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December 5, 2014

Via Hand Delivery

Ms. Lora W. Johnson
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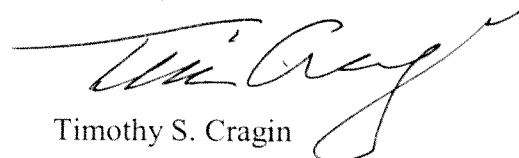
Re: *In Re*: Resolution Regarding Proposed Rulemaking to Establish Integrated Resource Planning Components and Reporting Requirements for Entergy New Orleans, Inc. (Docket No. UD-08-02)

Dear Ms. Johnson:

Enclosed please find an original and three copies of the Application of Entergy New Orleans, Inc. and Entergy Louisiana, LLC for Approval of the Implementation Filing for the Extension of the Energy Smart Plan Pursuant to Council Resolution R-14-509, in the above referenced docket. Please file an original and two copies into the record in the above-referenced matter, and return a date-stamped copy to our courier.

Thank you for your assistance with this matter.

Sincerely,



Timothy S. Cragin

Enclosure

cc: Official Service List UD-08-02 (*via electronic mail*)

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BY: DMW

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**BEFORE THE
COUNCIL OF THE CITY OF NEW ORLEANS**

IN RE: RESOLUTION REGARDING)	
PROPOSED RULEMAKING TO)	
ESTABLISH INTEGRATED)	
RESOURCE PLANNING)	DOCKET NO. UD-08-02
COMPONENTS AND REPORTING)	
REQUIREMENTS FOR)	
ENTERGY NEW ORLEANS, INC.)	

**APPLICATION OF ENTERGY NEW ORLEANS, INC.
AND ENTERGY LOUISIANA, LLC FOR APPROVAL OF THE IMPLEMENTATION
FILING FOR THE EXTENSION OF THE ENERGY SMART PLAN**

Entergy New Orleans, Inc. (“Entergy New Orleans” or “ENO”) and Entergy Louisiana, LLC (“ELL”)(collectively, “the Companies”), pursuant to Council Resolution R-14-509, respectfully submit this Application for Approval of the Implementation Filing for the Extension of the Energy Smart Plan (the “Application”), and, in support of this Application, the Companies respectfully show as follows:

I.

ENO is an electric and gas utility organized and operating under the laws of the State of Louisiana, with its general office and principal place of business at 1600 Perdido Street, Building 505, New Orleans, Louisiana 70112. The Company is engaged in the manufacture, production, transmission, distribution, and sale of electricity to residential, commercial, industrial, and governmental consumers throughout the City of New Orleans, with the exception of the Fifteenth Ward of the City of New Orleans, Algiers. ENO furnishes electric service to approximately 168,000 customers in Orleans Parish. Entergy New Orleans also is engaged in the provision of natural gas service throughout the City of New Orleans, serving approximately 104,000 retail gas customers.

ELL is a limited liability company duly authorized and qualified to do business in the State of Louisiana, created and organized for the purposes, among others, of manufacturing, generating, transmitting, distributing and selling electricity for power, lighting, heating, and other such uses. In Algiers, ELL's retail sales of electricity and service are subject to the jurisdiction of the Council.

II.

In July 2009, ENO submitted a filing in which it detailed the specifics of the design and funding levels for programs to be included in the Energy Smart Plan programs (*e.g.*, selection of a third party administrator, verification of deemed savings calculations, proposed goals and targets). On September 17, 2009, Council Resolution R-09-483 approved the Energy Smart Plan programs as designed and found ENO's programs to be just, reasonable and in the public interest; including funding levels and allocations, and goals and targets recommended by ENO.

III.

In April 2011, ENO and the third party administrator, CLEAResult, implemented the Energy Smart Plan programs and began offering programs to ENO electric customers. ENO filed status reports as outlined and required by Council Resolution R-11-52. Representatives of ENO and CLEAResult made presentations on the first, second and third year results and progress of the Energy Smart programs to the Council's Utility, Cable, Telecommunications and Technology Committee (formerly known as the Council Utility Committee). Additionally, ENO submitted written reports summarizing the first, second and third year results of the program.

IV.

Council Resolution R-13-17, dated January 24, 2013, stated that the Council wants to consider ENO's Supplemental Implementation and Cost Recovery filings in concert with the

public process established in the IRP docket (UD-08-02) and such other recommendations as may be provided by Intervenors and the Council's Advisors in a timely fashion, and directed ENO to make its Supplemental Implementation and Cost Recovery filing.

V.

In accordance with Council Resolution R-12-393, on April 1, 2013, in order to assure the continuity of the Energy Smart Plan, the Companies filed with the Council implementation and cost recovery plans for future energy efficiency and demand side management programs based on optimal levels contained in their Integrated Resource Plan ("IRP") filings or other such programs as determined by the Council.

VI.

After consideration of the Companies' Implementation and Cost Recovery filing, and in realization that there remain some unresolved issues with respect to ENO's IRP, the Council, in Resolution R-13-363 stated:

[T]o assure that the existing Energy Smart and NOLA Wise programs continue without interruption until a final order in the instant docket determining the appropriate level of DSM, program selection, DSM related expenditures, cost recovery, incentives and rate mechanisms is rendered, the Council finds it in the public interest to provide the necessary funding to continue the existing Energy Smart programs to assure continuity of energy efficiency programs in New Orleans through the end of calendar year 2014. In furtherance of this finding, ENO is directed to confer with the Advisors on the details for implementation of the extension of the existing Energy Smart Programs, as discussed herein, for subsequent filing with the Council and its approval no later than January 2014. In the extension of the Council's existing Energy Smart Program through December 2014, as ordered herein, the Council will continue to allow ENO to recover Lost Contribution to Fixed Costs and the existing ROE incentive as provided for in Attachments G and H to the now expired ENO FRP.

VII.

In accordance with Council Resolution R-13-363, dated October 10, 2013, ENO filed and the Council approved the design, selection, and implementation of the DSM programs reflected in the following tables.

Extension of ENO Energy Smart Programs (April 1, 2014 – December 31, 2014):

Program Description	Goal (kWh)	Program Cost
HPwES	3,198,518	\$789,978
Energy Star A/C	333,273	\$109,573
A/C Tune Up	859,536	\$217,561
Energy Efficient New Homes	120,098	\$299,394
CFL Direct Install	1,494,736	\$34,568
Income Qualified	377,386	\$442,933
Solar Water Heater	20,393	\$9,119
Small Commercial Solutions	1,999,817	\$531,332
Large Commercial Solutions	4,603,944	\$774,031
NOLA Wise	-	\$250,000
Total	13,007,699	\$3,458,489

VIII.

Similarly, the Council approved the following extension program costs and goals for ELL. Resolution R-14-224 stated that the “programs implemented for Algiers Energy Smart shall be funded at a level not to exceed \$396,846, which amount represents one-half of the original 2012 program funding level (exclusive of lost contribution to fixed costs) as outlined in Council Resolution R-12-391.” The resolution further states the “Council’s intention to extend programs associated with the current ENO Energy Smart partnership with the City of New Orleans’ NOLA Wise Energy Efficiency Programs to the Algiers Energy Smart program. To facilitate the extension of this partnership to Algiers Energy Smart, the Council authorizes that

an incremental \$38,500 be added to the funding levels for the previously-approved set of programs for Algiers Energy Smart, for a total funding level not to exceed \$435,346.”

Extension of ELL Energy Smart Programs (April 1, 2014 – December 31, 2014):

Program Description	Goal (kWh)	Program Cost
HPwES	296,770	\$91,620
Energy Star A/C	52,651	\$16,570
A/C Tune Up	60,221	\$17,478
Energy Efficient New Homes	13,327	\$4,000
CFL Direct Install	551,152	\$91,153
Income Qualified	47,137	\$25,058
Solar Water Heater	7,356	\$3,383
Small Commercial Solutions	204,579	\$59,388
Large Commercial Solutions	323,449	\$76,600
NOLA Wise		\$38,500
Total	1,556,642	\$423,749

IX.

In the interest of continuing the existing Energy Smart programs without interruption, the Council approved Resolution R-14-509 which requires ENO to “file an implementation plan for the continued interim funding with the Council, including whether and when ENO will need to access the RPCE [Rough Production Cost Equalization] funds currently being held in reserve for energy efficiency and renewable programs pursuant to Resolution R-14-277.”

X.

Pursuant to Resolution R-14-509, the Companies propose a three month (January 1, 2015 through March 31, 2015) extension of the current programs. A description of the programs is set forth below:

Home Performance with Energy Star

Formerly, Residential Solutions, this officially sponsored HPwES program aligns with the ongoing DOE's requirements changes and offers a whole home approach for single family unit customers.

Energy Star A/C

The Energy Smart Program provides rebates for the purchase and installation of energy efficient central air conditioners and heat pumps. Energy Smart provides mail-in rebates for the purchase and installation of energy efficient window units.

Air Conditioning (A/C) Tune-Up

This program provides rebates for A/C Tune Ups performed at residences. Participants can earn up to \$75 in rebates for these high performance tune-ups.

Energy Efficient New Homes

This program offers incentives for home that are built at higher energy efficiency levels than required by the building code.

CFL Direct Install

Through partnership with Green Light New Orleans, the CFL Direct Install program will continue to provide participants with the opportunity to have up to 20 energy efficient compact fluorescent light bulbs (CFLs) in their home. The addition of small base CFL bulbs to the program has enhanced chances for customers to participate.

Income Qualified

Customers who qualify for this program are capable of receiving up to \$2,500 in weatherization upgrades for both single and multi-family units.

Solar Water Heater

Energy Smart provides an instant rebate of up to \$1,000 for qualifying solar water heating systems.

Small Commercial Solutions

The Small Commercial Solutions Program is an energy efficiency program designed to provide assistance and financial incentives for the installation of certain energy efficiency measures that reduce energy consumption in small commercial facilities. The Small Commercials initiatives focus on a direct install model that engages contractors to deliver measures into customer facilities through the use of field tools that greatly streamline and simplify program participation while also improving data collection and data accuracy.

Large Commercial Solutions

The Large Commercial Solutions program offers facility audits and incentives for a suite of common energy efficiency measures.

NOLA Wise

The NOLA Wise program will continue to work with Energy Smart in the school kit program and the community outreach program. The school kit program provides schoolchildren with kits containing energy efficient items. The schoolchildren are able to use these items in their homes and track their energy savings. Under community outreach, NOLA Wise will continue to conduct outreach to customers regarding the NOLA Wise and Energy Smart programs. ENO proposes to expand this program to include approximately 2000 school kits during the extension period.

The Companies further propose that this three month extension be combined with the current nine month extension to create a twelve month period for evaluation purposes.

Evaluating the two extensions as a whole provides several benefits. First, the evaluation would be over a twelve month period which is consistent with what has been done in the three previous program years of Energy Smart, allowing for a more congruent comparison. Additionally, there are savings associated with having only one program year evaluation as opposed to two. Finally, a full year allows for a better review of the programs which are naturally seasonal. For instance, the air conditioning programs typically produce limited results during the colder months. A full year of analysis will include the warmer months which typically produce better results in those programs. A description of all of the programs is contained in the Report on Implementation of the Extension of Energy Smart Programs which was filed February 21, 2014 concurrently with the Companies' Application of Entergy New Orleans, Inc. for Approval of the Implementation Filing For the Extension of the Energy Smart Plan.

The proposed three month program extension goals and costs for ENO are as follows:

Program Description	Goal (kWh)	Program Cost
HPwES	525,044	\$190,063
Energy Star A/C	56,500	\$24,090
A/C Tune Up	110,000	\$46,139
Energy Efficient New Homes	15,000	\$6,869
CFL Direct Install	498,245	\$147,644
Income Qualified	190,000	\$143,570
Solar Water Heater	6,798	\$3,041
Small Commercial Solutions	666,606	\$177,111
Large Commercial Solutions	1,534,648	\$254,672
NOLA Wise		\$83,333
Total	3,602,841	\$1,076,532

These goals have been adjusted to reflect several factors in the local market. These include:

- The saturation of the multifamily direct install market which will affect the Home Performance with Energy Star and Income Qualified programs;
- The commencement of the statewide programs which will affect the number of contractors working solely on ENO energy efficiency projects;
- The inability to produce significant results in Air Conditioning programs during the months of January through March as many retailers do not stock air conditioners during this period.

Including the amounts shown above, the proposed full year combined extension goals and costs for ENO are:

Program Description	Goal (kWh)	Program Cost
HPwES	3,723,562	\$980,041
Energy Star A/C	389,773	\$133,663
A/C Tune Up	969,536	\$263,700
Energy Efficient New Homes	135,098	\$306,263
CFL Direct Install	1,992,981	\$182,212
Income Qualified	567,386	\$586,503
Solar Water Heater	27,191	\$12,160
Small Commercial Solutions	2,666,423	\$708,443
Large Commercial Solutions	6,138,592	\$1,028,703
NOLA Wise		\$333,333
Total	16,610,542	\$4,201,688

The proposed three month program extension goals and costs for ELL are as follows:

Program Description	Goal (kWh)	Program Cost
HPwES	98,923	\$30,540
Energy Star A/C	17,550	\$5,523
A/C Tune Up	20,074	\$5,826
Energy Efficient New Homes	4,452	\$1,333
CFL Direct Install	183,717	\$30,384
Income Qualified	15,555	\$8,353
Solar Water Heater	2,452	\$1,128
Small Commercial Solutions	68,193	\$19,796
Large Commercial Solutions	53,908	\$18,557
NOLA Wise	-	\$12,833
Total	464,815	\$134,273

The goals have been adjusted to reflect the reduced probability of attracting and completing large commercial projects in Algiers in a three month time period.

Including the amounts shown above, the proposed full year combined extension goals and costs for ELL are:

Program Description	Goal (kWh)	Program Cost
HPwES	395,693	\$122,160
Energy Star A/C	70,201	\$22,093
A/C Tune Up	80,295	\$23,304
Energy Efficient New Homes	17,779	\$5,333
CFL Direct Install	734,869	\$121,537
Income Qualified	62,692	\$33,411
Solar Water Heater	9,808	\$4,511
Small Commercial Solutions	272,772	\$79,184
Large Commercial Solutions	377,357	\$95,157
NOLA Wise	-	\$51,333
Total	2,021,466	\$506,690

The companies further propose that the lost contribution to fixed costs mechanism and the performance incentive mechanism in use during the current nine month extension continue to be applied through the end of the resulting twelve month combined extension.

XI.

At the time of filing, the ENO Energy Smart programs and ELL Energy Smart programs contained approximately \$330,000 and \$66,400 of unused incentive funding, respectively. It is anticipated that the majority of this funding will be used by the end of the current nine month extension period, December 31, 2014. As such, it will be necessary to have access to the energy efficiency funding approved in Council Resolution R-14-509 as early as January 1, 2015. All remaining incentive funds from the current extension will be disbursed prior to accessing new funding. Additionally, implementation funding for the current extension will be depleted by December 31, 2014, further underscoring the need to access the Resolution R-14-509 funds starting on January 1, 2015.

In support of the request set forth herein, the Companies submit this application for the extension of Energy Smart and the accompanying proposed budget.

WHEREFORE, the Companies respectfully request that this Council issue a Resolution:

1. Approving the Companies' request for a further three month extension of the DSM programs listed in the tables set forth herein through March 31, 2015, which extension will be combined with the current nine month extension to create a twelve month period for evaluation purposes (April 1, 2014-March 31, 2015);
2. Approving the level of funding allocated to each program;

3. Approving the continued usage of the current lost contribution (both Companies) and performance incentive (ENO only) mechanisms;
4. Concurring that the expected total energy savings as the kWh Goals/Performance Incentives satisfy the applicable Council requirements; and
5. Granting all other general and equitable relief that the law and the nature of this proceeding may permit.

Respectfully Submitted:

By: 

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**ATTORNEYS FOR ENTERGY NEW ORLEANS,
INC. AND ENTERGY LOUISIANA, LLC**

CERTIFICATE OF SERVICE

Docket No. UD-08-02

I hereby certify that I have this 5th day of December 2014, served the required number of copies of the foregoing report upon all other known parties of this proceeding, by:

electronic mail, facsimile, overnight mail, hand delivery, and/or
 United States Postal Service, postage prepaid.

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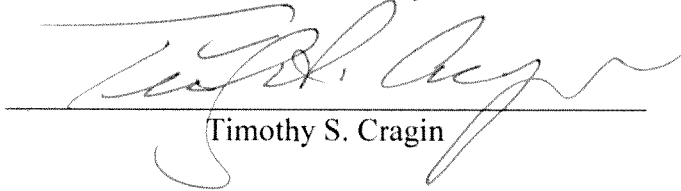
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New Orleans, Louisiana, this 5th day of December, 2014.



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