Council”) is the governmental body with the power of supervision, regulation, and control over public utilities providing service within the City of New Orleans (“City”); and

WHEREAS, Entergy New Orleans, LLC (“ENO”) is a public utility providing electric service throughout the City; and

WHEREAS, ENO is a wholly owned subsidiary of Entergy Utility Holding Company, LLC; and

WHEREAS, the Council has recognized the importance of expanding the availability of distributed energy resources (“DERs”) in response to a rapidly changing climate and increased demand on the electric grid; and

WHEREAS, in Resolution No. R-24-624, the Council established Docket Number UD-24-02 and adopted a procedural schedule to evaluate options to increase the availability of DERs, battery storage, and related facilities, including any modifications to policies and funding mechanisms applicable to ENO, and develop a vendor-neutral program to advance these objectives; and

WHEREAS, in Resolution No. R-25-669 (“DER Resolution”) the Council established a DER program as a three-year Phase III of the Energy Smart BESS Pilot Program to be implemented consistent with the Council’s features and findings described in the DER Resolution and directed ENO, in consultation with Council Utilities Regulatory Office (“CURO”), the utility

advisors and the Council's DER Consultant (collectively referred to herein as "the Advisors"), to file an implementation plan; and

WHEREAS, the Council further directed that the proposed implementation plan contain certain elements as described in the DER Resolution, including program design, eligibility criteria, incentive structures, budgets, performance requirements, administrative arrangements, deployment goals, and any other provisions necessary for implementation; and

WHEREAS, ENO timely filed the proposed ENO BESS Phase III Pilot Program Implementation Plan ("Proposed Plan") that generally complied with the Council's directives; and

WHEREAS, after reviewing the Proposed Plan, CURO and the Advisors determined that several aspects required additional details to ensure consistency with Council policy, ratepayer protections, and the public interest as required by the DER Resolution; and

WHEREAS, on March 31, 2026, comments on the Proposed Plan were filed by Together New Orleans ("TNO") addressing the following areas: a claim that ENO departed from the funding structure and budget approved by the Council; a presentation of a Customer Feasibility Analysis quantifying a "battery funding gap" for participants; a claimed disparity between ongoing BESS incentive payments to residential and commercial customers; adding a commercial category; and proposed changes in upfront and ongoing incentive levels to residential and commercial participants; and

WHEREAS, other than budget apportionment, the issues raised in TNO's comments involve substantive elements of the DER program as approved in the DER Resolution; and

WHEREAS, the Council finds that the proposed substantive changes to the DER program presented in TNO's comments, including the Customer Feasibility Analysis, claims of a disparity between ongoing incentive payments between residential and commercial customers, adding a commercial category, and proposed changes in upfront and ongoing incentive levels are not sufficiently supported by evidence in the record; and

WHEREAS, parties to the proceeding have not had the opportunity to conduct discovery related to these substantive changes or comment on the proposed modifications recommended by TNO; and

WHEREAS, the Council finds that a limited additional procedural schedule is necessary to provide an opportunity for parties to conduct discovery and comment on TNO's proposed changes to the DER program as approved in the DER Resolution; and

WHEREAS, on April 1, 2026, the Alliance for Affordable Energy (“AAE”) filed a motion noting some uncertainty about the timeframe for filing comments and requesting guidance from the Council on the timeline for filing comments related to ENO’s Proposed Plan; and

WHEREAS, to assure party participation the instant procedural schedule will provide all parties the opportunity to provide comments on ENO’s Proposed Plan, TNO’s proposed modifications, and ENO’s supplemental filing; and

WHEREAS, the Council notes an internal inconsistency in the budget apportionment language in the DER Resolution, which erroneously references a \$28 million budget for customer upfront incentives, and hereby clarifies that the DER Program shall include a not-to-exceed budget of \$27.2 million for upfront incentives over the initial three-year program term, plus \$2 million for ENO administrative costs; and

WHEREAS, the Council notes that the DER Resolution found ongoing incentive payments are appropriate for enrolled customers, but did not specify a budget for ongoing incentives or clarify a cost recovery mechanism, which will be clarified in this proceeding; and

WHEREAS, the Council also finds that it is in the public interest to require ENO to file a supplemental plan with additional details for certain aspects of the Proposed Plan as directed herein and to provide parties an opportunity to comment on the supplemental plan; and

WHEREAS, the additional details in the supplemental plan shall include, among other aspects as directed herein, a comparative evaluation of ongoing BESS incentive payments and caps to residential and commercial participants, and the framework of the analysis that will be used “to monitor the DER Program and potentially adjust incentive levels or reallocate budget based on the annual results of the DER Program;”¹ **NOW THEREFORE**

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That

1. By June 22, 2026, the parties shall file comments addressing ENO’s Proposed Plan and ENO’s supplemental filing, consistent with the Council’s directions herein.
2. A thirty (30) day discovery period from the adoption of this resolution is established to allow parties and the Advisors to obtain additional information related to TNO’s proposed substantive modifications to the previously approved DER program. TNO is directed to provide responses to discovery requests within ten (10) days of receipt. The discovery deadline shall be May 26, 2026.

¹ Council Resolution R-25-669, p.10.

3. By June 22, 2026, the parties shall file comments addressing TNO's proposed substantive modifications to the DER program approved in the DER Resolution.
4. By May 26, 2026, ENO is directed to file with the Council the following supplemental details to the Proposed Plan:
 - Specific reporting and participation metrics detailing the identification of participants within lower-to-middle income ("LMI"), non-LMI, and commercial participant categories.
 - Specific operational goals and objectives of Proposed Plan with projected timelines to achieve each goal and objective.
 - A revised budget detail for years 1-3, including upfront incentive costs, each component of administrative and non-incentive costs, and ongoing incentive costs; include any projected ratepayer impacts.
 - A revised budget detail for years 4-10, including incentive costs, each component of administrative and non-incentive costs, and ongoing incentive costs; include any projected ratepayer impacts.
 - More detailed customer and technology eligibility criteria and what criteria would disqualify an ENO customer from participation.
 - Explanation of the customer acquisition plan, including which entities are responsible for promoting customer participation and how the customer acquisition plan is coordinated among the entities.
 - Elaboration of proposed consumer protections including development and enforcement of terms and conditions.
 - Elaboration of the role of the third-party incentive administrator ("TPIA"), including specific responsibilities and limitations, interfaces with ENO, Energy Smart, Energy Hub, CURO and the Advisors.
 - Elaboration of the proposed fund reservation process, including accountability to the Council for the total budget and details of handling fund transfers.
 - Explanation of the calculation and timing of incentive payments process.
 - Detailed explanation of and additional support for the estimated \$2 million portion of the administrative budget proposed for residential interconnection studies.

- Detailed explanation of and additional support for the estimated \$2 million portion of the administrative budget proposed for the TPIA scope of services.
 - Detailed explanation of the process and organizational responsibilities for monitoring and administering the claw back process.
 - Identification of the entity(es) responsible for monitoring participants enrolled in Energy Smart and other demand response programs to ensure no conflicts exist with participation in BESS Phase 3.
 - A comparative evaluation of ongoing BESS incentive payments and caps to residential and commercial participants.
 - The framework of the analysis that will be used to monitor the DER Program and potentially adjust incentive levels or reallocate budget based on the annual results of the DER Program.
 - Elaboration of ENO distribution (e.g. planning) process relative to BESS Phase 3, including responsibilities to provide periodic Council updates on the progress of the BESS Phase 3 DER growth relative to the ENO grid for years 1-3 and beyond.
5. By July 22, 2026, the Advisors shall file a report addressing ENO's Proposed Plan, ENO's supplemental plan, TNO's proposed substantive modifications, and comments received addressing each.
 6. The Hearing Officer shall certify the record not later than August 6, 2026.

THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF, AND RESULTED AS FOLLOWS:

YEAS: Green, Harris, Hughes, King, McCarron, Morrell - 6

NAYS: 0

ABSENT: Willard - 1

AND THE RESOLUTION WAS ADOPTED.

**THE FOREGOING IS CERTIFIED
TO BE A TRUE AND CORRECT COPY**

CLERK OF COUNCIL

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