



May 2, 2024

Via Electronic Mail

Lora W. Johnson, CMC, LMMC
Clerk of Council
Room 1E09, City Hall
1300 Perdido Street
New Orleans, LA 70112

Re: Entergy New Orleans, LLC's Compliance Filing for Resolution R-23-507 (Docket No. UD-18-03)

Dear Ms. Johnson,

The Coalition for Community Solar Access (CCSA) respectfully submits the attached comments regarding Entergy New Orleans LLC's Compliance Filing submitted on January 12, 2024, regarding the City's updated Community Solar Program. Please do not hesitate to reach out with any questions related to this filing.

Sincerely,

A handwritten signature in black ink that reads "Laurel Passera".

Laurel Passera
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BEFORE THE
COUNCIL OF THE CITY OF NEW ORLEANS

IN RE: RESOLUTION AND ORDER	)	
RELATED TO MADISON ENERGY	)	
INVESTMENTS, INC. MOTION TO	)	DOCKET NO. UD-18-03
AMEND COMMUNITY SOLAR RULES	)	
	)	

COMMENTS OF THE COALITION FOR COMMUNITY SOLAR ACCESS

The Coalition for Community Solar Access (CCSA) appreciates the opportunity to provide comments on Entergy New Orleans' implementation tariffs, for the city's newly updated Community Solar program.

CCSA is a national trade association representing more than 120 community solar companies, businesses, and nonprofits working to expand customer choice and access to solar for all American households and businesses through community solar. We work with customers, utilities, local stakeholders, and policymakers to develop and implement policies and best practices that ensure highly successful community solar programs that champion the energy customer. CCSA is striving to build the electric grid of the future where every American consumer has the freedom to choose clean, locally generated energy to power their lives.

As an initial matter, CCSA applauds the New Orleans City Council for their forward-thinking decision to update and improve upon the city's former community solar rules. These amended rules represent a significant stride towards reducing the energy burden on all New Orleans residents, with a particular focus on assisting low-income households. By facilitating greater access to community solar projects, these regulations not only promise to lower monthly energy costs for vulnerable populations but also contribute to the broader goals of lowering emissions and enhancing grid resilience. This initiative is a commendable step towards a sustainable future, integrating environmental responsibility with social equity. The community solar rules

are set to transform the energy landscape of New Orleans by making renewable energy more accessible and affordable, thereby empowering residents with the tools to actively combat climate change and support a robust, resilient energy infrastructure.

As advocates for accessible and sustainable community solar projects that serve all community members, including low-income residents, CCSA has identified several areas in the Entergy New Orleans (ENO) filing that would benefit from modification to align with industry best practices and to ensure fairness and effectiveness in the implementation of the community solar program. These are outlined below:

1. **Refusal of Changes to Subscription (ENO Compliance Filing 3.3):** The current provision grants ENO unilateral authority to refuse additions, deletions, or changes to subscriber lists, which could undermine the sustainability and development of community solar projects. This provision may also have the unintended consequence of giving ENO the ability to effectively void a contract between the provider and subscriber. To foster a more equitable approach, we propose that while ENO should be allowed to contest changes to subscriber lists, for good cause and in a transparent manner, the Council Utility Regulatory Office (CURO) should serve as the final arbiter in disputes. This adjustment ensures that decisions affecting the viability of community solar projects are overseen by an impartial body, thereby enhancing transparency and fairness in administrative practices.
2. **Renewal Options (ENO Compliance Filing 4.2):** The current 20-year term without renewal options does not reflect the long-term nature of community solar investments and the operational realities these projects face. These projects continue to produce energy long after 20 years. To ensure that the City is receiving the benefits of these projects well into the future, CCSA recommends allowing for at least one extension period on the contract. This would also provide project developers and financiers with greater security and predictability and facilitate the planning and financing processes that are critical for the long-term success and sustainability of these projects. More significantly, it would allow them to pass higher savings along to the customer, as they would be able to amortize costs over a longer period.
3. **Deposit Requirements (ENO Compliance Filing 4.5):** While larger, well-capitalized community solar providers may have no challenges meeting the \$50/kW deposit requirement (if Commercial Operation is not achieved within 12 months), CCSA recognizes that this amount may be overly burdensome to smaller providers and non-profit/community groups. We suggest reducing the deposit to \$25/kW and extending the timeline for Mechanical Completion to 24

months from the execution of the interconnection agreement, with reasonable provisions for additional one-year extensions. This modification recognizes the complex and often unpredictable nature of developing community-scale solar projects and avoids placing undue financial strain on developers. It would also allow newer market entrants to participate in the program while still creating a reasonable motivation to keep project development moving forward.

4. **Maintenance and Repair Standards (ENO Compliance Filing 4.6):** 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.
5. **Low-Income Customer Qualification (ENO Compliance Filing 4.8 and Community Solar Rules X):** Requiring annual re-certification of low-income subscribers adds unnecessary administrative burdens, may deter ongoing participation and is out of step with other programs across the country. Theoretically, a re-verification process could be seen as punitive for people that manage to elevate their income, which is exactly what this program is aiming to help people do. Aligning with best practices nationwide, we recommend that certification occur only once, upon subscriber onboarding. A one-time verification at the time of subscriber sign up also aligns with the recent Federal financial benefits programs that have come out of the Inflation Reduction Act.¹ This

¹ (3) *Low-income verification* —(i) *In general.* To establish that financial benefits are provided to Qualifying Households as provided in paragraph (f)(1) of this section, applicants must, in accordance with guidance published in the Internal Revenue Bulletin (see § 601.601 of this chapter), submit documentation upon placing the qualified solar or wind facility in service that identifies each Qualifying Household, the output from the facility allocated to each Qualifying Household in kW, and the method of income verification utilized for each Qualifying Household. **A Qualifying Household’s low-income status is determined at the time the household enrolls in the subscription program and does not need to be re-verified.**

change would simplify the process for subscribers and administrators, encouraging sustained participation by reducing procedural obstacles.

6. **Transparency around inclusion of all applicable charges in the subscriber credit (CSGF-1):** CCSA believes ENO should provide more transparency around its proposal to exclude non-bypassable riders from the credit rate calculation. As outlined in community solar regulations, ENO should include all charges in the credit calculation except for the \$8.06 customer charge. According to ENO's Schedule CSGF, it states that the monetary credit rate should be "exclusive of amounts attributable to nonbypassable riders." CCSA recommends that ENO provide a more detailed explanation of the credit rate design, including these nonbypassable riders and their current monetary equivalents. Provided with more transparency, the New Orleans City Council can better gauge whether these exclusions are in keeping with the city's regulations.
7. **Net Crediting Model (Community Solar Rules VIII):** We understand why the New Orleans Council opted to postpone adoption of net crediting at the time of rule adoption; it can be a complex topic. However, CCSA strongly advocates for a process that will enable a net crediting model of utility-consolidated billing to serve subscribers in the future. Simply put, net crediting simplifies the billing process, reduces confusion, and enhances participation. This model, which ensures subscribers see their solar credits directly applied to their utility bills, is crucial for achieving high participation rates, particularly among those less familiar with community solar projects. Furthermore, net crediting guarantees savings on utility bills, thus directly benefiting low-income customers who are most impacted by energy costs.

Net Crediting has demonstrated success in other states and holds significant promise for enhancing the efficiency and effectiveness of New Orleans' community solar program, particularly for low-income customers. The net crediting model integrates community solar subscriptions directly into the monthly utility billing system. This method is designed to simplify the billing process for both the customer and the utility. Below are the key steps involved in implementing net crediting:

- A. **Subscription and Billing Integration:** When a customer subscribes to a community solar project, their subscription charge is included on the monthly bills rendered by the electric company for electric service. This

(emphasis added). Available at <https://www.federalregister.gov/documents/2023/08/15/2023-17078/additional-guidance-on-low-income-communities-bonus-credit-program#p-499>

consolidates multiple charges, including energy assistance into a single billing statement, making it easier for customers to both see their savings and manage their payments.

B. Calculation of Credits and Charges:

- a. The electric company calculates the total value of solar credits generated by the project and then allocates each subscriber's portion of the community solar project to their utility account.
- b. The subscription fee (which is the amount owed to the subscriber organization by the customer for their share in the community solar project) is deducted from these credits before they are applied to the utility bill.
- c. The “net” of the customer’s allocation less their subscription fee is the credit that offsets the subscriber’s total utility bill.

C. Determination of Net Credits:

- a. The net credit is the remaining amount after the subscription fees are deducted from the solar credits.
- b. For example, if a customer is on a contract that offers a customer a 20% discount on the value of the credits generated by their share and in a given month that customer’s share generates a \$100, Their subscription fee is \$80, the net credit would be \$20. This \$20 is then deducted from their utility bill, reducing the total amount the customer needs to pay the utility.

D. Remittance to Subscriber Organizations:

- a. After adjusting the subscription fee for any utility administrative fees or other charges, (which typically do not exceed 1% of the bill credit value), the utility remits the remaining subscription fee to the subscriber organization.
- b. In the above example, the utility administrative fee retained by the utility, assuming a 1% fee, would be \$1 and the remaining \$79 would be remitted to the subscriber organization.
- c. This transaction is facilitated through automated systems to ensure accuracy and efficiency.

E. Updates and Adjustments:

- a. Utilities may adjust the fees associated with net crediting, based on regulatory approval and evidence showing the necessity of fee adjustments.
- b. This ensures that the net crediting system remains economically feasible for utilities while providing cost savings to customers.

By streamlining the payment and credit application process, net crediting effectively simplifies customer participation in community solar programs, enhances the accuracy of billing, and ensures timely financial transactions between utilities, subscriber organizations, and customers.

Net crediting takes some time and collaboration to implement effectively. CCSA recommends a process that will allow utilities and project owners to work through the details of net crediting and build upon the success of other state markets that have already worked through these details.²

8. **Utility Data Transparency (Community Solar Rules VII.E):** Providing developers with access to a hosting capacity map and common upgrade cost estimates will facilitate better project planning and site selection. This transparency is essential for developers to assess the feasibility and potential costs of interconnections, thus enabling more strategic and informed decision-making in project development. Hosting capacity maps are commonplace across utilities in the U.S. and serve to reduce time and money spent by the utility in reviewing unnecessary, speculative interconnection applications. CCSA has a number of recommended best practices for hosting maps and other grid integration best practices in our whitepaper titled: Integrating Distributed Solar and Storage: The Keystones of a Modern Grid.³

In conclusion, CCSA urges the Council to consider these suggested amendments to the community solar compliance tariff filed by ENO. These changes will promote a more equitable, transparent, and sustainable framework for community solar projects in New Orleans, ultimately benefiting all stakeholders and supporting the city's transition to renewable energy. We greatly appreciate your attention to this matter and please do not hesitate to reach out for further information.

² Some helpful resources include: [New Jersey proposed regulations](#) - see 14:8-9.7q (pdf pg. 8).; [National Grid \(New York\) tariff](#) - see Leaf 151.1 (pdf pg. 165); [National Grid \(New York\) Net Crediting Manual](#); and [NY PSC Order](#) adopting net crediting.

³ Available at https://communitysolaraccess.org/wp-content/uploads/CCSA_BRO-White-Paper_20220214-1.pdf.