



Entergy New Orleans, LLC  
1600 Perdido Street  
New Orleans, LA 70112  
Tel 504 670 3633  
Fax 504 670 3603  
[kwood@entergy.com](mailto:kwood@entergy.com)

**Keith D. Wood**  
Director, Resource Planning

December 30, 2021

**Via Electronic Delivery and U.S. Mail**

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

**Re: Rulemaking Proceeding to Establish Renewable Portfolio Standards  
Council Docket No. UD-19-01**

Dear Ms. Johnson:

Entergy New Orleans, LLC (“ENO”) respectfully submits its Reply Comments regarding the Initial RCPS Compliance Plan Covering Compliance Year 2022 in the above-referenced docket. ENO submits this filing electronically and will submit an original and two hard copies to the Clerk of Council via U.S. Mail. Please file the original and two copies into the record and return a date-stamped copy via the stamped self-addressed envelope enclosed.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Keith D. Wood".

Keith D. Wood

KDW/bkd

Enclosures

cc: Official Service List via email

**ENERGY NEW ORLEANS  
REPLY TO COMMENTS REGARDING  
INITIAL RCPS COMPLIANCE PLAN COVERING COMPLIANCE YEAR 2022**

Entergy New Orleans (ENO) appreciates the comments and feedback it has received from several parties regarding ENO's Initial RCPS Compliance Plan Covering Compliance Year 2022, filed in August 2021 (Initial Compliance Plan). In reply to these comments, and to resolve the outstanding issues identified in the Initial Compliance Plan, ENO has prepared the following response.

**EV Charging Credit**

ENO acknowledges the error that the Advisors discovered in row 15 of Table A-2. ENO has enclosed a corrected, dynamic spreadsheet version of Tables A-1 and A-2 along with this response in order to alleviate any confusion. ENO believes that this was merely a transcription error isolated to row 15 and that the remainder of the values in the table are correct, including the projected EV CEC credit rate in row 17. In later years, because of the increasing stringency of the RCPS, the electric sector emissions associated with serving EV load are lower, which in turn increases the net emissions benefit and increases the associated CEC credit rate. ENO also notes that Table A-2 serves as an informative projection of the EV charging credit rate for 2023-2026, and that ENO will repeat the calculation in Table A-1 in the final compliance report for each compliance year as better or newer parameters become available, such as the average efficiency of ICE vehicles or electric vehicles.

As a reminder, the purpose of the EV charging calculation is to measure and recognize the contribution of electric vehicle charging in reducing carbon emissions. The RCPS rules explicitly include EV electrification as a Tier 3 resource.<sup>1</sup> Its associated electric demand, like all ENO retail sales whether new or existing, will be met with the RCPS-prescribed mix of clean resources. To the extent emitting resources are used to meet EV electric demand, their emissions are accounted for in the calculations in Tables A-1 and A-2. As Table A-1 shows, one megawatt-hour of electric vehicle charging delivers over one ton of net carbon dioxide emissions reductions, as well as the local air quality benefits from reducing emissions of nitrous oxide, ammonia, particulate matter, and other volatile compounds that would otherwise be delivered from car tailpipes into areas of high population density. A crediting mechanism that recognizes the net carbon reduction contributions of transportation electrification is essential to ensure that these electrification efforts are placed on a similar footing as other decarbonization measures.

---

<sup>1</sup> In Section VII of its Comments, the Alliance seems to ignore the fact that the rules explicitly include EV charging as a Tier 3 resource by making the statement that, "such infrastructure should not satisfy RCPS requirements." Since the eligibility of EV charging as a Tier 3 resource was resolved in the Rulemaking and is not in question, the Alliance's comments in this Section should be disregarded.

## **Green Power Option**

ENO agrees with the Advisors that the most reasonable treatment of the interaction between the Green Power Option (GPO) and the RCPS is to “modify[] the RCPS such that all RECs retired under the GPO are excluded from Compliance, and the retail compliance load is reduced by the same amount.”<sup>2</sup> This would also address the Alliance/EFNO’s concerns and ensure that the RECs associated with the GPO are used and retired once. Under this treatment, ENO would retire RECs representing 25%, 50%, or 100% of the GPO customer’s consumption, and these RECs would not be used for RCPS compliance. The customer’s residual consumption (if any) would be included in Compliance Load and matched with the prescribed RCPS percentage of clean energy from the remaining resources in ENO’s portfolio.

Given the current size of the GPO program, ENO also agrees that the right timeframe to address this issue is “during the next periodic RCPS Review, or to the extent GPO participation encompasses significantly more annual energy” as suggested by the Advisors.<sup>3</sup>

## **Update to Expected Compliance Position**

During Hurricane Ida, two ENO-contracted resources, the Iris and St. James solar facilities, sustained damage that is expected to delay the near-term operation of these facilities. At this time, neither resource is expected to achieve commercial operation until at least 1Q2022. Accordingly, the expected total CECs from these resources for 2022 has been reduced by 25%. Combined with the approximate impact of excluding RECs retired for the GPO program from RCPS compliance, the resources in ENO’s current portfolio are projected to generate 44,518 fewer CECs than projected in Table 1 of ENO’s August filing. A revised table is shown below:

---

<sup>2</sup> Advisors’ Comments, pg. 5.

<sup>3</sup> *Ibid*

Resource Name	Type	Expected MWh	RCPS Multiplier	Expected CECs
Grand Gulf	Nuclear	1,873,531	1.00	1,873,531
River Bend	Nuclear	834,853	1.00	834,853
ANO Unit 2	Nuclear	233,566	1.00	233,566
ANO Unit 1	Nuclear	177,693	1.00	177,693
Waterford Unit 3	Nuclear	161,511	1.00	161,511
Energy Efficiency (implemented after 1/2021)	EE	119,554	1.25	149,443
Iris Solar	Solar	93,714	1.00	93,714
St James Solar	Solar	39,540	1.00	39,540
New Orleans Solar Station	Solar	41,457	1.25	51,821
Vidalia	Hydro	17,459	1.00	17,459
Commercial Rooftop Solar	Solar	10,978	1.25	13,723
Paterson Solar	Solar	2,349	1.25	2,936
<i>Less: RECs reserved for GPO (Approximate)</i>				<i>(100)</i>
<b>Total:</b>				<b>3,649,690</b>

In order to maintain the planned 5% contingency in its 2022 RCPS Compliance Credit supply, ENO intends to increase its REC purchases by the corresponding amount, as summarized below in the updated version of Table 4 and 5 of the August Initial Compliance filing:

	Description	Initial Plan 8/2021	Updated 12/2021
(1)	Retail Compliance Load, BP21	5,597,191	5,597,191
(2) = 64%*[1]	2022 RCPS Requirement (64% of Retail Compliance Load)	3,582,202	3,582,202
(3) = 5%*[2]	5% Contingency	179,110	179,110
(4) = [2]+[3]	Target CEC Supply w/ 5% Contingency	3,761,313	3,761,313
(5)	Projected CECs from Existing Portfolio	3,694,208	3,649,690
(6) =[4]-[5]	<b>Additional RCPS Compliance Credits to Pursue</b>	<b>67,104</b>	<b>111,623</b>
	<i>From Public EV Charger CECs</i>	<i>564</i>	<i>564</i>
	<i>From Purchased RECs</i>	<i>66,540</i>	<i>111,059</i>

### **Alternative Compliance Payment**

Section 5.a.2 of the RCPS notes that the ACP shall be based on the highest market value of RECs in MISO over the prior three years, multiplied by a 1.15 multiplier. As ENO noted in its

Initial Compliance Plan, the range of available market data for MISO RECs is limited and most publicly quoted REC prices are tied to the RPS program for which the REC is used rather than the region from which the REC originates.

In light of this, the Advisors have recommended that “ENO should propose an ACP, as well as provide the Council with the range of highest price Green-e certified RECs, and associated REC contract terms, from available market sources in MISO or neighboring balancing authorities over the prior three years.”<sup>4</sup>

The table below shows the highest REC market index price over the past three years, based on REC market data from Marex Spectron. The table examines RECs that qualify for compliance in Michigan and Texas, states in which a portion of the retail customers are located in MISO.<sup>5</sup> Given the RCPS requirements to utilize Green-e certified RECs, the figure also shows REC market prices for National Green-e Certifiable RECs.

**REC Index Pricing, 12/2018-11/2021**

(Source: Marex Spectron)

<b>Product Name</b>	<b>Share of Retail Sales in MISO<sup>6</sup></b>	<b>Highest Index Price<sup>7</sup> (\$/REC)</b>	<b>Occurrence of Highest Index</b>
Michigan RECs	96%	3.13	April 2021
Texas RECs	5%	7.35	August 2021
National Green-e Any Technology RECs	N/A	7.13	August 2021

ENO believes Michigan REC pricing is the most appropriate basis for the ACP calculation, given that the majority of the state is in MISO compared to only a small portion in Texas. ENO proposes that the Council set the ACP at \$3.60 per megawatt-hour, which is equal to 1.15 times the highest market price for Michigan RECs of \$3.13. If the Council includes Texas REC prices, the ACP would be \$8.45 megawatt-hour, equal to 1.15 times the highest market price for Texas RECs of \$7.35. While the National Green-e data provides helpful context (and could reflect the underlying REC costs for MISO resources), we believe that this data would not satisfy the RCPS requirements due to the lack of locational specificity.

<sup>4</sup> Advisors’ Comments, pg. 3-4.

<sup>5</sup> For other states wholly or partially in MISO that have RPS programs, either no REC market data is currently available or the data history is incomplete.

<sup>6</sup> EIA Form 861 data, 2020.

<sup>7</sup> The “index price” is calculated as the midpoint between the daily quoted bids and offers for the current or nearest future compliance year.

Finally, the Company notes that Section 5 of the RCPS Rules does not contemplate prospective inclusion in the ACP of a “penalty that cannot be passed on to ratepayers”<sup>8</sup> as proposed by the Alliance in its Comments. Section 5(b) notes that the Rules do not limit the Council’s authority to impose penalties for violations of the Rules, but any such determinations regarding a penalty would occur after the fact, not before, as proposed by the Alliance.

---

<sup>8</sup> There are no page numbers to reference in the Alliance’s Comments. Counting from the cover letter, the quoted proposal appears to be on page 5 of the filing.

**CERTIFICATE OF SERVICE**

**Docket No. UD-19-01**

I hereby certify that I have served the required number of copies of the foregoing report upon all other known parties of this proceeding, by the following: electronic mail, facsimile, overnight mail, hand delivery, and/or United States Postal Service, postage prepaid.

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

Erin Spears, Chief of Staff  
Bobbie Mason  
Christopher Roberts  
Council Utilities Regulatory Office  
City of New Orleans  
City Hall, Room 6E07  
1300 Perdido Street  
New Orleans, LA 70112

Andrew Tuozzolo  
Chief of Staff to CM Moreno  
City Hall – 2W40  
1300 Perdido St.  
New Orleans, LA 7112

Paul Harang  
Interim Chief of Staff  
New Orleans City Council  
City Hall, Room 1E06  
1300 Perdido Street  
New Orleans, LA 70112

Sunni LeBeouf  
City Attorney Office  
City Hall, Room 5th Floor  
1300 Perdido Street  
New Orleans, LA 70112

Norman White  
Department of Finance  
City Hall, Room 3E06  
1300 Perdido Street  
New Orleans, LA 70112

Jonathan M. Rhodes  
Director of Utilities,  
Mayor's Office  
City Hall – Room 2E04  
1300 Perdido Street  
New Orleans, LA 70112

Hon. Jeffery S. Gulin  
3203 Bridle Ridge Lane  
Lutherville, MD 21093

Clinton A. Vince, Esq.  
Presley R. Reed, Jr., Esq.  
Emma F. Hand, Esq.  
Adriana Velez-Leon  
Dee McGill  
Dentons US LLP  
1900 K Street NW  
Washington, DC 20006

Basile J. Uddo, Esq.  
J.A. "Jay" Beatmann, Jr.  
c/o Dentons US LLP  
650 Poydras Street, Suite 2850  
New Orleans, LA 70130-6132

Brian L. Guillot  
Leslie LaCoste  
Entergy Services, LLC  
Mail Unit L-ENT-26E  
639 Loyola Avenue  
New Orleans, LA 70113

Joseph J. Romano, III  
Tim Rapier  
Entergy Services, LLC  
Mail Unit L-ENT-4C  
639 Loyola Avenue  
New Orleans, LA 70113

Vincent Avocato  
Entergy New Orleans, LLC  
10055 Grogan's Mill Road Parkway II  
Building T-PKWD-2A  
Suite 500  
The Woodlands, TX 77380

Andy Kowalczyk  
1115 Congress St.  
New Orleans, LA 70117

Jeff Cantin  
2803 St. Philip Street  
New Orleans, LA 70119

Tyler Fitch  
Vote Solar  
1911 Ephesus Church Road  
Chapel Hill, NC 27517

Monique Harden  
Deep South Center for Environmental  
Justice  
3157 Gentilly Boulevard, #145  
New Orleans, La. 70122

Courtney Nicholson, Vice-President  
Barbara Casey  
Brittany Dennis  
Keith Wood  
Derek Mills  
Ross Thevenot  
Entergy New Orleans, LLC  
Mail Unit L-MAG-505B  
1600 Perdido Street  
New Orleans, LA 70112

Joseph W. Rogers  
Victor M. Prep  
Byron S. Watson  
Cortney Crouch  
Legend Consulting Group  
6041 South Syracuse Way, Suite 105  
Greenwood Village, CO 80111

Logan Atkinson Burke  
Sophie Zaken  
Alliance for Affordable Energy  
4505 S. Claiborne Avenue  
New Orleans, LA 70125

Benjamin Quimby  
1621 S. Rampart St.  
New Orleans, LA 70113

Marion Freistadt  
1539 Adams St.  
New Orleans, LA 70118

Bob Perciasepe  
Marty Niland  
Center for Climate and Energy Solutions  
3100 Clarendon Boulevard, Suite 800  
Arlington, VA 22201

Stephen Wright  
Gulf States Renewable Energy Industries  
Association  
552 Marilyn Drive  
Mandeville, LA 70448



Simon Mahan  
Southern Renewable Energy Association  
5120 Chessie Circle  
Haltom City, TX 76137

Karen Profita  
Gary Moody  
Nation Audubon Society  
5615 Corporate Boulevard, Suite 600B  
Baton Rouge, LA 70808

Katherine W. King  
Randy Young  
Kean Miller LLP  
400 Convention Street, Suite 700  
Baton Rouge, LA 70802

Carrie Tournillon  
Kean Miller LLP  
900 Poydras Street, Suite 3600  
New Orleans, LA 70112

Maurice Brubaker  
Brubaker & Associates, Inc.  
16690 Swigly Ridge Road, Suite 140  
Chesterfield, MO 63017

G. Ben Johnson  
New Orleans Chamber  
1515 Poydras Street, Suite 1010  
New Orleans, La. 70112

Grace Morris  
Sierra Club  
4422 Bienville Avenue  
New Orleans, LA 70119

Dave Stets  
2101 Selma Street  
New Orleans, LA 70122

Joshua Smith  
Lauren Hogrewe  
2101 Webster Street, Suite 1300  
Oakland, California 94612-3011

Elizabeth Galante  
Ben Norwood  
Posigen Solar  
819 Central Avenue, Suite 201  
Jefferson, LA 70121

New Orleans, Louisiana, this 30<sup>th</sup> day of December, 2021.



---

Keith D. Wood