

Aug 8, 2025

Via Electronic Mail

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

Re: **Advisors' Report on VPP** (Docket No. **UD-24-02**)

Dear Ms. Collier,

Gulf States Renewable Energy Industries Association respectfully submits the attached filing in docket **UD-24-02** pertaining to the City's **Distributed Energy Resource Program**.

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

Sincerely,

A handwritten signature in black ink, appearing to read "Monika Gerhart", is positioned above a faint, light gray rectangular stamp.

Monika Gerhart
Executive Director
Gulf States Renewable Energy Industries Association

Response to Advisors Report on UD-24-02: DER Docket

Gulf States Renewable Energy Industries Association (GSREIA) applauds the New Orleans City Council for its leadership in advancing this distributed energy resources (DER) docket and the Advisors for their diligence and analytical approach. However, GSREIA is concerned that the Advisors' report issued on July 16, 2025, fails to reflect the innovation, urgency and ambition that the City Council signaled in launching this docket in response to ratepayer needs. Instead of charting a clear path toward a robust, community-centered DER program, the report defaults to another limited utility-led pilot. This approach risks missing a rare opportunity to deliver real grid resilience, cost savings, and equitable energy access at the scale New Orleans ratepayers want and need.

1. Establishes Independent, Competitive Program Oversight

The report proposes a structure that maintains Entergy New Orleans (ENO) in a central administrative role. GSREIA believes that for a VPP to achieve widespread success, program oversight must be independent and vendor-neutral. This structure would help prevent market bottlenecks, promote price competition, and expand access to innovative project delivery models.

To ensure transparency, equity, and a level playing field, the Council should authorize a qualified third-party program administrator. This would also reduce conflicts of interest and align with national best practices for utility-managed DER programs.

2. Incentives & Cost-Benefit Analysis

The Report's position on upfront incentives, particularly its dismissal of using the \$32.5 million SERRI litigation credits, is shortsighted. These are ratepayer funds secured for the benefit of ratepayers, to be allocated per the Council's discretion, not ENO's. By virtue of its leadership on this docket, Council's awareness that the deployment of a substantial DER program in New Orleans is significant and provides a direct benefit to ratepayers both in terms of costs and reduced outages, which are benefits to program participants and non-participants alike.

The credits represent a unique opportunity to leverage outside investment and catalyze a new market for distributed energy in New Orleans, by and for ratepayers citywide. Without meaningful incentives, especially for residential and small commercial customers, project pipelines will be limited to higher-income participants. This outcome would undercut the program's potential for equitable deployment and economic scale.

While TNO/AAE and ENO take different approaches to the cost-benefit analysis in terms of what values are included as benefits, GSREIA believes that there is room for Council to come to an alignment. Clearly avoided energy and capacity costs will be the two primary drivers of value for the program, and GSREIA believes that they are not the only potential value streams that

should be considered. GSREIA supports inclusion of avoided transmission and distribution in any analysis, as well as avoided regional network service charges.

3. Follows a Firm, Action-Oriented Implementation Timeline

The suggested pilot-first approach lacks the urgency and specificity required to meet current energy resilience needs. GSREIA recommends the Council direct a clear implementation path.

Developers and contractors across the region are ready to engage, but clarity and predictability are key to market participation. Federal investment opportunities and supply chains also demand timely action.

4. Commits to Meaningful Scale and Economic Impact

The Council must decide whether distributed energy is a critical part of our infrastructure or a small-scale demonstration. The proposed 29 MW Virtual Power Plant (VPP) is not an ambitious target. It is a necessary investment that leverages \$57 million in outside funding, protects vulnerable communities, and builds a smarter, more resilient grid.

The Advisors' limited approach fails to reflect this urgency. The Council must lead by adopting a full-scale VPP roadmap now.

Conclusion

New Orleans experienced more heat-related deaths and illnesses, and more power outages, than any city of its size in the United States. It is also the largest locally regulated, investor-owned utility in the United States. The New Orleans City Council is therefore well-positioned to take the urgent action needed by and for New Orleans ratepayers to prioritize life-saving distributed energy resilience solutions at scale.

GSREIA appreciates the Council's leadership in continuing to move this docket forward. However, the Advisors' Report does not deliver a policy framework capable of realizing the Council's stated goals. We urge the Council to revise the proposal by centering competitive administration, market-aligned incentives, and a commitment to rapid, measurable implementation.

We are available to provide technical feedback and industry expertise throughout the rulemaking and deployment process. Our members stand ready to help build a more resilient, reliable, and equitable energy system for New Orleans.

Monika Gerhart
Executive Director
Gulf States Renewable Energy Industries Association (GSREIA)

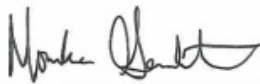
**Before
The Council of the City of New Orleans**

Re: Advisors' Report on VPP

(Docket No. UD-24-02)

CERTIFICATE OF SERVICE

I do hereby certify that I have, this Aug 8, 2025, served the foregoing correspondence upon all other known parties of this proceeding by electronic mail.

A handwritten signature in black ink, appearing to read 'Monika Gerhart', is centered on the page.

Monika Gerhart
Gulf States Renewable Energy Industries Association