

RESOLUTION

NO. R-24-570

CITY HALL: October 10, 2024

**BY: COUNCILMEMBERS MORRELL, MORENO, GIARRUSSO, HARRIS, KING,
GREEN AND THOMAS**

**IN RE: 2021 TRIENNIAL INTEGRATED RESOURCE PLAN OF ENTERGY NEW
ORLEANS, INC.**

DOCKET NO. UD-20-02

**RESOLUTION AND ORDER APPROVING IMPLEMENTATION PLAN FOR ENERGY
SMART PROGRAM YEAR 15**

WHEREAS, pursuant to the Home Rule Charter of the City of New Orleans, 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 governing the terms and conditions of service, and to govern applications for the fixing and changing of rates and charges for public utilities; and

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

WHEREAS, the Council approves Energy Smart program designs, savings targets, and budgets for three prospective Program Years ("PY") every three years upon the conclusion of ENO's Triennial Integrated Resource Plan ("IRP") analysis; and

WHEREAS, the Energy Smart Program is currently authorized by the Council through the end of Program Year 14 on December 31, 2024; and

WHEREAS, on August 20, 2020, the Council adopted Resolution No. R-20-257, the Initiating Resolution setting forth the procedural schedule for ENO's 2021 IRP. The procedural schedule was subsequently modified by Resolution No. R-21-73 and an Order issued by the Hearing Officer on April 7, 2021, resulting in a due date for ENO's Energy Smart Implementation Plan Filing for Program Years 13-15 (2023 through 2025) of July 19, 2022, which was further extended to July 29, 2022 by an Order issued by the Hearing Officer on July 20, 2022; and

WHEREAS, on July 29, 2022, ENO submitted the *Application of Entergy New Orleans, LLC for Approval of the Implementation Plan for Program Years 13 through 15 of the Energy Smart Plan* ("PY 13-15 Implementation Plan") to the Council setting forth its Program Years 13-15 program designs, budgets, kWh savings targets, and requested utility performance incentives; and on August 23, 2022, ENO submitted a *Filing of Entergy New Orleans, LLC's Revisions to the Energy Smart Program Application for Approval of the Implementation Plan for Program Years 13-15* ("Revisions") and

WHEREAS, ENO's PY 13-15 Implementation Plan and Revisions requested the Council (1) approve ENO's proposal for the implementation of the DSM programs through December 31, 2025; (2) approve ENO's selection for Third Party Administrators and Third Party Evaluators for Program Years 13-15; (3) approve the level of funding and associated kWh savings recommended for the programs; (4) approve the continued use of the current utility performance incentive ("UPI") mechanism; (5) approve the continued use of the current Energy Efficiency Recovery Rider for recovery of program costs; (6) grant the opportunity to amend its implementation plan should material changes to expectations arise; and (7) grant all other general and equitable relief that the law and the nature of this proceeding may permit or require; and

WHEREAS, on December 15, 2022, after a thorough review of ENO's PY 13-15 Implementation Plan and Revisions and all comments, the Council adopted Resolution No. R-22-523, which approved ENO's Implementation Plan for PY 13 and 14 and reserved the right to modify the Implementation Plan for PY 15 based on input from Council Docket UD-22-04 *Rulemaking to Consider Savings Targets and Program Design for Energy Efficiency, Conservation, Demand Response, and Other Demand-Side Management Programs as well as Customer-Owned Distributed Energy Resources and Battery Storage* ("Energy Efficiency Docket"); and

WHEREAS, as part of the Energy Efficiency Docket, the Council adopted Resolution R-23-553 which directed ENO to file a revised Implementation Plan for PY 15 including the following:

1. A 3% of annual peak load kW demand reduction goal
2. A Geographic Targeting and Neighborhood-Based Delivery Pilot Program with a separate budget and goal from the current programs, including enhanced outreach to customers in those neighborhoods to ensure they are made aware of their eligibility for inclusion in specific Energy Smart Programs.
3. A proposal regarding building code verification and compliance support for building owners as new building codes come into effect; and

WHEREAS, Resolution R-23-553 also stated that "[t]he Council supports an increased emphasis on [income-qualified] programming;" and

WHEREAS, on April 5, 2024, ENO filed its *Revised Implementation Plan for Program Year 15* ("Revised Plan"), which incorporated the modifications directed by the Council in Resolution R-23-553; and

WHEREAS, in the Revised Plan, ENO included two scenarios related to kWh savings: Scenario 1-) maintains the kWh savings rate equal to 2% of ENO's annual kWh sales and includes income-qualified and neighborhood-based programs for residential customers and an effort to encourage commercial and industrial customers to comply with new energy codes; and Scenario 2-) does not achieve the 2% ENO's annual kWh sales rate, but retains the programs for residential customers offered in Scenario 1 and reduces program costs as compared to Scenario 1 by \$2.8 million by reducing the commercial portfolio savings goal; and

WHEREAS, in its Revised Plan, ENO proposed a Large Commercial Automated Demand Response Program as part of its efforts to reach the 3% kW demand reduction goal; and

WHEREAS, in its Revised Plan, ENO requested to track saving in income-qualified programs separately from non-income-qualified programs utilizing the same performance incentive utilized for non-income-qualified programs for income-qualified programs; and

WHEREAS, on April 22, 2024, the Sierra Club submitted comments regarding ENO's Revised Plan, expressing overall support for the program, but requesting additional details about the Neighborhood-Based Delivery Pilot Program; and

WHEREAS, the Council has reviewed the Revised Plan and the comments, and while the Council desires to approve the Revised Plan, the Council is concerned about the increasing costs of the Energy Smart Program; and

WHEREAS, the Council deems it in the public interest to continue the Energy Smart Program through 2025; **NOW THEREFORE**

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

1. Scenario 2 of the Revised Plan is APPROVED.
2. Large Commercial Automated Demand Response Ramp Up funding is APPROVED for use in PY15.
3. ENO's continued use of the Energy Efficiency Recovery Rider for recovery of program costs is APPROVED.
4. ENO's continued use of the Demand Response Utility Performance Incentive ("UPI") Mechanism is APPROVED.
5. ENO's Income-Qualified UPI Mechanism is APPROVED.

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

YEAS: Giarrusso, Green, Harris, King, Moreno, Morrell, Thomas - 7

NAYS: 0

ABSENT: 0

AND THE RESOLUTION WAS ADOPTED.

THE FOREGOING IS CERTIFIED
TO BE A TRUE AND CORRECT COPY



ASSISTANT CLERK OF COUNCIL

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