

December 20, 2024

Via Electronic Mail

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

**RE: Docket UD-24-02 Proposal to Enhance Distributed Energy Resource Programs for the
City of New Orleans**

Dear Clerk of Council,

On behalf of PosiGen, PBC, I respectfully submit these comments in response to Docket UD-24-02 Proposal to enhance distributed energy resource programs issued on October 24, 2024 in Resolution R-24-624. Please contact me with any questions regarding this filing.

Respectfully submitted,

/s/ Kyle Wallace

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Before the Council of the City of New Orleans

RESOLUTION AND ORDER	:	
ESTABLISHING A DOCKET AND	:	Docket No. UD-24-02
PROCEDURAL SCHEDULE TO	:	December 20, 2024
ENHANCE DISTRIBUTED ENERGY	:	
RESOURCE PROGRAMS	:	

Introduction

PosiGen is a Louisiana-based solar, storage, and energy efficiency provider with a mission to provide “Solar for All.” Since 2011, we have worked to close the clean energy affordability gap and reduce a household’s overall energy burden. With over 17,000 customers across Louisiana, including New Orleans, and our deliberate focus on serving low-and-moderate income communities, we have a unique perspective on the Distributed Energy Resources Programs docket. PosiGen has engaged in regulatory proceedings in other states to establish energy storage and distributed energy resources (“DERs”) including Mississippi, Connecticut, New York, New Jersey, Massachusetts, and Rhode Island. We drew from our experience in these programs to inform the program design principles and recommendations in these comments.

In Connecticut, PosiGen is the third-largest participant in the Energy Storage Solutions (“CT ESS”) program, with over 95% of our participating projects serving low-income households or families in underserved communities. The CT ESS program was established in 2022 and designed to provide both an upfront incentive and ongoing performance payments based on the value the energy storage systems provide to the grid and to all ratepayers. The program design also includes an explicit objective of providing 40% of program funding to projects serving low-income households or those located in economically distressed municipalities. This objective, combined with an increase in compensation for program participants from 2022 to 2024, has resulted in a higher penetration of low-income and distressed

municipality participation, increasing overall participation from 9% to 25% in a single year for single-family projects.

The Benefits of an Energy Storage Program

DERs are critical in providing grid services and reliability. Grid flexibility can provide numerous benefits including reduced costs for ratepayers and the ability to meet increasing electricity demand. Moreover, by co-locating generation and storage sources closer to the point of consumption, DERs are able to provide backup power during outages and contribute to grid flexibility. There has been an increase in consumer interest to adding storage with solar, however, adding energy storage in a way that only provides a private resilience benefit would be a missed opportunity to provide broader benefits to society and would slow the pace of adoption.

Developing plans to integrate DER aggregation as more residential storage comes online will ensure public benefit and encourage DER adoption. As stated in the Resolution opening this docket, PosiGen fully supports the Council's intent to expand the availability of DERs in light of the increase and intensity of severe weather events, increased demand on the electric grid, and subsequently, the need for more specific consideration of microgrid proposals.

Entergy New Orleans' ("ENO") Battery Storage Demand Response Pilot Program ("Battery Pilot") has been a useful demonstration of the real value that distributed energy storage can provide. The Battery Pilot found that customer interest was robust and that *"No other demand response program has this level of consistent and predictable demand shed."*¹ The Battery Pilot saw an average event performance of 4.7 kW per participant, which is nearly identical to the performance of battery systems participating in Massachusetts'

ConnectedSolutions program, the longest running energy storage demand response programs in

¹ Docket No. UD-22-03, Report Regarding Phase One of the Battery Storage Demand Response Pilot Program and Application for Approval of Phase Two Exhibit One, pg. 2, Entergy New Orleans, LLC, filed December 1, 2023.

the country.² The pieces are all in place to implement a long-term, cost-effective program and we urge the Council to move forward expeditiously in approving an expanded program.

There are an increasing number of state or utility energy storage programs operating across the country. We will highlight a few of these programs to show how integral they are to the success of renewable deployment, resiliency, and grid flexibility throughout the nation. Massachusetts' ConnectedSolutions program incentivizes residents who lower and/or shift their electricity usage during times of peak demand by providing a \$/kW incentive for a battery's average contribution during summer events. In Vermont, Green Mountain Power ("GMP"), the state's largest utility program, offers two different program incentives to promote battery adoption among their customers: a backup incentive which pays customers with storage \$/kW of power available during grid outages, and a solar + storage incentive which makes customers with these systems eligible for a fixed upfront payment or a monthly bill credit for 10 years. Similarly, Hawaiian Electric offers a cash incentive and bill credits for customers on O'ahu and Maui to add energy storage to a new or existing rooftop solar system. While some of these programs have been in place for the past few years, there are others, for example in New York and New Jersey, that are currently in the process of developing their energy storage programs with expected launch dates in 2025 and 2026.

It is clear that cost-effectiveness of DER/storage programs can be designed to provide significant benefits to ratepayers and leverage private investment. For example, the cost-benefit analysis for the CT ESS program which uses the avoided energy systems costs for behind-the-meter ("BTM") storage found a Ratepayer Impact Measure of 2.5 and a Total

² *Massachusetts Residential Energy Storage Demand Reduction Offering Evaluation*, Guidehouse Inc. for the Massachusetts Program Administrators, pg. 30, available at https://ma-eeac.org/wp-content/uploads/MA-Residential-Energy-Storage-Demand-Reduction-Evaluation-Report_wlInfographic-2024-03-20.pdf.

Resource Cost of 1.52; these numbers, being greater than 1, indicate that BTM storage performs above the target goals and provides substantial benefits to rate payers at a reasonable cost.³

GMP's program has been consistently oversubscribed and had a lengthy waitlist and was recently expanded in part due to the cost-effectiveness of the program. Both the "Energy Storage System" and "Bring-your-own-device" portions of the program had a positive net present value for ratepayers of nearly \$7 million for 700 participating projects per year over the next 3 years.⁴ In Massachusetts' ConnectedSolutions program there were approximately 6,760 unique devices with an aggregate load reduction potential of 56.5 MW; with 29 events throughout the summer, 89% of devices successfully participated in events resulting in a load reduction of 24.5MW per event on average.⁵

We recommend a program design with the following key elements that are elaborated on in these comments:

- Use of an upfront incentive that is calculated on either a \$/kWh or \$/kW basis.
- Enroll participating systems to provide demand reduction during events over at least a 3-year period.
- The program should be OEM & installer-neutral to allow for a diversity of participation pathways, business models, and battery types.
- Set a low-income or equity-based participation target, track progress towards that target, and consider program changes to overcome barriers where they arise.
- Consideration of a low-income adder or how the program can work with other funding sources to increase low-income participation.

³ *Connecticut Energy Storage Solutions- Final Evaluation Report*, Guidehouse Inc. for the Connecticut Green Bank, pg.60 of 105 available at [https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/e4d7e4d486a5de2785258b3f006843af/\\$FILE/Attachment%201.pdf](https://www.dpuc.state.ct.us/dockcurr.nsf/8e6fc37a54110e3e852576190052b64d/e4d7e4d486a5de2785258b3f006843af/$FILE/Attachment%201.pdf)

⁴ *Final Order Approving Tariff Revisions*, Case No. 23-1335-TF, Vermont Public Utility Commission, Order issued August 17, 2023.

⁵ *Massachusetts Residential Energy Storage Demand Reduction Offering Evaluation* Guidehouse Inc. for Massachusetts Program Administrators, pg. 4 https://ma-eeac.org/wp-content/uploads/MA-Residential-Energy-Storage-Demand-Reduction-Evaluation-Report_wlInfographic-2024-03-20.pdf

- Set clear and reasonable program terms regarding dispatch seasons, number of events, event timing, event duration, severe weather protections for consumers, and practical system and fleet performance measurement.
- Use of the SERI Settlement funding to start the energy storage program.

Proposed Program Design Elements

Upfront Incentive Design

PosiGen believes that New Orleans can quickly and effectively implement a program that would increase resiliency while also providing significant grid and ratepayer benefits.

Importantly, New Orleans has the benefit of learning from both the Battery Pilot and the many other storage programs that have been developed across the country. Through the natural variation of program design, there is a growing body of evidence from which best practices have been identified and should inform the program that emerges from this docket.

One such guiding principle is that an energy storage program does not need to be complex in order to be effective. In fact, simpler program designs are more likely to lead to faster adoption and success than complex designs that introduce too much uncertainty or risk for program participants. PosiGen supports a program design that provides an upfront incentive for energy storage resources that are then required to operate in a way that provides grid benefits during periods of high-demand while also balancing the resilience needs of the host customer. This structure provides the simplicity necessary for customer adoption and scale while creating a clear pathway towards a long-term, sustainable pay-for-performance style program.

As ENO found with the Battery Pilot, programs without sufficient scale and longevity will struggle to find manufacturers and installers who are willing to incur the significant amount

of time and investment required to participate.⁶ Animating a nascent market requires stability and transparency, which is better served by a program that provides a clear value to participants.

Over half of participants in the Massachusetts' ConnectedSolutions Program indicated that the 5-year "incentive lock" was either "critical" or "very important" in their decision to participate in the program.⁷

While we are not specifically endorsing an incentive level in these initial comments, the following table shows the compensation levels provided by other programs that are either established or in development which can help inform the appropriate level for this program. Ultimately, PosiGen would support a structure that is based on either a \$/kWh for the usable capacity of the battery or a \$/kW calculation that is based on the expected system performance during an event, provided that the right assumptions and formulas are in place.

⁶ "Battery manufacturers...were less likely to participate in smaller scale programs that did not include an incentive for customers to purchase batteries. However, by the end of Phase One, there seemed to be less reluctance by OEMs to participate in smaller scale programs as long as there is an adequate pay-for-performance incentive for customers to participate." Entergy New Orleans, LLC, Docket No. UD-22-03, *Report Regarding Phase One of the Battery Storage Demand Response Pilot Program and Application for Approval of Phase Two*, filed December 1, 2023.

⁷ *Massachusetts Residential Energy Storage Demand Reduction Offering Evaluation*, Guidehouse Inc. for the Massachusetts Program Administrators, pg. 15, available at https://ma-eeac.org/wp-content/uploads/MA-Residential-Energy-Storage-Demand-Reduction-Evaluation-Report_wlInfographic-2024-03-20.pdf.

Table 1

Program	Upfront Incentive	Performance Payments
Connecticut: Energy Storage Solutions	\$250/kWh LMI Adder: \$200/kWh for distressed municipalities or \$350/kWh for income-verified households	Years 1-5: \$200/kW Summer, \$25/kW Winter Years 6-10: \$115/kW Summer, \$15/kW Winter
Massachusetts: Connected Solutions	None	\$275/kW in summer, locked in for five years ⁸
Hawaii: Bring Your Own Device	\$100/kW, capped at \$500 LMI Adder: \$100/kW capped at \$500 ⁹	Monthly \$5/kW committed Monthly export credit equal to Smart Renewable Energy Export's evening peak export rate or the rate of the underlying program, whichever is higher
Vermont: GMP Bring Your Own Device (Solar Only Charging)	\$650/kW for 3-hour discharge capability or \$750/kW for 4-hour discharge capability Additional \$100/kW for systems installed in grid constrained locations ¹⁰	None
New Jersey (Proposed)	\$300/kWh ¹¹ LMI Adder: \$100/kWh	Not yet developed
New York: PSEG Long Island	\$250/kWh ¹²	Performance payment based on participation in up to 10 events per summer

⁸ <https://www.masssave.com/residential/rebates-and-incentives/battery-storage-and-evs/batteries>

⁹

<https://www.hawaiianelectric.com/products-and-services/customer-incentive-programs/bring-your-own-device>

¹⁰ Green Mountain Power, BYOD – Solar Charging Program Tariff, V.P.S.B. No. 9, *available at* <http://epuc.vermont.gov/?q=downloadfile/576554/167385>.

¹¹ The \$300/kWh is an initial proposal that is likely to be adjusted. It also incorporated a combined value between the upfront incentive and performance payments.

¹²

<https://www.nyserda.ny.gov/All-Programs/Energy-Storage-Program/Developers-and-Contractors/Retail-Incentive-Offer/Incentive-Dashboard>

North Carolina: Duke PowerPair	\$400/kWh, limited to 13.5kWh Separate battery control incentive: \$4.61/kW per month ¹³	None
Arizona: APS Battery Pilot	\$500/kW up to \$2500 per home, additional \$1,250 per home available if participants give APS permission to discharge their battery ¹⁴	Upfront incentive only
Utah: Rocky Mountain Power Battery Program	Up to \$400/kW, based on battery capacity available for discharge ¹⁵	Annual bill credit of \$15/kW starting in year two of the program

In order to set a payment amount for the services provided by the energy storage system, it is important to consider both the value that is being provided as well as the cost of the energy storage system and additional funding sources or revenue streams to ensure that the incentive level will be sufficient for deployment. Due to the relatively low level of energy storage deployment in New Orleans, specific cost data is challenging to identify and as the market matures those costs will likely change. Data from EnergySage shows an average battery cost, inclusive of installation costs, for Louisiana of \$1,481/kWh which equates to \$19,994 for a 13.5 kWh system before any incentives are accounted for.¹⁶ As another data point, the Lawrence Berkeley Lab's annual *Tracking the Sun* report provides a national average cost of \$1,372/kWh, though this figure is heavily influenced by data from California.¹⁷

¹³ North Carolina Utilities Commission, Docket E-7, Sub 1261 et al., Order Approving PowerPair Pilot Program, with Conditions, and Approving Modifications to EnergyWise and Power Manager Residential Load Control Programs (Jan. 11, 2024), *available at* <https://starw1.ncuc.gov/NCUC/page/docket-docs/PSC/DocketDetails.aspx?=&NET2022&DocketId=7e9e79b5-342a-4324-810d-77dccc03e343>.

¹⁴ <https://www.chargingrewards.com/apsbattery/>

¹⁵ https://www.rockymountainpower.net/content/dam/pcorp/documents/en/rockymountainpower/savings-energy-choices/wattsmart-batteries/RMP_BatteryStorageProgram_customer_FINAL.pdf

¹⁶ Viewed on December 19, 2024:

<https://www.energysage.com/energy-storage/how-much-do-batteries-cost/>

¹⁷ *Tracking the Sun: Pricing and Design Trends for Distributed Photovoltaic Systems in the United States - 2024 Edition*, Galen Barbose, Naïm Darghouth, Eric O'Shaughnessy, and Sydney Forrester, Lawrence

Given the heavy customer emphasis on enhanced backup power capabilities, it is reasonable to expect that energy storage system costs would be higher in Louisiana than in California due to larger, more complex, and time-intensive installations. While resilience is certainly a factor in California in some areas due to wildfire risk and public safety power shutoffs, many households install a battery primarily for managing their solar production to arbitrage time-of-use rates or limit export under the new Net Billing Tariff. In some cases, the battery may not be configured to provide any backup capability as a way to reduce equipment and installation costs.¹⁸

In addition to the upfront incentive for expected performance, participants will also be able to benefit from the 30% Section 25D Residential Clean Energy Credit for customer-owned systems or the Section 48/48E investment tax credit that could range from 40-50%, assuming New Orleans designation as an Energy Community persists and/or projects exceed the threshold to qualify for the Domestic Content Bonus Credit. Participants may also take into account expected performance payments in future years after this initial performance period has ended, though that expected revenue will be highly uncertain and discounted. Between these funding sources and any potential Solar for Y'all incentive for projects serving low-income households, the remaining cost will be more affordable whether financed through a loan or lease.

Diversity of Manufacturers & Contractor

PosiGen believes that it is critical that any storage program be vendor and contractor-neutral and open-access to all host customers who are willing to participate. Care must be taken to avoid program design structures and program rules that specifically benefit

Berkeley National Laboratory, available at https://emp.lbl.gov/sites/default/files/2024-10/Tracking%20the%20Sun%202024_Report.pdf.

¹⁸ Sunrun, the largest residential solar developer in California, offers a non-backup battery product in California that is focused solely on maximizing utility bill savings. See <https://www.sunrun.com/shift>.

certain battery manufacturers, installers, or aggregators. This “open access” concept is critical for the long-term success of the program and widespread adoption of DER technologies and has been recognized as a best practice nationally. Any technology that meets the technical requirements of the program and can integrate with the necessary utility distributed energy management system (“DERMS”) should be able to participate.

While storage programs with performance requirements necessarily involve some level of review of participating equipment manufacturers, installers, or aggregators, there should not be requirements that are a major barrier to entry for new market entrants. For some prospective program participants this may be the first energy storage or grid services program that they are participating in, and as such they must fully understand and be able to comply with the necessary requirements but should not be required to demonstrate participation in other similar programs.

Utilizing a DERMS, such as EnergyHub, that has already established connections with major battery manufacturers and contractors will help ensure that the program is accessible. A list of eligible battery manufacturers, aggregators, or installers who are integrated with the DERMS should be publicly available and there should be a clear and timely process by which new equipment vendors or aggregators are able to be approved for participation in the program.

Equity & Low-Income Participation

While battery costs have declined significantly over time, the cost to add a battery with new or existing solar is still a major investment that can be cost-prohibitive for households that are seeking to reduce their energy burden. This is particularly true for low-and-moderate income (“LMI”) households. While wealthier households that are installing storage primarily for resilience purposes and are less concerned about monthly utility bill savings, LMI households are more price sensitive and therefore less likely to install energy storage due to the upfront cost.

It is important that LMI households have the opportunity to participate in any energy storage program coming out of this docket. Louisiana, and New Orleans specifically, has been a national leader in the equitable deployment of rooftop solar over the past decade and that should be a primary objective of this program as well.

Allowing for both customer-owned and third-party ownership models to participate in the program will be critical in making access to energy storage equitable. Third-party ownership (“TPO”) models for solar and storage are a key driver of LMI adoption for several key reasons. First, it can allow for year 1 savings without any upfront costs, which is critical for families where their energy burden is significant and they cannot wait for a multi-year . Second, TPO models often have more accessible FICO score, income, or debt-to-income ratio requirements than customer-owned financing options, including PosiGen’s model where there is no minimum FICO score or income requirement. Third, LMI households often do not have the federal tax liability necessary in order to claim the 30% federal Section 25D Residential Energy Credit. TPO models are able to fully monetize the federal tax credit, through Section 48 and soon 48E, and any applicable bonus credits. Finally, it is the third-party owner that is responsible for maintaining, repairing, and insuring the system for the term of the contract, which ensures that the customers are not faced with unexpected costs of ownership down the road that they are not able to afford.

But achieving the equitable deployment of energy storage will not happen by accident – it must be intentional in the program design. We recommend the following be incorporated into any final program design:

- An explicit target for LMI or underserved community participation.
- Publicly available tracking of participation towards the program target.

- Review and modification of program requirements or procedures that are barriers to LMI or underserved participation.
- Consideration of an incentive “add-on” for LMI households, taking into account potential overlap with the forthcoming Solar for Y’all Program.

Connecticut’s Energy Storage Solutions Program (“CT ESS”) can provide some valuable lessons regarding LMI participation. CT ESS provides a combination of an upfront incentive paid by the Connecticut Green Bank and 10 years of performance payments from the electric distribution companies. This program was launched in 2022 with an explicit goal of 40% participation from low-income households or projects located in a set of “economically distressed” municipalities across the state. The program initially provided a standard residential upfront incentive of \$200/kWh, \$300/kWh for projects located in distressed municipalities, and \$400/kWh for income-verified households. This upfront incentive had a \$7,500 or 50% of project costs incentive cap, whichever was less.

In the first two years of the program, only 9% of approved projects were LMI or located in distressed municipalities, far short of the program target.¹⁹ Starting in 2024, the utility commission approved an increase to the upfront incentive levels to \$450/kWh for distressed municipality projects and \$600/kWh for LMI households, paired with an increase in the maximum per project incentive to \$16,000. In most cases, projects do not receive anywhere near the \$16,000 project cap, but these changes did make significant improvements for equitable access to the program. In response, 2024 saw a LMI or distressed municipality participation rate of 39% which brought the all-time participation rate to 25% over a single year.²⁰ To date, over

¹⁹ Based on the Enrollment Data for single-family homes, which is available for download at <https://energystoragect.com/ess-performance-report/>.

²⁰ *Ibid.*

95% of PosiGen’s battery projects in Connecticut are for income-verified LMI households, located in distressed municipalities, or both.

PosiGen has been able to serve low-income residents in Connecticut by taking all available funding and turning that into a very low, affordable battery lease payment that still allows PosiGen to underwrite our customers based on expected customer savings with their combined solar plus storage system. Currently, that monthly battery lease amount is \$10/month for 10 years, and consumer demand has shown that monthly lease amount has cleared the “willingness to pay” test for low-income households.

Dispatch & Performance Considerations

PosiGen strongly supports a program design that ensures that the batteries deployed through the program are operating to provide ratepayer benefits. While the private benefit of household resilience will be a strong motivating factor for participants, a more distributed and resilient grid will require DERs (beyond just solar and storage) working in coordination with ENO to shed demand or load shape in ways that maximize the investments made in the distribution system. We believe that an upfront incentive program design can have simple and meaningful dispatch parameters that deliver those benefits.

There is a wide range of performance and dispatching details that will need to be developed as applicable based on how other aspects of the program are designed. The following table provides key considerations from our experience in designing and participating in programs from other states with some recommendations for this program. Many of these recommendations align with elements of the existing Battery Pilot, and we believe those should be incorporated into the expanded program.

Table 2

Consideration	Comments & Recommendations
Program Term	A minimum of 3 years. For performance-based compensation programs, providing a longer term with payment level certainty will make programs more attractive for participants. For a future pay-for-performance program, we would recommend a 5-10 year term.
Dispatch Season(s)	Participants should have a clear expectation for what times of the year their energy storage devices will be called upon. While we expect that most or all events will be in the summer, if events can be called in other seasons then that should be clearly stated.
Expected Dispatch Events Per Season	For a summer-only dispatch season, between 30-60 events is a reasonable number of events.
Timing of Dispatch Events	Some programs have a “set it and forget it” approach of requiring performance during specific hours, while others utilize called events which are typically called the day before. We recommend utilizing called events which can provide the greatest benefit and aligns with the Battery Pilot.
Length of Events	2-3 hour events typically provide the most consistent and targeted kW load reduction to maximize the value being provided. The CT ESS program started with a 5 hour event dispatch window (3-8 PM) for the “passive dispatch” ²¹ portion of the program, but starting in 2025 that window will be shortened to 3 hours due to the challenges the longer window posed for participants.
Reserve Capacity	The expected depth of discharge should always account for a reasonable reserve margin that is available. Some programs, including the Battery Pilot, have set this reserve capacity at 20%, but that may need to be higher in order to maintain customer satisfaction with wider adoption.
Performance Evaluation	Evaluation of performance should be based on the battery’s <i>available energy</i> at the start of the event rather than the <i>nameplate</i> or <i>usable capacity</i> . This is particularly critical should events be called on consecutive days which may not always allow for the battery to be fully recharged between events.
Severe Weather Protections	No dispatch events should be called within 48 hours of expected severe weather where the customer may require the system for backup

²¹ The “passive dispatch” refers to the “set it and forget it” performance requirements tied to the upfront incentive. The “active dispatch” portion of the program is the pay-for-performance structure tied to events that are called by the utilities for 2-4 hour periods during the summer.

	power. This is a critical consumer protection for long-term program satisfaction and ongoing participation.
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We reiterate the importance of customer understanding and satisfaction to the long-term success and ongoing participation in any future performance programs or tariffs. While some customers may be excited to use their battery to lower overall grid costs, the vast majority are primarily interested in the resilience benefits that their storage system will provide. For example, a survey of participants in Massachusetts's ConnectedSolutions program found that backup power was the primary motivating factor for 74% of participants, with the second leading primary factor being reducing their environmental impact.²²

If the participating customers feel as if they are putting their resilience needs at risk by participating, then they will be less likely to participate after the initial 3-year period. Scenarios such as the program improperly discharging a battery ahead of an expected storm or a customer losing power shortly after a call event where their battery is left with insufficient reserves to power through the outage must be taken seriously. Those individual experiences can lead to customers having a negative view of the program and potentially not participating in future years. In the same ConnectedSolutions survey, a clear majority of respondents were either “very” or “a little” concerned that their participation in the program would interfere with their backup needs.²³

Program and contractor education on performance expectations will be critical to ensure that participating customers know what to expect and are not surprised, for example, the first time they look on their project’s app and see a battery that has discharged up to 80% of its usable

²² *Massachusetts Residential Energy Storage Demand Reduction Offering Evaluation*, Guidehouse Inc. for the Massachusetts Program Administrators, pg. 15.

²³ *Ibid*, pg. 19.

capacity. Clear expectations and information on the number, timing, and duration of call events will put customers at ease and lead to program success.

Use of SERI Settlement Funds

PosiGen strongly supports the proposal to use the System Energy Resources, Inc. (“SERI”) settlement funds to support the establishment of this energy storage program. The \$32 million that the City Council has discretion to utilize is a unique opportunity to provide expanded and ongoing value that will accrue benefits and cost savings to all ratepayers. While using the settlement funds for a one-time or annual credit returns the money back to ratepayers, it does nothing to help structurally reduce ongoing ratepayer costs like a virtual power plant program would.

Through the programs proposed in this docket – and a design that will hopefully be put in place over the longer term – the solar and energy storage systems that are deployed will be providing energy and capacity savings while also providing critical resilience for both communities and households. With the right program structure in place, we expect that the settlement funds could be fully subscribed within 3 years of the launch of the program.

Additionally, using the funds to stand up this innovative program will leverage the additional federal funding that is available in the form of the Section 48 Investment Tax Credit and associated bonus credits or the 25D Residential Energy Credit. Louisiana is also rolling out the \$156 million Solar for Y’all program that could include support for energy storage projects for low-income households or underserved communities. Solar for Y’all may also provide funding to address other barriers for LMI households such as roof work or electrical upgrades, which could also support this energy storage program. This unprecedented level of support for

DERs makes this an incredible opportunity to maximize the impact that the settlement funds can provide.

Conclusion

PosiGen appreciates the opportunity to provide this initial proposal and comments in this important docket. We look forward to reviewing the proposals from other parties and ultimately working towards an innovative and cost-effective program design that will reduce electricity costs for all ratepayers.

Respectfully submitted,

/s/ Kyle Wallace

Kyle Wallace

VP, Public Policy & Government Affairs

PosiGen, PBC

Before The Council of the City of New Orleans

**Re: Resolution and Order R-24-624 Re: Distributed Energy Resource Program
(Docket No. UD-24-02)**

CERTIFICATE OF SERVICE

I do hereby certify that I have, this December 20, 2024, served the foregoing correspondence upon all other known parties of this proceeding by electronic mail.

/s/ Ruthie DeWit

Ruthie DeWit

PosiGen, PBC