

September 13, 2024

Via Electronic Mail

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

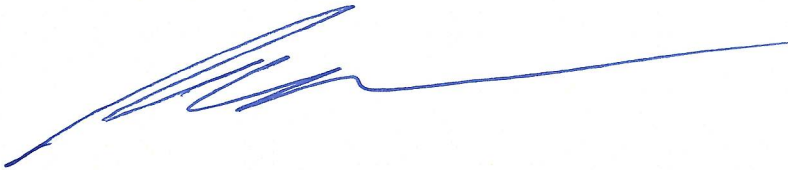
Re: Resolution and Order Community Solar Program (Docket No. UD-18-03)

Dear Ms. Collier,

SunConnect respectfully submits the attached comments regarding Resolution and Order Docket No. UD-18-03 submitted on July 25, 2024, pertaining to the City's Community Solar Program.

Please do not hesitate to reach out with any questions related to this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Gary Kassem', with a long horizontal flourish extending to the right.

Gary Kassem, President
SunConnect
gkassem@sunconnectusa.com

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

**IN RE: A RULEMAKING PROCEEDING
TO ESTABLISH RULES FOR
COMMUNITY SOLAR PROJECTS**

DOCKET NO. UD-18-03

SEPTEMBER 13, 2024

**SunConnect Comments Related to the Rulemaking Proceeding
to Establish Rules for Community Solar Projects
Following the August 27, 2024, Technical Conference**

As directed by the procedural schedule established by Resolution No. R-24-310 (Docket No. UD-18-03) to address certain issues regarding community solar program implementation, as an intervenor, SunConnect respectfully files the following comments regarding the Community Solar Program rules. Our comments are revised based on the Community Solar Technical Conference held on August 27, 2024.

Transparency of Utility Rate Assumptions

Just after the Community Solar Technical Conference we received rate calculations from ENO that we find acceptable.

Net Crediting on Utility Bills

We are excited to hear the adoption of consolidated billing but would like to reiterate a net crediting model used for utility bills. This is the simplest, best way to bill customers for community solar, and we wholeheartedly endorse this practice in New Orleans.

Low Income Annual Recertification

At the Community Solar Technical Conference, it was heartening to learn that many of ENO's concerns on many topics were rooted in making sure that Low Income Offtakers benefit. As it relates to recertification, I can share that I personally grew up in an impoverished area remarkably similar to New Orleans. My firsthand experience tells me that the risk of abuse is dramatically less than 1%. My recommendation would be to only require recertification with a change of address. The first thing I did when I climbed out of poverty was to move to a better neighborhood.

Interconnection Payments and Project Deposits

Currently, ENO requires 100% payment for interconnection upgrades upfront. SunConnect asserts that the level of capital investment in the grid should serve as adequate risk capital without the need for additional deposits.

During the Community Solar Technical Conference ENO suggested a 45-day timeline to execute the interconnection study agreement or be removed from the queue. We find the timetable to be fair with the following exceptions and comments; A) Since the finance ability of projects is currently uncertain pending Council's final decision, we recommend that the clock starts for projects currently in the queue after the rules go into effect. B) Currently, upon completion of the system impact study you really have no idea what the ultimate costs will be before you must pay a dramatically larger fee to move to a Facilities Study unless you request a Class 5 review. The review gives you pricing that is in a very wide range of -50%/+100%. Depending on the initial cost estimate the range will certainly kill many projects. We recommend reducing the range to +/- 50%. If the existing range is acceptable to Council, we recommend making the time required to pay the Facility Study fee be 90-120 days.

If the Council agrees with ENO that a deposit should be required, we discussed in the Community Solar Technical Conference splitting the deposit in half over a long duration. We had an extremely healthy discussion on timing after ENO suggested 18 months after signing the interconnection agreement for the first half of the payment. In that scenario ENO still controls the clock. We just received a time estimate for interconnection work of 16 months for a 2.5MW project. If ENO is late by 2 months for whatever reason and through no fault of the developer, they must pay the fee. **New suggestion-** If, within 12 months following ENO's completion of the work or the ENO time schedule estimate whichever is greater.... This way it puts the **developer in control of their own destiny and eliminates all the controversy and finger pointing surrounding any conflict of interest or unfairness.**

I understand ENO's interest in fairness to the rate payers that want to take advantage of the program savings. It would be in everyone's best interest to design a refund percentage schedule for the developer involving any unused interconnection money and a declining schedule for the deposit. That way if a developer realizes that a project will fail, they can quickly withdraw and recapture a little of the massive sunk costs and the queue can move along in everyone's best interest.

Repair Timelines

All the repair timelines are very unfair as written. During the conference ENO

expressed concern for the Low-Income ratepayer if the system is offline. After much discussion, I believe all parties agree that ENO can easily find cheaper power than retail plus 2 cents during an outage. When a system or part of a system goes down, the developer's payment obligations continue i.e.: Developer's payments to debt holders and/or Investment Tax Credit recapture payments. There should be extension language around uncontrollable delays when repairing a damaged system (similar to the Force Majeure section, if a Subscriber Organization can show they are diligently working to fix project, the contract should not be terminated). ENO proposes using existing standards to allow for contract cancellation if significant repairs are not completed within 6 months for major damage, or if the facility remains non-operational for more than 90 days in all other cases. First, this language, "in all other cases" is too broad and could theoretically include cases in which ENO itself takes the system offline to do line work. In other states, CCSA has seen cases in which systems have been taken offline for months at a time in order to reconfigure the distribution lines on a feeder. Second, this provision is unnecessary and out of step with other programs across the country. We recommend removing these provisions altogether. These projects have every incentive to remain operational because they cannot deliver credits to customers or receive subscription payments from subscribers if they are not operational. Solar power is intermittent by nature and subject to different stressors than large-scale facilities such as weather damage or other unforeseen consequences. It is in everyone's best interests for long-term investments like solar to operate as much as possible so there is simply no need for this restriction.

Good Cause Exemption

Every DG/Community Solar market has some type of Good Cause exemption that can be applied for when there is no reasonable way to comply with a given segment of a time schedule. The solar industry continues to be subject to instantaneous policy changes that delay projects for years through no fault of their own. Presidents Trump and Biden have both issued Executive Orders that virtually shut down the solar industry for 6-12 months. After the dust settled there were always new materials to source and adjustments in engineering. There are countless industry stories in which the utility or the developer would need an extension. The exemption should be rigorously reviewed and approved by a third party like CURO.

PPA Term

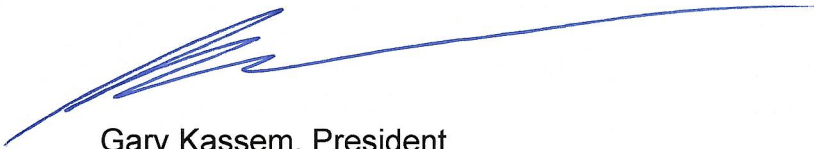
Solar projects that would be built in New Orleans will be dramatically more expensive than any other community solar projects in the country! Building projects that will stand the test of time and remain insurable must be able to survive multiple major hurricanes. During the Community Solar Technical Conference, we discussed that ENO

only was used to committing to 10-year PPA's. ENO's PPA experience has been with utility scale projects. Utility scale developers are forced by the funding sources to have at least a 10-year PPA. In reality, a utility scale developer would prefer to not have any PPA at all because the merchant market has proven to be much more profitable. Community Solar has vastly different economics and are restricted in size and adjacently. **For this program to have appropriately robust projects that will stand the test of time there must be an option for continuous renewals.**

All communications and pleadings in this proceeding should be directed to:

Gary Kassem, President
SunConnect
gkassem@sunconnectusa.com

Respectfully submitted,

A handwritten signature in blue ink, consisting of several overlapping, sweeping strokes that start from the left and extend towards the right, ending above the printed name.

Gary Kassem, President
SunConnect

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

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

CERTIFICATE OF SERVICE

I do hereby certify that I have, this, September 13, 2024, served the foregoing correspondence upon all other known parties of this proceeding by electronic mail.

A handwritten signature in blue ink, appearing to read 'Gary Kassem', is written over a horizontal line.

Gary Kassem, President of SunConnect