



The Council
City of New Orleans
City Council Utility Regulatory Office

Erin Spears
Chief of Staff

City Hall, Suite 6E07
1300 Perdido St.
New Orleans, LA 70112
(504) 658-1110

December 3, 2018

Ms. Lora W. Johnson, CMC, LMMC
Clerk of Council
City Hall
1300 Perdido Street, Room 1E09
New Orleans, Louisiana 70112

RE: Resolution R-18-474 Show Cause Proceeding Regarding Imposition of Sanctions
Against ENO - - Comments Received

Dear Ms. Johnson:

Pursuant to Resolution R-18-474, enclosed please find the comments received by the Council Utilities Regulatory Office (CURO) in response to the imposition of sanctions against Entergy New Orleans, LLC. In addition to the attached comments, CURO received one (1) phone call from Lou Furman suggesting the fine should be increased.

Thank you for your assistance in this matter.

Sincerely,



Erin Spears

CC: All Councilmembers



November 30, 2018

By Hand Delivery

Ms. Lora W. Johnson,
CMC Clerk of Council
Room 1E09, City Hall
1300 Perdido Street
New Orleans, LA 70112

RECEIVED
NOV 30 2018
BY: CWR

**Re. R-18-474: Show Cause Proceeding on Imposition of Sanctions against
Entergy New Orleans, LLC, based upon Report of Independent
Investigators filed with the Council on October 29, 2018.**

Dear Ms. Johnson,

Please find enclosed an original and three (3) copies of the Alliance for Affordable Energy's Comments in the above- referenced resolution. Please file the attached communication and this letter in the record of the proceeding and return one time stamped copy to our courier, in accordance with normal procedures. If you have any questions, please do not hesitate to contact me.

Nov 25 05

Thank you for your time and attention.
Sincerely,

Logan A. Burke
Executive Director
Alliance for Affordable Energy

Comments regarding Council Resolution R-18-474: Show Cause Proceeding on Imposition of Sanctions against Entergy New Orleans, LLC, based upon Report of Independent Investigators filed with the Council on October 29, 2018.

These comments are in response to the New Orleans City Council's request for stakeholder input on the proposed sanctions set forth in Council Resolution R-18-474. The Alliance and other undersigned parties respectfully offer these recommendations to the Council in light of what has already been uncovered through the Council's investigation, and what remains to be discovered regarding Entergy New Orleans' ("ENO") behavior in the interest of obtaining approval of the New Orleans Power Station. The Alliance appreciates the opportunity to weigh in on such an important decision, as the Council considers the most appropriate response to New Orleans residents' rights and voices being trampled by the City's most powerful corporation.

A. The City Council Should Not Determine the Financial Penalty to be Imposed on ENO Until the Investigation is Completed.

On May 24 2018, the City Council initiated an independent third-party investigation of ENO to determine whether Entergy or some other entity paid or participated in paying actors to attend or speak at one or more public meetings in connection with ENO's New Orleans Power Station ("NOPS") application; and whether Entergy knew or should have known that such conduct occurred.¹ The independent investigators were expressly directed to 1) receive and review all documents and materials ordered produced; 2) to determine if all necessary documents were actually produced; and 3) to prepare and serve additional demands if necessary.

The report of the investigators, filed on October 29, 2018, found:

¹ Investigators Report at 3.

- Numerous individuals were paid to attend and/or speak in support of ENO;
- These attendees and speakers were commissioned to pose as citizens genuinely in support of NOPS;
- Payment and the obligation to pay flowed from ENO through ENO'S vendors to the individuals hired to attend or speak at meetings.
- ENO took no corrective action and continued to deny any knowledge of the improper activity even after it was clear that the conduct had occurred;
- ENO knew or should have known that such conduct occurred or reasonably might occur.²

One thing the Investigators Report makes crystal clear is that ENO was totally uncooperative throughout the investigation. The City Council incorrectly describes ENO's intransigence as merely "some delays by ENO with respect to certain documents and information requested" by the investigators.³ The Investigators expressly state that ENO failed to provide all documents related to the matter being investigated, all contracts related to the matter and all communications related to the matter.⁴ ENO also refused to produce relevant text messages. Instead, ENO raised inappropriate claims of privilege and simply refused to produce the information.⁵ The fact that ENO would attempt to assert a privilege against its regulator demonstrates how much disdain they have for the process and their regulator's important role in protecting the residents of New Orleans.

² See Resolution R 18-475 at 4.

³ Resolution R 18-475 at 3.

⁴ ENO even went so far as to refuse to permit the Investigators to interview certain ENO employees (Investigators Report at 29) and further refused to even inform the Investigators regarding the new roles of some employees. Investigators Report at 30.

⁵ Investigators Report at 7-8.

By failing to demand that ENO provide the information requested, the City Council is rewarding ENO's intransigence and thereby ensuring that this intransigence will continue in the future.

Moreover, the Investigators were tasked with determining what occurred at both the October 16, 2017 Meeting and the February 21, 2018 Meeting. While the Investigators provided a significant amount of information with regard to the October Meeting, there is little evidence and little discussion of the February Meeting. The only information regarding the February meeting is that 1) on January 11, 2018, ENO Chief Executive Officer Charles Rice requested that Hawthorne obtain 30 people to attend the February Meeting; 2) ENO refused to produce any further text messages from Mr. Rice that were sent after January 11, 2018; ENO moved up the time of its shuttle bus to ensure that its "supporters" arrived before the residents of East New Orleans; and 3) that only some of the individuals supplied by the Hawthorne Group wore the infamous orange t-shirts to this meeting.⁶

Tellingly, ENO refused to produce any texts after January 11, 2018. From January 11th until the February Meeting is the time period within which ENO would be planning with the Hawthorne Group regarding the actions which would be taken at the February Meeting.

Moreover, while the Investigators interviewed several ENO employees, the Investigators apparently only interviewed one member of the public who was prevented from attending the February Meeting, Mr. Pat Bryant.⁷ There are dozens of residents of New Orleans who were barred from attending the October and February Meetings due to the actions of ENO and its contractors. Certainly, the victims of ENO's actions should be a significant part of the City

⁶ Investigators Report at 18-19. (When asked why **some** folks wore the orange t-shirts again, Hammelman responded "we wanted to make sure **some** of the people showed up because that is what would happen organically.") *Id.* at 19.

⁷ The Investigators did not interview a single individual who was unable to enter the meeting room during the October Meeting.

Council's investigation. Many of these victims provided recorded statements to the investigators about their experience on February 21st, but these statements were not discussed in the final Investigators Report or exhibits.

Clearly, ENO's attitude toward the City Council and its role as ENO's regulator has not improved despite repeated admonishments by the Council. Once again, the City Council must decide if it will continue to tolerate this total lack of cooperation from an entity it regulates. Rather than simply accept ENO's failure to cooperate, the City Council should reopen the investigation, direct ENO to provide all information to the investigators that ENO previously refused to turn over and impose a fine of \$10,000 a day for every day ENO fails to provide the information requested.

- B. Resolution R 18-475 fails to even mention, let alone address, the harms to the residents of New Orleans intentionally created by ENO's actions.

As stated in Resolution R 18-475, the City Council is responsible for assuring that its proceedings relative to its utility regulatory function adhere to the highest standards of integrity, transparency, accuracy, efficiency, fairness and reliability.⁸ The City Council found that ENO's actions were extremely troubling, showed a complete disregard for the City Council's high standards, and undermined confidence in the regulatory system.⁹ The City Council also noted several other failures of ENO, including 1) the prolonged delays in implementing ENO's commitment to deploy 100 MW of renewable resources; 2) allowing a demonstrable decline in distribution system reliability; and 3) filing a rate case application that was contrary to a clear

⁸ Resolution R 18-475 at 2.

⁹ Resolution R 18-475 at 4.

mandate of the City Council.¹⁰ The City Council also notes that ENO's conduct "caused Council members, staff and Council Advisors to incur substantial hours of additional work to deal with the matter for the past seven months and will continue to cause additional work for the foreseeable future."¹¹

Finally, the City Council states that it "has become exasperated with ENO's 'tone deaf' actions."¹² The actions of ENO were more than merely tone deaf. ENO actively engaged in what can only be described as a conspiracy to deny the residents of New Orleans their right to participate in public meetings.

ENO instituted a long running campaign to win approval for NOPS. Over the course of several years, ENO faced growing opposition from residents of New Orleans. Eventually, ENO became concerned that their efforts to demonstrate support for NOPS were failing.¹³

As a result of this failure, ENO declared war on the residents of New Orleans and those organizations that represent the residents.¹⁴ According to Investigators, their investigation establishes that *numerous* individuals were paid to attend and/or speak in support of NOPS.¹⁵ These attendees and speakers were commissioned to pose as citizens genuinely supportive of NOPS.¹⁶ ENO itself prepared scripts for the speakers.¹⁷ Evidence shows that the Hawthorne Group secured at least 75 people and 10 speakers for the October public meeting after ENO stated that it was willing to pay for more than 50 and ENO apparently paid \$29,000 for the individuals' participation.¹⁸ ENO ultimately asked the Hawthorne Group to arrange for paid individuals to

¹⁰ Resolution R 18 -475 at 5-6.

¹¹ Resolution R 18-475 at 5.

¹² Resolution R 18-475 at 6.

¹³ Investigators Report at 3-4.

¹⁴ Investigators Report at 4. ("I am going to work with Chanel [Lagarde] to get an outside consultant ... to begin some type of **campaign/strategy against the alliance.**" Charles Rice email of August 31, 2017.)

¹⁵ Investigators Report at 3. (emphasis added).

¹⁶ Investigators Report at 3. Tellingly, when ENO tried to recruit real supporters, even from the ranks of its own employees, those people did not want to come.

¹⁷ Investigators Report at 36.

¹⁸ Investigators Report at 4-5.

pose as supporters at the February 21, 2018 meeting. Evidence also supports that ENO vetted the hired individuals talking points and “testimony”.¹⁹ Mr. Gary Huntley, ENO’s Vice President of Regulatory Affairs, admitted that ENO intentionally populated the meetings with pro-Entergy individuals in order to convince the City Council to approve NOPS.²⁰

While the Investigators did a remarkable job in ferreting out information from the Hawthorne Group and ENO (particularly in light of ENO’s intransigence), the Investigators failed to focus on the true victims of this fraud. As noted above, the Investigators only interviewed one individual who was barred from attending the February Meeting and did not interview a single individual effected by ENO’s use of actors at the October Meeting. The City Council asserts that, in determining the reasonableness of any penalty, one of the factors to be considered is “the nature and extent of the consequences of the conduct”.²¹ How can this factor be analyzed when the people directly affected by ENO’s actions are entirely left out of the discussion.

The proposed \$5 million penalty is not merely a slap on ENO’s wrist, it is a slap in the face to the residents of New Orleans who attended the public meetings and only wanted two minutes to look their Council members in the eye and tell them why they opposed the construction of NOPS. The City Council’s minor penalty will do nothing to remedy the harm to the direct victims of ENO’s fraud, nor will this slap on the wrist renew these individuals’ faith in the City Council’s process.

Any dollars that are collected from ENO as a sanction should benefit customers directly and immediately either as a flow back through bill credits that is itemized on bills so customers see the benefit or to support energy efficiency programs that will create multiple benefits for residents.

¹⁹ Investigators Report at 7.

²⁰ Investigators Report at 26.

²¹ Resolution R 18-475 at 7.

In addition to a more significant penalty, in which dollars should flow directly to customers, the Council should consider creating a fund to support the valuable work done by the community and organizations who faithfully represent New Orleans residents. The continued active participation of these organizations and individuals will aid the City Council in its obligation to ensure ENO operates in the public interest. Such funds are used in other jurisdictions to ensure the engagement and oversight of organizations who are working in the Public Interest and can show they have provided value through their engagement.

C. The proposed \$5 million penalty will not deter ENO's future conduct.

The City Council asserts that in determining the reasonableness of a penalty, one of the factors to be considered is "the level of the penalty that will deter future conduct so that bad conduct does not become simply a cost of doing business."²² The City Council also states that it has lost trust in management and that this loss of trust "makes deterrence a more pressing concern."²³

However, despite the City Council's asserted concern with deterring future conduct, the City Council proceeds to impose a penalty of only \$5 million, which is virtually guaranteed to simply become a cost of doing business for ENO. As a result of its actions, ENO received approval to build a \$210 million gas plant. ENO is expected to receive a return on this gas plant of approximately 10.5% after the plant is operational. Certainly, \$5 million is a small cost to pay to assure such a significant return. No reasonable person could envision that this penalty will in

²² Resolution R 18-475 at 7.

²³ Resolution R 18-475 at 7.

any manner impact ENO's attitude toward either the City Council or the residents of New Orleans.

Remarkably, the City Council based its imposition of this paltry penalty not only on ENO's horrendous conduct with regard to intentionally preventing New Orleans residents from participating in public meetings, but on ENO's years of intransigence and failure to follow the directives of its regulators.²⁴ Under the currently proposed sanctions, ENO is to be penalized only approximately \$1 million for each of its listed transgressions.

Finally, it is unclear how the City Council arrived at the \$5 million amount for the penalty. Apparently, this figure is based on the City Council's "finding" that ENO had a net income of \$44.5 million in 2017.²⁵ However, nothing in the Resolution explains how this figure was derived. Moreover, a company's "net" income can be easily manipulated, depending upon what amounts the company chooses to deduct from its gross income to arrive at the net income. Rather than use a suspect net income figure, the City Council should base the penalty on the revenues of ENO. Based on the revenues recently provided by ENO in its rate case application, a penalty of \$25 million would be approximately 5 % of ENO's revenues.

The Alliance has repeatedly warned that ENO's lack of cooperation will continue until there are real consequences for the Company's actions. Sadly, the City Council's proposed penalty actually constitutes little more than a rounding error to the Company. If the City Council truly wants to deter this type of conduct in the future, any proposed penalty must be of such a significant amount that ENO will have to be incentivized to avoid such conduct (and therefore the imposition of a second penalty) in the future.

D. The Investigators Report Provides Sufficient Evidence to Warrant the Rescinding the City Council's Approval of NOPS.

²⁴ Resolution R 18-475 at 5-6.

²⁵ Resolution R 18 - 475 at 7.

While the Investigators Report is incomplete, the Investigators found enough evidence to warrant the City Council concluding that the Resolution approving the construction of NOPS must be rescinded. To reiterate, the Investigators found that numerous individuals were paid to attend and/or speak in support of the ENO proposed gas plant; these individuals were commissioned to *pose* as citizens genuinely supportive of the gas plant; and ENO took no corrective action after news reports surfaced regarding the October Meeting. To the contrary, ENO, through Mr. Rice, doubled down and requested that Hawthorne use the same tactics for the February Meeting.

Furthermore, ENO unquestionably took these actions in an attempt to influence the City Council's vote on NOPS. ENO contracted with the Hawthorne Group "to ensure the *appearance* that they had overwhelming support for NOPS from a cross section of New Orleanians."²⁶ Similarly, "ENO's number 1 reason for recruiting speakers was to demonstrate to decision makers that ENO had support for the project."²⁷ Mr. Huntley admitted that ENO intentionally populated the meetings with pro-Entergy individuals in order to convince the City Council to approve NOPS.²⁸

The Investigators found that "there was never a justifiable reason to enter into such a contract with Hawthorne or anyone else."²⁹ More importantly, the Investigators determined that the "ENO subverted the process with fraudulent support."³⁰

In light of this overwhelming evidence that the City Council's process was corrupted, the proposed sanctions do little to signal that this conduct is not welcome in New Orleans. ENO

²⁶ Investigators Report at 56. (emphasis added).

²⁷ Investigators Report at 36.

²⁸ Investigators Report at 26.

²⁹ Investigators Report at 54.

³⁰ Investigators Report at 56. (emphasis added).

believed that it was critical to show support for NOPS to the City Council.³¹ Moreover, ENO concluded that generating “public” support was an integral component to ENO’s success in winning approval.³² Thus, ENO’s conduct was specifically designed to inappropriately influence the City Council’s decision regarding NOPS.

The City Council determined that ENO’s conduct impeded the Council’s purpose in holding an at-large public hearing, which was for the Council to hear opinions of *the public* regarding the matter.³³ Thus, the City Council has found that the process was unlawful. The investigation demonstrated that the public’s right to a fair and open public meeting process was intentionally, seriously, and repeatedly violated by ENO.

Unless a different remedy is approved, for the minimal cost of \$5 million, ENO receives approval of a plant which will earn the company millions more. It is difficult to fathom how making millions of dollars can be viewed as a deterrent. The City Council must stand up for the residents of New Orleans and rescind the approval of NOPS. Anything less will reward ENO for its fraudulent behavior and demonstrate to the residents of New Orleans that their participation in public meetings is irrelevant, and their wishes are immaterial.

CONCLUSION

The horrendous conduct of ENO has received national attention and is a black eye on the reputation of this City. As cogently stated by ENO employee Mr. Dunn, “people in the community suffer when people lie.”³⁴

³¹ Investigators Report at 44.

³² Investigators Report at 27.

³³ Resolution R 18- 475 at 5. (emphasis added).

³⁴ Investigators Report at 44.

The City Council has an opportunity to use its considerable authority to repair the damaged credibility of the regulatory process in our city and must take forceful action to ensure that the right of all residents to a fair, open and transparent process is never again violated in this manner. This action should include 1) rescinding approval of NOPS; 2) completing the investigation into ENO's conduct; and 3) after completion of that investigation, imposition of a penalty that is truly commensurate with ENO's conduct, and that would significantly and immediately benefit the people of New Orleans.

Respectfully,

Logan Burke
Executive Director of
Alliance for Affordable Energy
(504) 208-9761

Cherelle Blazer
Senior Campaign Representative, Louisiana and Arkansas
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Marion Freistadt
1539 Adams St.
New Orleans, LA 70118
MARIONFREISTADT@YAHOO.COM

Tiffany M. Domino

From: Lou Furman <furman44@gmail.com>
Sent: Wednesday, November 14, 2018 11:22 AM
To: Connolly A. Reed
Subject: entergy fine comment

Ms. Reed,

I spoke on the phone, but realize I missed a major point. The fine being leveled is not the issue. The real issue is all the falsehoods Entergy is using to get approval for a gas plant we do NOT need. I would like the city council to review their approval.

Lou Furman

"PEACE DOES NOT COME FROM THE SKY" - Dalai Lama, New Orleans, May 17, 2013

Lou Furman

7719 Cohn Street
New Orleans, LA 70118
504-866-3046
504-606-2706 (cell)

Tiffany M. Domino

From: Erin Spears
Sent: Saturday, December 1, 2018 3:56 PM
To: Connolly A. Reed
Subject: FW: 350 New Orleans comments on Resolution R-18-474 (Sanctions against ENO)

From: Threesifty Louisiana [mailto:350louisiana@gmail.com]
Sent: Friday, November 30, 2018 7:47 AM
To: Bobbie F. Mason <bfmason1@nola.gov>; Erin Spears <espears@nola.gov>; Sunni LeBeouf <Sunni.LeBeouf@nola.gov>; Andrew V. Tuozzolo <avtuozzolo@nola.gov>; Moreno Council Shared <morenocouncil@nola.gov>
Subject: 350 New Orleans comments on Resolution R-18-474 (Sanctions against ENO)

We thank the New Orleans City Council for initiating an in-depth investigation into Entergy New Orleans' (ENO) hiring people to pose as supporters of a new gas fired power plant.

The obvious reason for ENO to resort to such a drastic step is the lack of genuine community support for a 30-year mortgage on a gas power plant, which would benefit only Entergy's bottom line, not our community.

Contrast this lack of community support with the vocal opposition that has highlighted numerous problems with ENO's proposal. This gas plant is not needed to conform with any NERC requirements. Entergy blatantly disregarded the Council's directive to research multiple options (such as vastly cheaper transmission line upgrades, or energy storage) to deal with our future energy needs. 98% of our 2,599 yearly power outages can be traced to distribution line failures, the remaining 2% to transmission lines. A power plant would do absolutely nothing to improve Entergy's dismal record. Nevertheless, Entergy repeatedly invoked the danger of "cascading outages" in their scripts given to paid supporters and to community organizations which had previously benefited from Entergy's financial support. Adding insult to injury, ENO plans to build this plant in a designated flood zone in close proximity to an African American and Vietnamese community, in line with other examples of environmental racism. The plant would emit ultra-fine particles, laden with toxins, that are capable of lodging so deeply in a person's body that they can enter the bloodstream.

It is outrageous, but also revealing, to read ENO describing their fight against widespread and vocal resistance in our community as "war". We wonder what else is buried in the 70 documents ENO are still withholding from the Council despite existing subpoenas.

We are alarmed to hear about a 2015 agreement between the previous City Council and Entergy spelling out the pursuit of a 120MW local gas fired power plant, located in Michoud or Paterson. This document had been buried in an unrelated FERC agreement and was not mentioned in any of the proceedings around the gas plant decision. This makes it look like the gas plant has been a done deal from the beginning, because the approved plant is a mirror image of this agreement. Even more suspicious is the fact that Dr. Beverly Wright's testimony attesting to this fact, has been struck from the gas plant hearings last December.

Gas peaker plants are extremely expensive to operate. The Levelized Cost of Electricity from a gas peaking plant is three times that of utility scale solar. Prices for energy storage options have markedly declined. California just recently opted to scrap plans for gas peaker plants in favor of large scale battery storage. Communities everywhere are opting for solar or wind, combined with storage.

In light of increasingly dire predictions regarding the effects of climate change, communities all around us are planning for 100% renewable electricity generation. New Orleans is extremely vulnerable to climate change; we have to do our part in mitigating climate change.

Despite the fact the Council's proposed \$5 million fine represents the largest fine ever, it is nothing but a drop in the bucket for a company that made a \$400 million profit last year and wouldn't be an incentive for Entergy to drastically change their behavior. ENO insisted on getting a blank check from ratepayers by refusing any restrictions on the gas plant cost as a "poison pill". The current price tag of \$218 million would guarantee ENO a \$23+ million profit; ENO would still benefit from their undemocratic tactics.

Members of this community feel deceived. ENO made a mockery of our democratic decision making process. Imposing a fine without fully reviewing the decision that was made based on this flawed process would not make our community whole.

We are asking the New Orleans City Council to

- Insist on access to the 70 documents ENO is withholding
- Take back the March 8 vote in favor of the gas power plant
- Fully review the decision that led to this vote so the five new Council Members can make an informed decision
- Insist on a full analysis of alternative options to a gas peaker plant before any subsequent vote

Renate Heurich

--

350NewOrleans.org

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[@350NewOrleans](#)



Tiffany M. Domino

From: Erin Spears
Sent: Saturday, December 1, 2018 3:50 PM
To: Connolly A. Reed
Subject: FW: Entergy

From: Andrew V. Tuozzolo
Sent: Tuesday, November 20, 2018 9:58 AM
To: HUNTLEY, GARY E <GHUNTLE@entergy.com>
Subject: FW: Entergy

We've received a few of these. Seems copy-pasted. Is this a campaign of the company's direction?

Thanks,

Andrew

Andrew Tuozzolo
Chief of Staff
Office of Councilmember-at-Large Helena Moreno
1300 Perdido Street, 2w40
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www.nolacitycouncil.com

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Please consider the environment before printing this email.

From: Cuny, Mary [<mailto:mbaudry@entergy.com>]
Sent: Friday, November 16, 2018 1:12 PM
To: Moreno Council Shared <morenocouncil@nola.gov>
Subject: Entergy

I work for Entergy and am very proud of what they do for the Community of New Orleans. I understand you want to charge them with a \$5 million dollar fine for what? The city is a mess. I tell my boss we should move to Metairie or Baton Rouge get out of the city so we don't have to pay the taxes. Don't bite the hand that feeds you.

We live and work here, have been a part of the community for a long time, and have a lot to be proud of including:

- More than \$10 million over the last two years that we've donated to more than 275 organizations in the city of New Orleans.
- Our tireless advocacy and partnerships in regional economic and workforce development efforts. In an economic impact study commissioned in 2015, researchers concluded our total "economic impact in the city of New Orleans at over \$422 million dollars."¹
- Our employees, who have donated more than 100,000 volunteer hours to organizations about which they care.

If you want a quick summary of the facts regarding the role the company plays in the local community, read this [Entergy in New Orleans Fact Sheet](#). You may also want to share your views with friends and family and we encourage you to do so.

WE POWER LIFESM 

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Tiffany M. Domino

From: Erin Spears
Sent: Saturday, December 1, 2018 3:47 PM
To: Connolly A. Reed
Subject: FW: Entergy New Orleans

From: Keith D. Lampkin
Sent: Monday, November 26, 2018 1:03 PM
To: Erin Spears <espears@nola.gov>
Subject: FW: Entergy New Orleans

FYI

From: Howard Rodgers, III [<mailto:hrodgers@noco.org>]
Sent: Wednesday, November 21, 2018 11:06 AM
To: Moreno Council Shared <morenocouncil@nola.gov>; Jason R. Williams <jarwilliams@nola.gov>
Cc: RIDDLEBARGER, PATTY <DRIDDL1@entergy.com>; Connolly A. Reed <careed@nola.gov>
Subject: RE: Entergy New Orleans

Dear Councilmembers Moreno and Williams,

I would like to address the present situation that Entergy New Orleans is currently faced with in its deliberations with the City Council.

I understand the severity of the situation that the company has been placed in over its efforts to gain approval for the New Orleans East Plant.

Although I cannot condone the methods utilized, I still consider Entergy New Orleans a good corporate neighbor in its efforts to support the Power to Care Program and additional Entergy assistance program for the Elderly Population of this City.

Entergy has always and continues to be a reliable and dependable partner as our agency seeks to provide services to our target clients and assist them with aging in place.

We sincerely hope that as you continue your deliberations, that you also consider the philanthropic and community endeavors that Entergy has provided to the citizens of the City of New Orleans.

Respectfully,

Howard L. Rodgers, III
Executive Director

Tiffany M. Domino

From: Natalie Jayroe
Sent: Friday, November 30, 2018 4:16 PM
To: Connolly A. Reed
Subject: FW: support for Entergy

Council Members Helena Moreno and Jason Williams:

I am writing to express my appreciation for our long partnership with Entergy. Entergy New Orleans and Entergy Louisiana have helped Second Harvest Food Bank of Greater New Orleans and Acadiana lead the fight against hunger in South Louisiana for decades. Over the last ten years alone, Entergy has given Second Harvest more than \$1 million in donations. This has helped us to provide four million meals to our food insecure neighbors, build our community kitchen which now provides 250,000 meals for children annually, and respond to several natural disasters. I have spent time on Capitol Hill with Entergy representatives talking about the challenges that low income people face. I know that when Entergy raises its voice with ours on behalf of the people we serve, we can make a difference.

Second Harvest receives 75% of the \$70 million worth of goods and services it provides to 23 South Louisiana parishes annually from the private sector. It is companies like Entergy that are the backbone of corporate philanthropy and community partnerships. Entergy volunteers are amongst the 9000 people who visit Second Harvest every year, giving us the equivalent of 27 full-time staff members who are critical to our work of distributing more than 30 million meals a year.

We use the business principles learned from companies to ensure that we are most effective and efficient stewards of the incredible resources entrusted to us. It takes strong community partners like Entergy for Second Harvest to successfully serve South Louisiana.

Warm regards,
Natalie Jayroe

Natalie Jayroe
President and CEO
Second Harvest Food Bank
504.729.2825 Direct | 504.210.9550 Cell
njayroe@secondharvest.org



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no-hunger.org | [Facebook](#) | [Twitter](#) | [YouTube](#)



November 30, 2018

Helena Moreno
City Hall, Room 2W40
1300 Perdido Street
New Orleans, LA 70112

Dear Councilwoman Moreno,

I hope this letter finds you and your staff in the best of health and strongest of spirits. On Thursday, the City Council voted to approve the 2019 City Budget including \$50,000 for STEM NOLA. On behalf of the all the kids we believe in and serve, I say, "THANK YOU!" When my wife and I started STEM NOLA, dedicating our personal finances and time to hopefully create a platform to provide STEM awareness and engagement to others as we had our two sons, we did not realize the magnitude of the need. Your commitment will help us to continue to meet the demand. Also, I would like to inform you of the role Entergy has played in our development and accomplishments. Since our founding in December 2013, Entergy has donated \$250K unrestricted dollars to STEM NOLA and without their financial and human capital support, we would not have been able to make the impact we have made in the city. Entergy understands the need for our children to have 21st Century skills especially in the area of STEM.

Entergy was the first company to support this effort and has been consistent in making sure we have we what need to succeed. Without their support, I don't know if STEM NOLA would exist today. After starting in our garage, STEM NOLA now offers in-school, afterschool, community and family-based programming. We offer a hassle-free and convenient way for low-income low-resourced students to experience culturally and environmentally relevant hands-on STEM. I wanted to highlight Entergy's support because this effort has been tough and expensive but it is what our children deserve. This city needs more companies committed to the community like Entergy!

Here are some of our accomplishments over the last 5 years; STEM NOLA has:

1. Engaged over 25,000 K-12 kids from over 650 schools. (87% of the participants are recipients of free or reduced lunch vouchers and 42% have been girls),
2. Engaged over 10,000 families,

3. Engaged over 1,000 College Students and STEM Professionals,
4. Has delivered over \$400,000 into the hands of College Students as stipends and salaries,
5. In June 2018, after a 10-week intensive training and national competition with 11 other social impact ventures, The Points of Light Civic Accelerator decided to invest \$50,000 in STEM NOLA. The goal of the accelerator is to equip startups with the tools to seek investments and scale their social innovations. The Civic Accelerator is the first accelerator and investment fund in the country focused on civic ventures – for-profit and nonprofit startups that solve social problems by tapping into human capital as part of the solution.
6. In August 2018, signed a contract with Inspire NOLA Charter Schools to provide STEM Hands-on activities for the 4,500 kids in its network for the 2018 – 2019 academic year.
7. Received a \$140,000 grant from the Kellogg Foundation to engage young children in inquiry-based and project-based learning to improve literacy and numeracy skills by providing early child educators with STEM focused professional development (To be announced soon).
8. In March 2018, renewed for a \$270K 21st Century Afterschool grant from the LA Department of Education which allows STEM NOLA to engage 125 underserved students per day in the lower 9th ward.
9. Engaged over 200 middle school minority males in App Development and Coding in the Dillard University/Verizon 'We Need More Technology' Program since Summer 2017.
10. Developed 20 different STEM modules aligned to national educational standards.

Again, Thank you for prioritizing children in the 2019 City Budget and acknowledging the work and impact of STEM NOLA. Thank you for your service to the citizens of this city. If there are any additional questions or concerns, please do not hesitate to contact me directly.

Sincerely,



Calvin Mackie, Ph.D.
Founder and Executive Director
Center for the Innovative Training of Youth (CITY)
dba STEM NOLA

**MISO/ Entergy System Agreement / ITC/ TPZ Status December
17, 2013**

**Privileged and Confidential Prepared at the Request of Counsel
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On December 13, 2013, Entergy and ITC announced that they have mutually agreed to end their pursuit of a spin/merger of Entergy's transmission business with ITC. Now that the ITC spin/merge is over, it appears to us we may be able to enhance the Council's leverage on Entergy and the LPSC if we act fast so that the ITC "victory" is not just a pyrrhic victory. As such, the following describes the status of MISO/System Agreement/TPZ matters to facilitate discussion among the Council's Advisors on a future course of action.

MISO

- 1) The Operating Companies ("OPCOs") are integrating into MISO on December 19, 2013.
- 2) FERC has not acted on the November 20, 2012 revised System Agreement filing in FERC Docket No. ER13-432.
 - a) The November 20th filing had provisions for the treatment of MISO Administrative Charges, Congestion, Losses, Uplift, Ancillary Services, and how Joint Account Purchases would be priced.
 - b) Since Entergy has revised its MISO proposal such that each of the OPCOs are Market Participants we can expect that the OPCOs will be billed by MISO like any other Market Participant and yet still be saddled with the benefits and burdens of the System Agreement that attempts to equalize costs that are now incomplete. (This could be a big expensive mess to unwind – especially on the congestion side).
- 3) The Council, due to the late filing of ENO and ELL, is not scheduled to act on the MISO implementation filing in Council Docket No. UD -11-01 until May/June 2014; accordingly the accounting for MISO charges is also up in the air.

Bundled Load Exemption

- 1) The Bundled Load Exemption ("BLE") allows the transmission rate billed to retail customers to be based on the local jurisdictional approved rate construct for ENO-owned transmission assets rather than the FERC Rate construct for costs related to Schedules 1, 3 through 6 and Schedule 9 of the MISO Tariff (which is based on all transmission assets in the TPZ).
- 2) Based on Entergy's recent filing in FERC ER14-98, ELL, EGSL, and ENO each agree that the BLE should be available to each party in a LA-wide TPZ so long as (a) Schedule MSS-2 of the Entergy System Agreement is in effect and provides for an equalization of transmission costs between those three companies or (b) alternative just and reasonable arrangements to allocate transmission investment among those parties are in effect. This understanding is based on MISO Tariff § 37.3. However MISO Tariff § 37.3 appears to condition the BLE based on the fact that the "...transmission and/or ancillary services are provided pursuant to a Grandfathered Agreement." Accordingly, it is uncertain whether some new alternative just and reasonable arrangements would meet the requirements of a Grandfathered Agreement.

**MISO/ Entergy System Agreement / ITC/ TPZ Status December 17,
2013
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- 3) If the System Agreement is terminated, the BLE is lost for ENO, ELL, and EGSL in a LA-wide TPZ absent the questionable ability of an alternative arrangement to maintain the BLE. We note, however, that MISO in its recent filing at FERC on the Revenue Sharing Agreement between the LA-wide TPZ OPCOs indicated such an agreement would be acceptable. It may be beneficial to get behind this issue with MISO sooner rather than later, as if this is the case, then ENO, ELL and EGSL may be designing same for a subsequent filing at FERC now that ITC has terminated.
- 4) If ENO has its own TPZ, it would be eligible for the BLE and ENO's ROE would be subject to Council approval.
- 5) While it is unclear from the MISO Tariff whether ELL and EGSL could agree to some arrangement without ENO and still maintain the BLE, it is doubtful because the LA-wide TPZ also includes ENO. Thus, without ITC, we suspect that ENO will be executing some form of agreement with ELL/EGSL so as to maintain the BLE after the termination of the ESA, something the Council should act to control now and redirect the actions toward securing an ENO-only TPZ and away from an agreement which would promote a LA-wide TPZ. In the LPSC's December 4, 2013 filing of the uncontested rate settlement proposal on ELL's rate request (at paragraph F.3 on page 11), the LPSC clearly states that "*ELL and EGSL are contemplating a possible merger.*" Assuming this is in reality a given and backed by the LPSC, then ELL and EGSL should have their own TPZ and could achieve BLE status in MISO. It makes absolutely no prudent sense why ENO should be included in such a TPZ. This could provide some leverage to the Council that Entergy should be made aware of earlier rather than later.
- 6) Maintaining the BLE has value in several aspects: (i) it retains jurisdictional control over the ROE for ENO-owned transmission assets and, (ii) locally approved ROE's are likely going to be less than the 12.38 percent in the current FERC construct (that may change pursuant to the outcome of the ROE joint complaint filed in EL14-12).

TPZ/MSS-2

- 1) The TPZ Issue (LA-wide vs. ENO-only) cannot be viewed without consideration of the System Agreement.
 - a) Currently as part of the System Agreement, the OPCOs agree to equalize transmission costs for all transmission 230kV and above. Below 230kV the costs are localized to the owning Operating Company¹. In return, while not explicitly stated, the OPCOs get "deemed delivered" status of all resources, something that is lost with the MISO integration and has been an important benefit for ENO, particularly given its remote generating resources.

¹ Specifically, the 230kV assets are included with all transmission assets in determining ENO's transmission cost of service and the MSS-2 costs are expenses which are also included in the revenue requirements of ENO.

- b) MSS-2 equalizes costs based on transmission investment in 230 kV and above facilities based on responsibility ratio among all Entergy OPCOs in the ESA.
 - c) While LPSC staff would have the Louisiana OPCOs maintain the “status quo” it is clear their “status quo” is in reference only to the cost side of the equation. The LPSC staff has clearly indicated a desire to terminate the System Agreement as soon as possible, and ENO would be left paying “status quo” costs for transmission (MSS-2) but would not get the deemed delivered status (or any benefits from the other schedules of the ESA). Instead, ENO would pay the unhedged congestion cost to get its resources delivered to the ENO Load Zone.
- 2) Entergy has provided an analysis that shows ENO’s revenue requirements under a LA-wide TPZ is less than an ENO-only TPZ in which the sole difference is approximately \$3 million in annual credits in the LA-wide TPZ scenario consisting of a share of revenues from ELL and EGSL NITS/PTP wholesale customers.
- a) Why is this analysis incorrect/poor?
 - i) It assumes that ENO would continue to pay approximately \$█ to \$█ million per year in MSS-2 charges to equalize transmission revenue requirements regardless of whether it receives a share of the LA-wide NITS and PTP revenues.
 - ii) It assumes that the BLE would be in effect for ENO, ELL, and EGSL – a poor assumption if the System Agreement is terminated and an alternate agreement is not in place for the LA-wide TPZ.
 - iii) CLECO is a large contributor to the NITS revenues (\$13 million of the \$57 million in Entergy’s 2011 analysis). CLECO has recently received its own TPZ in its approval by the LPSC in Order No. U-32631, so any offsetting revenues by CLECO in ENO’s representation of a LA-wide TPZ are illusory.
- 3) In MISO, absent the BLE, costs for the LA-wide TPZ would be allocated based on load ratio share (similar to responsibility ratio). The two primary differences from historic MSS-2 cost sharing being that: (i) while MSS-2 transmission investment considers 230 kV and above facilities for all OPCOs in the ESA, the MISO tariff considers 69kV and above facilities for the LA OPCOs², and (ii) without the BLE in place the rate is determined under the higher ROE of the FERC rate construct.
- 4) In MISO, Transmission costs are based on the Operating Company load in its Load Zone. The Operating Company pays its load ratio share of the cost of transmission assets in the TPZ in which the Operating Company Load Zone is located (in an ENO-TPZ it would only be based on ENO’s load); even if transmission assets are used from other TPZ’s where remote generation exists.
- 5) As the attached analysis shows, upon the termination of the System Agreement the harm to ENO’s ratepayers is real by inclusion in the LA-wide TPZ of ENO.

² Our analysis shows ENO would pay more replacing MSS-2 with a LA-wide TPZ.

System Agreement Termination

- 1) The LPSC and PUCT have indicated a desire to terminate the System Agreement at the earliest possible date. According to Entergy this requires approximately [REDACTED] months to get the OPCOs operationally ready once the decision is made to terminate the System Agreement and "zonal agreements are finalized." Of course, this is in addition to their having in place a cost recovery plan to cover all costs in each jurisdiction, which they indicated was paramount. If so, then again the potential exists for the Council to approve such cost recovery only if it contains an ENO-only TPZ and mitigation occurs for any loss of other System Agreement benefits.
- 2) The analyses provided by Entergy regarding System Agreement termination assumed that the ITC transaction was consummated. Consequently, the damages do not include the impacts of changes in MSS-2.
- 3) For reference and assuming termination on January 1, 2016, the System Agreement analyses, excluding MSS-2 impacts, showed a NPV detriment to ELL of \$[REDACTED] million, a NPV detriment to ENO of \$[REDACTED] million, a benefit to EGSL of \$[REDACTED] million. We note that the LPSC joint settlement of ELL's recent rate increase request clearly denotes that ELL and EGSL are evaluating a merger, an issue we strongly suspect is an initiative at the private request of the LPSC, hence the LPSC inquiry of ENO merging with both entities as well.
- 4) The detriment to ENO is primarily driven by ENO's loss of MSS-1 payments for capacity.
- 5) In the termination analyses, Entergy provided an estimate of MSS-2 impacts which would be valid in a scenario in which the ITC Transaction did not go through. Entergy noted the total MSS-2 impact on EGSL, ELL, and ENO would be a [REDACTED] million NPV benefit assuming termination on January 1, 2016. Entergy specifically did not allocate the [REDACTED] million to individual Louisiana OPCOs indicating that split depends on post System Agreement cost allocation. Review of the analyses shows that elimination of MSS-2 would be a NPV benefit to ELL of \$[REDACTED] million, a NPV benefit to ENO of \$[REDACTED] million, a NPV detriment to EGSL of [REDACTED] million.
- 6) In the December 5, 2013 meeting, Entergy re-affirmed the need for a post system agreement cost allocation among the Louisiana OPCOs as it conditioned its Operational Readiness analyses on an assumption that "[REDACTED]"
- 7) It is important to recognize that these impacts were only quantified through 2021 (a date determined by the current 8 year notice provision of the System Agreement.) However, the analysis shows, the ratepayers of New Orleans will realize impacts of the termination long after 2021.

Resource Adequacy

- 1) With respect to Resource Adequacy, two Local Resource Zones ("LRZ") are anticipated for MISO South (one for EAI and one collectively for CLECO, ELL, EGSL, ENO, Lafayette, LAGN,

**MISO/ Entergy System Agreement / ITC/ TPZ Status December 17,
2013
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- LEPA, SME). In the RAR construct, each Load Serving Entity must have sufficient resources in its LRZ to meet load plus reserves.
- 2) Presently, ENO has resources in excess of its load. In 2013 (through August) ENO's peak load at time of system peak was approximately 984 MW. ENO's installed and contracted for capacity is approximately 1,200 MW
 - 3) The System Agreement termination analysis assumes the deactivation of Michoud 2 when Ninemile 6 comes on line. Recently, Entergy has indicated that upon its integration into MISO it will seek to deactivate Michoud 2 in February 2014.
 - 4) An HSPM resource adequacy analyses provided by Entergy (October 2013), [REDACTED] shows ENO with a [REDACTED] MW excess in 2016 with Michoud 2 deactivated. The excess decreases to [REDACTED] MW in 2019, then increases to a [REDACTED] MW excess in 2021 after taking credit for [REDACTED] MW related to the 2020 Amite South CCGT.
 - 5) With respect to ENO's WBL PPA with EAI, ENO's PPA share of the Arkansas Nuclear One, Independence, and White Bluff units would be located outside of ENO's LRZ in EAI's LRZ. These units comprise approximately 82 MW of ENO's resources.
 - 6) The concern with respect to the resources located outside of ENO's LRZ is - if the EAI LRZ capacity prices, due to transmission limitations, clear at a lower price than the capacity prices in ENO's LRZ - ENO will effectively have to pay the difference.
 - 7) There is also a concern with respect to the continued use of Michoud 3. One of the drivers of the significant loss of benefits with the System Agreement termination analyses was a high MSS-1 rate for ENO receipts from others. The high MSS-1 rate for Michoud 3 was in part due to increased spending for Michoud 3 to maintain reliability until a new CCGT comes on line in 2020. Since Michoud 3 is rated at approximately 540 MW ([REDACTED] MW in the HSPM resource adequacy analyses), the loss or deactivation of this unit, even with the [REDACTED] MW of CCGT in 2020, would result in a significant ENO shortfall in meeting resource adequacy requirements. If this were to occur, ENO would be required to either purchase reserve capacity from MISO's Reserve Capacity Auction, or contract separately for capacity to meet its shortfall. With the loss of receipts to ENO upon the early termination of the System Agreement, the benefits invested for the System are extinguished and New Orleans ratepayers pick up the full tab with no offsetting revenues!

Initial Observations

- 1) The issues of the ENO-TPZ and early termination of the System Agreement are inextricably intertwined in the loss of benefits to New Orleans ratepayers and should not be examined in isolation of each other.
- 2) Paying the "status quo" costs with respect to MSS-2 without receiving "status quo" benefits of the System Agreement, including deemed delivered status is not maintaining the "status quo."

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- 3) For the Council to maintain some jurisdictional control over transmission, maintaining the BLE is necessary.
- 4) If the System Agreement is terminated, it appears there may be only two ways to maintain the BLE (i) for ENO to have its own TPZ, or (ii) for ENO to enter into an alternate transmission arrangement with ELL and EGSL which will increase ENO's transmission costs, substantially.
- 5) If the System Agreement is terminated, ENO immediately loses the benefits associated with MSS-1 receipts. This loss of MSS-1 benefits is estimated by Entergy to average \$ [REDACTED] million per year (2016-2021). The loss in MSS-1 benefits is partially offset by MSS-3 and ZRC effects to result in a net loss of benefits that average \$ [REDACTED] million per year (2016-2021). But these numbers assumed that the ITC transaction closed and do not include the effects of the termination of MSS-2.
- 6) Entergy's analyses shows that over the 2016-2021 time period, ENO is estimated to pay an average of \$ [REDACTED] million per year in MSS-2 payments in the absence of the ITC Transaction – which we now know to be the case. However, rather than simply terminating MSS-2 like the rest of the System Agreement schedules, Entergy and the LPSC are attempting to continue to keep a MSS-2 type cost measure in effect through the combination of a LA-wide TPZ and some new cost sharing arrangement.
- 7) The new cost sharing arrangement would also provide benefit to ELL and EGSL as it would allow them to keep the BLE and control of ELL and EGSL's ROE.
- 8) It is not unreasonable for Council to demand that ENO have its own TPZ and pay the associated transmission costs in a similar manner to most other entities in MISO, and if not take it out of ENO's shareholders "hide," or through denial of other existing and upcoming applications related to ENO/ELL's implementation plans and cost recovery associated with System Agreement termination. The fact is that most participants in MISO receive benefits from the interconnection to other entities transmission systems in MISO, but only pay the transmission costs associated with transmission assets located in their TPZ.
- 9) A need exists for future joint resource planning absent the System Agreement, something the LPSC already offered up as a quick fix to get the Council to "buy off" on early termination of the System Agreement, but more needs to occur. This is a no cost option for ELL, EGSL and the LPSC and carries value to ENO without any cost to the other OPCOs.

Conclusions

Given ITC's demise, there may be timely leverage the Council can exercise now, before the train gets further down the track, and prevent ENO from doing further harm to New Orleans ratepayers. It should be prompt and decisive. Form and vehicle to be discussed.

Tiffany M. Domino

From: Melissa Manuselis <mmanuselis@cityyear.org>
Sent: Monday, November 26, 2018 4:52 PM
To: Moreno Council Shared; Jason R. Williams
Cc: Connolly A. Reed
Subject: Letter of Support for Entergy New Orleans
Attachments: Entergy letter of support 11.26.18.pdf

Good Afternoon,

My name is Melissa Manuselis and I am the Executive Director of City Year New Orleans, a local education non-profit. I am writing in support of Entergy. Entergy has been one of City Year's greatest supporters and champions and has enabled us to serve more students and more schools in the New Orleans community. I am attaching a letter of support- please let me know if you have any questions.

Thank you,
Melissa

Melissa Manuselis
Executive Director & Vice President

City Year New Orleans
805 Howard Ave. | New Orleans, LA 70113
T: 504.302.5060 | C: 504.333.2300
mmanuselis@cityyear.org | www.cityyear.org/neworleans



CITY YEAR NEW ORLEANS

805 Howard Avenue
New Orleans, LA 70113
PHONE 504.561.1290
cityyear.org/neworleans

To Whom It May Concern:

City Year New Orleans is reaching out in support of the philanthropic integrity of Entergy New Orleans—one of our longest standing and most significant contributors to our program which impacts over 4,000 public school students in the city.

Entergy has partnered with City Year New Orleans for the past eight years in the belief that all children deserve an excellent education. Every year, City Year New Orleans deploys over 50 AmeriCorps members across six schools in New Orleans, where they work with students most in need of a full-time tutor and mentor. Throughout the school year, six teams of young college graduates support students at their assigned schools; their impact and passion is making a difference in low performing students' academic performance and social emotional behavior. Additionally, nearly 40% of our AmeriCorps members have stayed in New Orleans to become teachers after their year of service, creating a ripple effect that originates from the support of our funders like Entergy.

For the past eight years, Entergy has sponsored an entire team of AmeriCorps members at one of our partner schools (a \$75,000-\$100,000 giving level that is the highest donation level at our site). City Year New Orleans has relied on this support year after year, and it has become an integral part of our program. Without this funding, we would not be able to sustain operations at our current rate—and therefore not provide students in New Orleans with the same tutoring and mentoring support.

Beyond the annual fiscal support, Entergy employees have joined us as volunteers at our annual Martin Luther King Jr. Day of Service. The service project is an optional volunteer opportunity that we host every year, wherein City Year AmeriCorps members team up with volunteers from the community to work on a set of specific projects to improve our neighborhoods. Additionally, individuals from Entergy's senior leadership team have supported our annual galas as a Host Committee member and even as our event Co-Chair—roles which require considerable time and effort commitments.

If you should have any questions concerning Entergy's support of City Year New Orleans, please contact me, Melissa Manuselis, Vice President and Executive Director of City Year New Orleans, at mmanuselis@cityyear.org.

Thank you,

Melissa Manuselis
Vice President and Executive Director
City Year New Orleans

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Justice and Beyond Coalition

c/o A Community Voice,
St. Claude Avenue, New Orleans, LA

November 30, 2018.

Members of the City Council,

We thank the New Orleans City Council for initiating an in-depth investigation into Entergy New Orleans' (ENO) hiring people to pose as supporters of a new gas fired power plant.

The obvious reason for ENO to resort to such a drastic step is the lack of genuine community support for a 30-year mortgage on a gas power plant, which would benefit only Entergy's bottom line, not our community.

This gas plant is *not* needed to conform with any NERC requirements. Entergy blatantly disregarded the Council's directive to research multiple options (such as vastly cheaper transmission line upgrades, or energy storage) to deal with our future energy needs. 98% of our 2,599 yearly power outages can be traced to distribution line failures, the remaining 2% to transmission lines. A power plant would do absolutely nothing to improve Entergy's dismal record. Nevertheless, Entergy repeatedly invoked the danger of "cascading outages" in their scripts given to paid supporters and to community organizations which had previously benefited from Entergy's financial support. Adding insult to injury, ENO plans to build this plant in a designated flood zone in close proximity to an African American and Vietnamese community, in line with other examples of environmental racism. The plant would emit ultrafine particles, laden with toxins, that are capable of lodging so deeply in a person's body that they can enter the bloodstream.

It is outrageous but also quite revealing to read ENO describing their fight against widespread and vocal resistance in our community as "*war*". This makes us wonder what else is buried in the 70 documents ENO are still withholding from the Council despite existing subpoenas.

Very problematic is also a 2015 agreement between the previous City Council and Entergy to pursue a 120MW local gas fired power plant, located in Michoud or Paterson. This document had been buried in an unrelated FERC agreement and was mentioned in any of the proceedings around the gas plant decision.

The Levelized Cost of Electricity from a gas peaking plant is three times that of utility scale solar. Prices for energy storage options have markedly declined. California just recently opted to scrap plans for gas peaker plants in favor of large-scale battery storage.

Considering increasingly dire predictions regarding the effects of climate change, communities all around us are planning for 100% renewable electricity generation. Our community is extremely vulnerable to climate change; we must do our part in mitigating climate change.

Despite the fact the Council's proposed \$5 million fine represents the largest fine ever, it is nothing but a drop in the bucket for a company that made a \$400 million profit last year. ENO insisted on getting a blank check from ratepayers by refusing any restrictions on the gas plant cost as a "poison pill". The current price tag of \$218 million would guarantee ENO a \$23+ million profit.

Members of the New Orleans community feel deceived. ENO has made a mockery of our democratic decision-making process. Imposing a fine without fully reviewing the decision that was made based on this flawed process would not make our community whole.

To remedy this, we are asking the New Orleans City Council to:

- 1) **Insist on access to the 70 documents ENO is withholding**
- 2) **Take back the March 8 vote in favor of the gas power plant**
- 3) **Fully review the decision that led to this vote so the five new Council Members can make an informed decision**
- 4) **Insist on a full analysis of alternative options to a gas peaker plant before any subsequent vote**

Sincerely,

The members of Justice and Beyond



.....
A Stronger Louisiana Starts
with Successful Children
.....

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Melanie Bronfin, JD

November 26, 2018

The Honorable Helena Moreno
The Honorable Jason Rogers Williams
New Orleans City Council

Dear Councilmembers Moreno and Williams,

The Louisiana Policy Institute for Children is a nonpartisan, nonprofit organization that is an independent source of data, research information for policy makers, stakeholders and the public at large around issues related to young children in Louisiana.

Entergy has been a generous supporter of the Policy Institute over the past four years. Their funding has provided us with the capacity to develop the Louisiana Early Childhood Business Roundtable to educate and mobilize the Louisiana business community in supporting high quality early childhood education. Roundtable members have authored Op-Eds and Letters to the Editor, and championed early care and education within their business organizations, making it now a priority on the policy platforms of Chambers of Commerce and economic development organizations around the state. In addition, their funding allowed us to launch an Early Ed Week in Louisiana last year, with over sixty business leaders and legislators attending site visits at child care centers in New Orleans, Jefferson and Baton Rouge to gain an understanding of why early education should be prioritized in Louisiana.

Entergy has also funded two critical reports that have received national attention and advanced the field of early care and education. [Giving Credit Where It's Due: School Readiness Tax Credits Benefit Louisiana Families and Communities](#) is a White Paper that examines Louisiana's unique package of tax credits that many states are now considering adopting. This White Paper also was instrumental in the expansion of the Teacher School Readiness Tax Credit by the 2017 Louisiana Legislature, effectively doubling the amount of tax credits child care teachers can earn through obtaining certain certifications. Furthermore, Entergy funded the development of the report [Losing Ground: How Child Care Impacts Louisiana's Workforce Productivity and the State Economy](#). This report documented the negative impact of child care instability on the state's businesses, employees and the economy as a whole. The methodology of *Losing Ground* has now been copied in three other states and by the national organization Ready Nation to produce similar reports, and it has been cited by publications such as *Forbes* and a report by the U.S. Chamber of Commerce Foundation.

Thank you for the opportunity to describe Entergy's support of the Louisiana Policy Institute for Children. Please do not hesitate to contact me if I can answer any questions or provide any further information.

Best regards,

A handwritten signature in black ink, appearing to read "Melanie Bronfin".

Melanie Bronfin, JD

Tiffany M. Domino

From: dianeorbobhammer@cs.com
Sent: Wednesday, November 28, 2018 9:27 PM
To: Connolly A. Reed
Subject: My comment about the proposed fine against Entergy New Orleans

Dear Ms. Reed,

I wish to submit a comment to the City Council regarding the proposed penalties and sanctions adopted by the Council in Resolution R-18-474.

In my view, the proposed \$5,000,000.00 penalty is FAR too low, either to make a serious impression on Entergy or to reflect the magnitude of their disrespect to the Council, to the citizens of New Orleans, and to the unhappy people who live close to the proposed construction site and who were blocked out of the meetings they tried to attend.

I feel that the penalty to be imposed by the Council should be at least ten times as great, \$50,000,000.

Please feel free to contact me if you have any questions.

Robert A. Hammer, M. D.
7432 Sardonyx St.
New Orleans, LA 70124
Council District D

Tiffany M. Domino

From: marion freistadt <marionfreistadt@yahoo.com>
Sent: Monday, November 19, 2018 4:31 PM
To: Connolly A. Reed
Cc: Renate Heurich
Subject: Public comment on the Council's response to the investigation into the "paid actors" scandal

Nov. 19, 2018

To New Orleans City Council Members:

I am a citizen of New Orleans, a resident of District A.

I am writing to make a public comment on the Council's response to the investigation into the "paid actors" scandal. Council is proposing a \$5 million fine and an independent ethics course.

This sanction is laughably weak, since it is approximately 1% of their annual profit. (They make a guaranteed 11% on capital investments directly from rate-payers.) **The proper course is to reverse the vote to approve the plant and assess a much larger fine**, one that is truly punitive, since they subverted the democratic process.

The reasons that original approval was wrong are far too numerous to detail here. Council has heard them in many ways, both verbally, in writing and in the press. In particular, a >100-page legal brief submitted Jan 22, 2018, from lawyers for the Alliance for Affordable Energy, Deep South Center for Environmental Justice, 350.org and the Sierra club detailed the ample evidence that the gas-powered peaking plant is not necessary. Moreover, there is much evidence in that brief that Entergy has manipulated energy consumption and capacity data to cover the fact that the primary motivation for the plant is their profit.

The paid actors and the ridiculous levels to which Entergy went to manipulate public opinion is further evidence that Entergy executives are on the wrong side of truth and history. If the plant was needed, why did they wage "war" (Charles Rice's term)? They blocked due process. They played a bad hand badly.

In light of decades of climate change as well as the recent IPCC report, stating that humanity has approximately a decade to reverse greenhouse gas emissions before irreversible climate catastrophe ensues, we must not add more CO₂ emissions. (Basic chemistry shows that the product of burning natural gas is CO₂, even though natural gas is considered "cleaner" than coal.) Also, the proposed plant would use fracked gas, which has many additional environmental concerns.

New Orleans is particularly susceptible to the effects of climate change. Moreover, New Orleans has one of the highest "Energy Burdens" (proportion of income that citizens pay for energy) in the nation. Climate Change and negative impacts of power plants disproportionately affect communities of color and poverty.

New Orleans should be single-mindedly pursuing clean energy. Instead, Entergy has "slow-walked" every path forward to renewables.

How will you, as an elected official, feel in the future when you realize that you had it in your authority to fight climate change and you did not fight your absolute hardest?

Sincerely,

Marion Freistadt, PhD.

504-352-2142

Tiffany M. Domino

From: Howard Rodgers, III <hrodgers@noco.org>
Sent: Wednesday, November 21, 2018 11:06 AM
To: Moreno Council Shared; Jason R. Williams
Cc: RIDDLEBARGER, PATTY; Connolly A. Reed
Subject: RE: Entergy New Orleans

Dear Councilmembers Moreno and Williams,

I would like to address the present situation that Entergy New Orleans is currently faced with in its deliberations with the City Council.

I understand the severity of the situation that the company has been placed in over its efforts to gain approval for the New Orleans East Plant.

Although I cannot condone the methods utilized, I still consider Entergy New Orleans a good corporate neighbor in its efforts to support the Power to Care Program and additional Entergy assistance program for the Elderly Population of this City.

Entergy has always and continues to be a reliable and dependable partner as our agency seeks to provide services to our target clients and assist them with aging in place.

We sincerely hope that as you continue your deliberations, that you also consider the philanthropic and community endeavors that Entergy has provided to the citizens of the City of New Orleans.

Respectfully,

Howard L. Rodgers, III
Executive Director

Tiffany M. Domino

From: Paris Woods <pwoods@collegebeyond.org>
Sent: Tuesday, November 20, 2018 2:31 PM
To: Moreno Council Shared; Jason R. Williams
Cc: Connolly A. Reed
Subject: Re: Entergy

Dear Council Members:

I am writing to share information on the tremendous benefits College Beyond has received through our partnership with Entergy over the past several years as we have grown our organization to support college access for hundreds of New Orleans youth, most of whom hail from low-income, minority, and first-generation-to-college backgrounds.

College Beyond's mission is to help New Orleans youth enroll and succeed in college. Founded as a 501(c)3 nonprofit in 2015 by New Orleans public high school staff, the organization began as an outgrowth of alumni support work at Cohen College Prep High School where it was incubated beginning in 2012. College Beyond is modeled after national, research-based best practices to help high-need students successfully transition to and persist through college. College Beyond's reach has since expanded to partner directly with local universities to assist hard-to-reach students with their college transition.

As a result of our work, university partners have seen a record increase in first-year persistence among participants and we are proud to report that we have achieved these results (through the tireless work of the amazing students we support) without pre-screening or pre-selecting our students on any basis other than need. This unique programming for the constituents of New Orleans -- students, families, future members of the local workforce -- would not be possible without the lead support of Entergy as a funding partner. The Entergy Charitable Foundation was a founding partner with us as we launched our work and has served as a lead partner as we seek to scale our impact.

As a first-generation college graduate myself and co-founder of College Beyond, I am happy to share this information with you regarding our organization's history, mission, and appreciation of Entergy's support past, present, and future. Thank you for taking the time to hear more about College Beyond and our experience as an Entergy partner.

Sincerely,
Paris Woods

--

Paris Woods, Ed.M.
Co-founder and Executive Director
(504) 475-8384
collegebeyond.org

Celebrating our new name! Please note new email address and website.



Tiffany M. Domino

From: Moreno Council Shared
Sent: Tuesday, November 27, 2018 8:20 AM
To: Melanie Bronfin; Jason R. Williams
Cc: Connolly A. Reed
Subject: Re: Letter concerning Entergy

Thank you Melanie for your letter. There's no doubt that Entergy has made impactful contributions through their charitable giving. We've received a couple other letters like this. Can I ask who asked you to write this and why now?

Best, Helena Moreno

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On Mon, Nov 26, 2018 at 10:53 PM -0600, "Melanie Bronfin" <mmbronfin@policyinstitutela.org> wrote:

Dear Councilmembers Heleno and Williams,

If I may, I would like to submit the attached letter to you and your colleagues on the New Orleans City Council. It describes the support Entergy has provided our organization, the Louisiana Policy Institute for Children, and what has resulted from that support. Thank you for the opportunity to share this information with you.

All the best,
Melanie Bronfin

Melanie Bronfin, J.D.
Executive Director
Louisiana Policy Institute for Children
mmbronfin@policyinstitutela.org
www.policyinstitutela.org
504-442-0298



Erin Spears

From: susan norwood <scnorwood@bellsouth.net>
Sent: Thursday, November 8, 2018 9:58 AM
To: Connolly A. Reed
Subject: Resolution R-18-474

Ms. Reed,

Please submit the follow Comment to the City Council regarding the proposed penalties and sanctions adopted by the Council in Resolution R-18-474:

I support a new vote on the proposed Entergy facility for the following reasons: a) the [previous] City Council made a written commitment for the plant months prior to the application, b) the scope of the investigation about proceedings when the plant was first discussed was limited, and c) the investigation did not comply with city ordinances and resolutions. New Orleans is in second place in terms of the largest percent of income going to utility bills for poor people (Memphis is first) and this plant will make it worse. Further, the plant is being built in a FEMA high flood stage.

Thank you,
Susan Norwood

Susan C. Norwood
Family & Educational Services
5421 St. Charles Avenue, Suite 5A
New Orleans, LA 70115
504-899-1942