



April 18, 2022

By Electronic Mail
Clerk of Council
Room 1E09, City Hall
1300 Perdido St.
New Orleans, LA 70112

RE: Application of Entergy New Orleans, LLC for Certification of Costs Related to Hurricane Zeta, Docket UD-21-02

Dear Ms. Johnson,

Enclosed please find an original and three copies of the intervention of the Alliance for Affordable Energy in the above matter. Please file the attached intervention and this letter in the record of this proceeding.

Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Logan Burke". The signature is fluid and cursive.

Logan Burke
504 208-9761
4505 S Claiborne Ave
New Orleans, LA 70125

Cc: parties to Docket UD-21-02

**Before
The Council of the City of New Orleans**

**In Re: APPLICATION OF ENTERGY
NEW ORLEANS, LLC FOR CERTIFICATION
OF COSTS RELATED TO HURRICANE ZETA**

DOCKET NO. UD-21-02

APRIL 18, 2022

COMMENTS OF THE ALLIANCE FOR AFFORDABLE ENERGY

I. INTRODUCTION

On May 21, 2021, Entergy New Orleans, LLC (“Entergy” or “ENO”) filed with the Council of the City of New Orleans (“the Council”) an Application for Certification of Costs Related to Hurricane Zeta (“the Application”) seeking recovery of \$35.8M in storm costs from ratepayers. The Alliance for Affordable Energy (“the Alliance”) hereby submits the following comments in response to Entergy’s Application:

**II. CLIMATE CHANGE IS CAUSING MORE FREQUENT WEATHER-RELATED
DISASTERS IN NEW ORLEANS**

As Entergy notes correctly in its Application, Hurricane Zeta was the fifth named storm of the 2020 hurricane season to make landfall in Louisiana. Since that time, New Orleans has suffered through a record-low freeze in February 2021, during which Entergy shed more than four times the load required by MISO, leaving thousands without power on the coldest night of the year,¹ a devastating tornado in May 2021,² and Hurricane Ida in August 2021, which caused

¹ https://www.nola.com/news/weather/article_7ab5ffb0-7076-11eb-b780-277d0ec8aa24.html

² https://www.nola.com/news/weather/article_9ce76140-b361-11eb-bb88-4391f577fed7.html

catastrophic damage to Entergy's transmission system³ and left many dead from heatstroke, inability to egress from unpowered buildings, and inability to chill medicine or power medical devices. As of the writing of these comments, New Orleans has been under tornado watch or warning for four weeks in a row, with a destructive tornado touching down and killing one on March 22, 2022.⁴

The link between climate change and more frequent and more intense tropical storm systems and hurricanes is well documented⁵ and research has shown that the center of the "Tornado Alley" in the United States has shifted south and east, from Oklahoma to Alabama, making Louisiana a more likely target of tornado-forming supercells, with climate change a likely cause for the shift.⁶

III. ENTERGY IS SEEKING FEDERAL FUNDING FOR DISTRIBUTION AND TRANSMISSION IMPROVEMENTS

On February 2, 2022, Entergy Corporation announced that it was applying for \$450M in federal grants for improvements to its distribution and transmission systems, including strengthening the poles and lines distributing power from the Derbigny Substation in New Orleans, which has been the site of recent animal-related outages.⁷ The Council should require of Entergy a strict accounting of any federal grant dollars it receives, and should direct the use of that money to offset, to the extent possible, any costs related to Hurricane Zeta dollar for dollar.

³ <https://www.utilitydive.com/news/ida-knocks-out-all-transmission-lines-into-new-orleans-leaves-1m-without/605754/#:~:text=The%20%22catastrophic%20intensity%22%20of%20the,resulted%20in%20generation%20dropping%20offline.>

⁴ <https://www.reuters.com/world/us/storms-threaten-deep-south-after-tornadoes-rip-through-texas-2022-03-22/>

⁵ <https://www.nytimes.com/2020/05/18/climate/climate-changes-hurricane-intensity.html>

⁶ <https://www.purdue.edu/research/features/stories/center-of-u-s-tornado-activity-shifting-east-and-south-possibly-due-to-climate-change/>

⁷ https://www.nola.com/news/business/article_24ee0a0e-8453-11ec-87a1-03e01f7a0563.html

Ratepayers, who are also federal taxpayers, should not be required to double-fund Entergy's storm recovery and improvements.

IV. ENTERGY HAS FILED A SEPARATE APPLICATION FOR TO REPLENISH ITS DEPLETED STORM RESERVE FUND

On March 2, 2022, Entergy submitted an application to the Council seeking to replenish its depleted storm reserve fund in the amount of \$150M by issuing securitized bonds.⁸ Entergy refers to this euphemistically in its press release as "customer investment". This language obscures the fact that shareholders are Entergy's investors, not its customers who are forced to conduct business with Entergy due to its monopoly status. Customer-ratepayers should not be made to bear the risks of investors, especially considering that Entergy has yet to submit an application for recovery of costs related to Hurricane Ida in 2021. The Council should not allow Entergy to shift the responsibilities of shareholders onto its captive customers.

V. CLIMATE CHANGE HAS CREATED A NEW STANDARD OF PRUDENCE FOR ELECTRIC UTILITIES

For anyone living in south Louisiana, the reality of the effects of climate change are impossible to deny. A drive west on I-10 or US 90 reveals a repetitive landscape of blue-tarped roofs. Ratepayers who are still struggling to rebuild homes and lives that have been disrupted by these disasters cannot continue to shoulder hundreds of millions of dollars in storm-related costs each year. Entergy's current approach to disaster planning and recovery is unsustainable and unfair to ratepayers.

⁸ <https://www.energynewsroom.com/news/entergy-new-orleans-submits-storm-reserve-replenishment-filing/>

Entergy's transmission system, supposedly rated for winds of up to 140 MPH⁹ failed even in the mere 90 MPH winds that reached New Orleans during Hurricane Ida.¹⁰ The New Orleans Power Station, which Entergy hired actors to support before the City Council, and which Entergy promised would provide resilience in the wake of catastrophic storms by its ability to blackstart, was proven to be cumbersome and ineffective, requiring several days to restore transmission from Slidell before it could be deployed safely.

Given the reality of climate change and the catastrophic effects New Orleans is experiencing year after year, it is clear that the standard for prudent investment for a utility operating in the Gulf South has changed. If Entergy is going to appear before the Council each year seeking to further burden ratepayers with the rebuilding of its infrastructure, it must be required to show that its investments and improvements are being made with climate change and resilience in mind. This *must* mean a shift away from centralized fossil fuel generation toward energy efficiency, local renewable energy, and battery storage. It must include not only strengthening existing transmission infrastructure, but expanding it. It may also mean undergrounding certain distribution lines rather than simply hardening poles. Before approving future storm costs as prudently incurred, the Council must ensure that Entergy's decision-making is grounded in the reality of our current, dire circumstances.

VI. CONCLUSION

New Orleans ratepayers face some of the highest energy burdens in the nation¹¹ and now face routine climate change-induced weather disasters. The Council must find a path forward that does not include shifting the responsibilities of Entergy shareholders onto captive customers.

⁹ <https://www.reuters.com/article/storm-ida-grid-idAFL1N2Q51DG>

¹⁰ <https://www.washingtonpost.com/weather/2021/08/29/hurricane-ida-live-updates/>

¹¹ <https://www.aceee.org/sites/default/files/pdf/fact-sheet/ses-louisiana-100917.pdf>

This will require the Council to articulate and enforce a standard of prudence for investment that considers the reality of climate change and the necessity of adaptive resilience. Continuing to invest in outdated infrastructure not suited for current climatic conditions is by definition imprudent. The Council must hold Entergy to a higher standard for the best interest of ratepayers and for the future habitability of our city.

Submitted respectfully,

A handwritten signature in black ink, appearing to read "Logan A. Burke". The signature is fluid and cursive, with the first name "Logan" being the most prominent.

Logan A. Burke
Executive Director
Alliance for Affordable Energy

**Before
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**In Re: APPLICATION OF ENTERGY
NEW ORLEANS, LLC FOR CERTIFICATION
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DOCKET NO. UD-21-02

APRIL 18, 2022

CERTIFICATE OF SERVICE

I do hereby certify that I have, this 18th day of April 2022, served the foregoing correspondence upon all other known parties of this proceeding by electronic mail.



Logan A. Burke
Alliance for Affordable Energy

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