

Before
The Council of the City of New Orleans

Re: DISTRIBUTED ENERGY RESOURCE PROGRAM

DOCKET UD-24-02

December 20, 2024

ProRate Energy's Proposal

By and through its undersigned staff, ProRate Energy ("PRE") respectfully submits this proposal to the Council of the City of New Orleans ("the Council") and intervening Parties in the above captioned proceeding in response to the Council's October 24, 2024 Resolution R-24-624, providing for program proposals by interested parties by December 20, 2024.

PRE is a national nonprofit organization incorporated in Louisiana in 2020. PRE and before that BSI, Building Science Innovators has submitted proposals to the Council in numerous dockets including UD-18-03, UD-17-02, US 21-03 etc.

The following is pursuant to the charge enabling resolution:

"b. By December 20, 2024, parties are directed to submit proposals for changes to existing policies or programs, new programs, costs, and proposed funding mechanisms, including comments on whether SERI Credits can and should be used to support these programs, to the service list." found on page 4" It will respond to all oof those requirements.

ProRate Energy Proposes Utility Grid Transition Planning: A Bridge to the Future

Introduction

New Orleans has received a rare mandate to modernize its electricity grid to enhance performance and better confront climate change. We propose using up to **\$1 million per year** to conduct an international, expert-led analysis to develop a strategic, ongoing grid transition plan. Guided by other successful transitions, such as **Australia's**, this "Bridge to the Future" will provide a roadmap to implement a decentralized, equitable, efficient, reliable, and resilient grid.

Because SERI credits came indistinguishably from all New Orleans ratepayers, similar settlement precedents dictate that such funds must support programs to distribute benefits in an as effective and equitable process as possible to all ratepayers. As with those settlements, this proposal will provide many times more in value than the losses suffered by the ratepayers.

Rationale for Investment

New Orleans' grid faces increasing challenges from severe weather events, including hurricanes and rising temperatures, which have broken or strained infrastructure. Decentralized grids incorporating distributed energy resources (DERs), microgrids, and energy storage systems, have proven to be essential for enhancing resilience and efficiency in similar global contexts.

While a standard response is to support a small subset of ratepayers by subsidizing the installation of a few tangible assets such as microgrids, heat pumps, solar, or storage, we strongly suggest a broader approach to create lasting changes in all of

- System structure (physical organization)
- Market structure

- Consumer rates and remuneration for consumer-provided utility services that support the grid and expand customer investments (e.g., deploying microgrids, DERs, energy storage, EVs, load-flexing equipment), and
- Position New Orleans as a national leader in the energy transition.

This proposal is an opportunity to prepare New Orleans for the future by creating lasting changes, and by fundamentally reimagining the compact between utility and customer.

Alternatively, if this money were only to be used to support a few individual initiatives without providing a path for lasting change, we are short-changing New Orleans' future.

Key Objectives:

- **Equity:** Provide affordable and reliable energy access to underserved communities.
- **Resilience:** Ensure grid stability during extreme weather events.
- **Efficiency:** Reduce energy losses and optimize resource distribution.
- **Reliability:** Improve operational performance of the system in blue-sky conditions.
- **Climate:** Align with climate targets for Net Zero Emissions (NZE).

International Expertise

In order to develop a high-caliber, actionable plan, the proposal will contract **international experts** with a demonstrated history of transitioning grids, drawing inspiration from:

- **Hawaii:** High solar penetration and innovative rate designs
- **Fort Collins, CO:** Bidirectional TOU rates
- **California:** Automation of Highly Dynamic (retail) Pricing

- **Australia:** Successful deployment and integration of centralized renewables and DERs.
Capacity management
- **UK:** Policy frameworks that facilitate decentralized and efficient energy transitions
- **Scandinavia:** Highly Dynamic Pricing (HDP) facilitating load flexibility

The process will align with the "Systems Architecture" disciplines outlined in the Pacific Energy Institute whitepaper. These frameworks guide grids through the complexities of evolving to NZE.

Proposed Analysis and Deliverables

The funding will support:

- **Grid Assessment:** Analyze existing grid performance, vulnerabilities, DER potential, and growing electricity needs from EVs and data centers.
- **Community Engagement:** Solicit input from stakeholders to ensure equity in planning and implementation.
- **Policy and Funding Mechanisms:** Recommend vendor-neutral programs and evaluate funding sources, including **SERI Credits**.
- **Pilot Project Identification:** Outline feasible microgrid or load-flexing pilot programs.
- **Roadmap to Implementation:** Provide a phased plan with actionable steps for transitioning to the future, NZE, decentralized grid.
- **Tariffs and Automation:** Recommend how to offer increasingly dynamic tariffs that benefit both the grid and customers, and automation to enable reliably use of them.

4. Funding and Timeline

The-up-to \$1 million annual budget will cover expert analysis, stakeholder engagement, and technical assessments. It aligns with the procedural schedule under **Docket No. UD-24-02**, which complements ongoing DER initiatives.

Proposed Timeline:

- **Year 1:** Comprehensive analysis, community input, and pilot project design
- **Year 2:** Initial implementation and real-time performance monitoring
- **Year 3:** Full-scale rollout and evaluation

5. Conclusion

By investing in international expertise and proven frameworks, New Orleans will establish a **"Bridge to the Future"** to ensure it has a grid prepared to meet climate challenges. This plan will position New Orleans as a leader in sustainable, urban energy transitions.

References

- [Maine DSO \(Distribution System Operator\) report](#)
- [Various Pacific Energy Institute documents](#)
- [Highly Dynamic Pricing](#) and [CPUC Demand Flexibility Proceeding](#)
- [Imagine all the people - Regulatory Assistance Project](#) Please watch the 3-min video that highlights the explosive growth of dynamic pricing to empower DERs in Europe.

Respectfully submitted on this 20th day of December, 2024

Myron Katz

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**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, on this 20th day of December, 2024, served the forgoing PROPOSAL upon all other known parties of this proceeding by electronic mail.

Myron Katz, PhD,
ProRate Energy, Inc.