



July 13, 2022

**By Electronic Mail**

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

**Re: RESOLUTION AND ORDER ESTABLISHING A DOCKET AND OPENING  
A RULEMAKING PROCEEDING TO ESTABLISH RULES FOR COMMUNITY  
SOLAR PROJECTS (Docket No. UD-18-03)**

Dear Ms. Johnson,

Please find enclosed Madison Energy Investment's Motion to Amend the Community Solar Rules in the above-mentioned docket. Please file the attached motion and this letter into the record of the proceeding. We will submit physical copies at your instruction. If you have any questions, please do not hesitate to contact me.

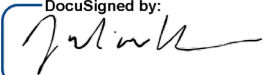
Thank you for your time and consideration.

Respectfully,

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Gerard Neely  
Director, Business and Market Development  
Madison Energy Investments

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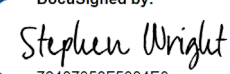
Juliana Harless  
Associate, Southeast Business Development  
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Additionally, motion is supported by the following interested parties:

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Solar Alternatives

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Stephen Wright  
Executive Director  
Gulf States Renewable Energy Association

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Pierre D. Moses  
President  
127 Energy

**Before**

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

**IN RE: RESOLUTION AND ORDER  
DOCKET NO. UD-18-03 ESTABLISHING  
A DOCKET AND OPENING A RULEMAKING  
PROCEEDING TO ESTABLISH RULES  
FOR COMMUNITY SOLAR PROJECTS**

**July 13, 2022**

**Motion of Madison Energy Investments to Amend Community Solar Rules**

**Introduction**

On March 28, 2019, the Council adopted Resolution No. R-190-111, establishing a set of Community Solar Rules and on August 29, 2019, Entergy New Orleans (“the Utility”) filed its initial Implementation Plan and its Supplemental Implementation Plan on January 10, 2020. On January 28, 2021, the Council of the City of New Orleans (“the Council”) adopted Resolution R-21-38, approving the Utility’s Supplemental Implementation Plan. On December 8, 2021, the Alliance for Affordable Energy filed its motion to Amend the Community Solar Rules requesting to amend Section II, changing the definition of “Low-Income Customers.” On February 3, 2022, the Council adopted R-22-76 Resolution and Order Amending the Community Solar Rules and approving the Alliance for Affordable Energy’s December 8, 2021, Motion to Amend the Community Solar Rules, modifying the definition of “Low Income Customers”. On June 27, 2022, the Council named Madison Energy Investments (“MEI”) to the official service list as an accepted intervenor for Docket No. UD-18-03. MEI now moves the Council to amend the following Community Solar Rules for reasons specified therein:

**I. Increase the Tariff Rate for all Subscribers**

MEI first and foremost proposes that the Community Solar Program should increase the tariff rate for all subscribers. The rates currently set are far too low and broken out in an inefficient way. The Utility’s argument that rates would decrease after the 2019 environment has proven to be untrue. Everyone is feeling the pain of electricity rates, especially during inflation. A small increase in these tariff rates, and an even rate across the board, could have a very meaningful impact for New Orleans residents, both Low-Income and not, and to small businesses that are the backbone of the community.

The program rules state that “WHEREAS, the Council believes that as the costs of installing solar come down over time relative to the Utility’s avoided costs, the Subscription Credit pricing will become more advantageous to Subscribers over time, while continuing to protect ENO’s non-participating customers; and WHEREAS, for these reasons, the Council approves the Advisors’ proposed calculation of Subscription Credits, with the modification that low-income

all customers shall receive the full retail rate credit for power generated by their community solar Subscription.” Due to current inflationary pressure, this statement is now not correct. The rates are too low vis-à-vis other programs around the country. A rate rethink would make the program more competitive and attract more investors and developers therefore benefitting subscribers and the City of New Orleans as a whole.

As already stated, compensation to the Subscriber for its share of the electricity generated by a Community Solar Generating Facility shall take the form of a billing credit provided to the Subscriber by the Utility. MEI moves that each billing month, the Utility shall credit the Subscriber's electric bill by multiplying the quantity of kilowatt hours allocated to each subscriber by (1) for Low-Income Subscribers and Low-Income Service Providers, 20% of the Total Benefits of Community Solar, including the adders applicable to each subscriber, or 10% for all other Subscribers.

“Total Benefits of Community Solar” means the total amount – expressed in cents per kilowatt hour – that shall be credited to the Utility’s customers as a result of energy exported by a Community Solar Generating Facility to the Utility, which shall include the Avoided Cost of Wholesale Power plus, if applicable, the Low-Income Benefits Adder or Public Entity Benefits Adder as further outlined in this rule.

“Avoided Cost of Wholesale Power” means the cost to the Utility of the electric energy that the Utility purchase from the Subscriber Organization. In essence, the avoided cost is the marginal cost to produce or purchase one more unit of electrical energy. When a Subscriber Organization delivers electricity to the Utility, the Utility will reduce the equivalent amount of electricity that either is generated at its most expensive operating plant that is not running for reliability purposes or is purchased. For power generated by the Utility, the cost avoided consists of the cost of fuel needed to produce that electricity and the corresponding portion of the plant’s operation and maintenance costs and shall include an appropriate average line loss adjustment. No capacity credit is given as part of the calculation of Avoided Cost of Wholesale Power.

MEI encourages Low-Income and Public Entity Benefits adders for the program as this would encourage developers to further seek out these subscribers, those who would benefit from, and truly need, the community solar program the most.

A “Low-Income Benefits Adder” would mean an additional amount would be included in the Total Benefits of Community Solar that shall flow to subscribers whose household income is at or below 60% of the area medium income. MEI believes the Low-Income Benefits Adder shall be equal to 5 cents per kilowatt hour. This Low-Income Benefits Adder shall be made available to the Subscriber Organization and its subscribers for the term of the power purchase agreement between the Subscriber Organization and the Utility.

Additionally, MEI encourages a Public Entity Benefits Adder that shall flow to governmental entities. The Public Entity Benefits Adder shall be equal to 2.5 cents per kilowatt hour and be made available to the Subscriber Organization and its subscribers for the term of the power purchase agreement between the Subscriber Organization and the Utility.

If the value of the credits generated by the Community Solar Generating Facility allocated to the subscriber exceeds the amount owed by the subscriber as shown on the subscriber's bill at the end of the billing period, the remaining value of the credit shall carry over from month to month until the value of any remaining credits is used. If a subscriber has accumulated a credit balance when the subscriber closes their account, any such balance, net of costs owed to the Utility, shall be distributed to a designated program to assist low-income ratepayers, unless the subscriber affirmatively opts to be paid for the balance at the applicable avoided cost rate.

If the value of the credit generated by the Community Solar Generating Facility allocated to the subscriber is less than the amount owed by the subscriber as shown on the subscriber's bill at the end of the applicable billing period, the subscriber shall be billed by the Utility for the difference between the amount shown on the bill and the value of the available credits.

A subscriber may not receive credit for electricity generated by a Shared System that exceeds 100% of the subscriber's baseline annual usage.

## **II. Raise Minimum Solar Garden Size from 2MW to 5MW**

MEI proposes that the minimum Community Solar Generating Facility size be raised from 2MW to 5MW due to the already limited space for larger Community Solar Generating Facilities in the city of New Orleans. There are very few locations that could host a Community Solar Generating Facility greater than 2MW, therefore developers should be able to easily utilize those few locations so that the maximum benefit is achievable. Limiting the Community Solar Generating Facility size does not reserve a significant purpose for any parties involved and only adds more red tape and complications to the program. Additionally, the benefits of economies of scale would be passed from the developer along to the end subscriber.

## **III. Consolidated Utility Billing**

MEI proposes that under “Article XIII. Consumer Protection and Disclosure – section G. Subscriber Funds” be eliminated from the Community Solar Rules and replaced with language that requires the Utility (Entergy New Orleans) to manage consolidated utility billing for subscribers. Considering the Utility already has its customer’s personal information, it makes the most sense for the Utility to continue to be the only link between a subscribing customer and their utility bill. Furthermore, we don’t believe that any consumer would be willing to sign up for community solar if by doing so, they would then have two separate utility bills, and have to compare their Community Solar Generating Facility Subscriber bill along with their Utility bill credit to decipher if they are in fact saving money through the program. Consolidated utility billing would be easier for all parties involved.

An example of how the consolidated billing system could work:

The Subscriber Organization shall, on a monthly basis and in a standardized electronic format, provide to the Utility a Subscriber list stating the Subscriber's portion of the output of the

Community Solar Generating Facility. Subscriber lists may be updated monthly to reflect canceling Subscribers and to add new Subscribers.

The Utility must apply bill credits to Subscriber bills within two billing cycles following the cycle during which the energy was generated by the Community Solar Generating Facility.

The Utility shall, on a monthly basis and in a standardized electronic format, provide to the Subscriber Organization a report indicating the total value of bill credits generated by the Community Solar Generating Facility in the prior month as well as the amount of the bill credit applied to each Subscriber and any amount rolled over to the following month. The Utility shall credit a Subscriber's electric bill for the amount of electricity generated by a Community Solar Generating Facility for the subscriber.

#### **IV. Entergy New Orleans Should Be Obligated to Pay for the Power Purchased via their PPA**

MEI proposes an addition under “Article IV. Community Solar Generating Facility Eligibility – section (6) The Subscriber Organization for the CSG Facility must enter into a Contract with the Utility to sell the Output from the facility to the Utility.” MEI moves to add that “The Utility (Entergy New Orleans) must purchase and pay for Output from the CSG Facility.” Since there is already a PPA contract in place, it only makes sense for the Utility to purchase the electricity through this contract. If the Utility is offering their subscribers a credit to their bill and using less electricity generated through a subscriber’s use of solar energy, they should be required to purchase said solar energy.

#### **V. RECs**

MEI proposes to remove “Article XII. Renewable Energy Credit Ownership – section B. The ownership and title to all renewable energy attribute or Renewable Energy Credits associate with the CSG Facilities shall belong to the individual Subscribers.” If the Subscriber Organization can monetize the RECs, this serves as another revenue stream that can get passed along to the end user.

#### **VI. PPA Term Limit 20 Years Instead of Ten Years with Two Five-Year Renewals**

MEI proposes that the PPA term limit be increased from ten years to twenty years, as this would increase any potential Subscriber’s Organization ability to secure funding for projects. Through a longer contract, Subscriber Organizations would gain more security in their investments, leading to more sites and a greater use of the program.

## **VII. Increase the Minimum Requirement of Low-Income Subscribers Per Garden**


MEI proposes to raise the minimum requirement of Low-Income Subscribers per Community Solar Generating Facility from 30% to 40% creating more opportunity for Low-Income Subscribers to reap the benefits of the program.

### **Closing**

MEI finances, owns and operates distributed generation assets across the United States, and currently owns and operates over 300MW of distributed generation solar assets. MEI's vast experience and particular interest in community solar poise us as reputable party to kick-start the first projects of New Orleans's Community Solar Program. We believe that our motions to amend certain aspects of the community solar rules serve the best benefit to the Subscribers, the potential Subscriber Organizations and the City of New Orleans as a whole.

Thank you for your time and consideration.

Respectfully submitted,

DocuSigned by:  
  
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