

RESOLUTION

NO. R-22-525

CITY HALL: December 15, 2022

BY: COUNCILMEMBERS MORENO, MORRELL, HARRIS, GREEN AND THOMAS

**RULEMAKING PROCEEDING
TO ESTABLISH RENEWABLE PORTFOLIO STANDARDS**

**RESOLUTION AND ORDER APPROVING
ENTERGY NEW ORLEANS, LLC'S RCPS COMPLIANCE PLAN
COVERING COMPLIANCE YEARS 2023 – 2025**

DOCKET NO. UD-19-01

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

WHEREAS, pursuant to its powers of supervision, regulation, and control over public utilities, the Council is responsible for fixing and changing rates and charges of public utilities and making all necessary rules and regulations to govern applications for the fixing and changing of rates and charges of public utilities; and

WHEREAS, Entergy New Orleans, LLC (“ENO”) is a public utility providing electric and natural gas service to all of New Orleans; and

Procedural History

WHEREAS, on May 20, 2021, the Council adopted Resolution No. R-21-182 adopting a Renewable and Clean Portfolio Standard (“RCPS”) to aggressively pursue reductions to carbon emissions, to improve the health and quality of life of the citizens of New Orleans, and to reduce the City’s impact on climate change, and

WHEREAS, the RCPS approved in Resolution No. R-21-182 at Section 4(e) requires ENO to file a proposed initial RCPS compliance plan (“ICP”) prior to the conclusion of the next triennial integrated resource plan (“IRP”) cycle; and

WHEREAS, on August 18, 2021, ENO filed its ICP for the year 2022 with the Council; and

WHEREAS, on March 24, 2022, the Council adopted Resolution R-22-145 approving ENO’s ICP as part of the RCPS; and

WHEREAS, on August 19, 2022, ENO submitted its *Compliance Plan Covering Compliance Years 2023-2025* (“RCPS Compliance Plan”); and

WHEREAS, in ENO’s RCPS Compliance Plan, ENO requested the Council (a) approve the Company’s proposal to purchase unbundled renewable energy credits (“RECS”) as needed to achieve compliance with the RCPS; (b) approve treatment of Sewerage and Water Board’s new 230 kV Sullivan Substation electrification as a Qualified Measure (“Substation Electrification”); (c) establish the Alternative Compliance Payment (“ACP”) for 2023-2025 at 8.45/MWh; and (d) Approve the Tier 3 credit calculations for the electric vehicle charging infrastructure (“EVCI”) and for Sewerage and Water Board substation electrification; and

Comments and Reply Comments

WHEREAS, on September 19, 2022, the Alliance for Affordable Energy (“The Alliance”) filed comments regarding ENO’s RCPS Compliance Plan and requested the Council deny ENO’s request related to Substation Electrification; and

WHEREAS, on October 12, 2022, ENO filed its reply comments in response to the comments submitted by The Alliance regarding ENO’s RCPS Compliance Plan, and emphasized that the arguments against Substation Electrification raised are not requirements under the RCPS

Rules, specifically the rules do not require full initial investment to qualify as a Qualified Measure; and

Council Determination

WHEREAS, the Council has reviewed ENO’s RCPS Compliance Plan, The Alliance’s comments, ENO’s reply comments, and all materials set forth in the record; and

WHEREAS, as noted by The Alliance, any investment ENO will make in the Substation Electrification would be speculative. While, as ENO points out, the RCPS Rules do not specifically require that ENO invest in a project for it to meet the criteria of a Qualified Measure, the Council finds no reason to provide ENO with credit for a project being paid for by another party with only speculative possible future investments by ENO; and

WHEREAS, while in its initial application ENO anticipates the substation will be in service by Q4 2023, the Council believes it would be premature to approve Substation Electrification as a Qualified Measure at this time; and

WHEREAS, the Council finds it to be in the public interest to approve the other aspects of the RCPS Compliance Plan; **NOW THEREFORE**

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

THAT:

The Council adopts a modified RCPS Compliance Plan as follows:

- (a) The Council approves the Company’s proposal to purchase unbundled Renewable Energy Credits (“RECS”) as needed to achieve compliance with the RCPS;
- (b) The Council denies ENO’s request to treat Sewerage and Water Board’s new 230 kV Sullivan Substation Electrification as a Qualified Measure;

- (c) The Council approves ENO's request to establish the Alternative Compliance Payment ("ACP") for 2023-2025 at 8.45/MWh;
- (d) The Council approves the Tier 3 credit calculations for the electric vehicle charging infrastructure ("EVCI");
- (e) The Council denies ENO's request for Tier 3 credit calculations for Sewerage and Water Board substation electrification;

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

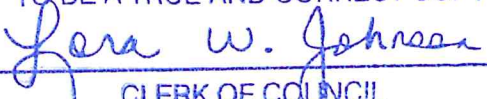
YEAS: Giarrusso, Harris, King, Moreno, Thomas - 5

NAYS: 0

ABSENT: Green, Morrell - 2

AND THE RESOLUTION WAS ADOPTED.

THE FOREGOING IS CERTIFIED
TO BE A TRUE AND CORRECT COPY


CLERK OF COUNCIL

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