

July 15, 2019

By Hand Delivery
Lora W. Johnson
Clerk of Council
Room 1E09, City Hall
1300 Perdido St.
New Orleans, LA 70122

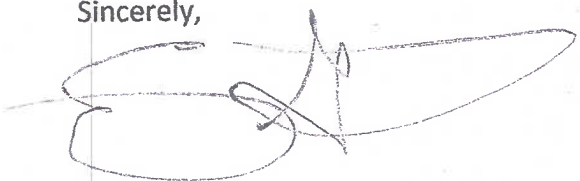
RE: A RULEMAKING PROCEEDING TO ESTABLISH RENEWABLE PORTFOLIO STANDARDS (Docket No. UD-19-01)

Dear Ms. Johnson,

Enclosed please find an original and three copies of PosiGen Solar's Reply Comments in the above-referenced docket. Please file the attached intervention and this letter in the record of this proceeding and return one time-stamped copy to our courier, in accordance with standard procedures.

Thank you for your assistance with this matter.

Sincerely,



Elizabeth Galante
PosiGen Solar
819 Central Avenue, Suite 201
Jefferson, LA 70121

RECEIVED
JUL 15 2019

BY: _____

BEFORE THE
COUNCIL OF THE CITY OF NEW ORLEANS

IN RE: A RULEMAKING PROCEEDING) DOCKET NO. UD-19-01
TO ESTABLISH RENEWABLE)
PORTFOLIO STANDARDS) July 15, 2019

Reply Comments of PosiGen Solar

PosiGen Solar ("PosiGen") respectfully submits its Reply Comments on "A Rulemaking Proceeding to Establish Renewable Portfolio Standards in New Orleans."

I. IN SUPPORT

PosiGen supports the comments submitted by the Alliance for Affordable Energy, Vote Solar, 350 New Orleans, National Audubon Society, and the Southern Renewable Energy Association. Please see the Draft Rule and explanation document supported by PosiGen and other parties to the docket.

We applaud ENO for supporting a strong 70% zero (or very low) carbon goal by 2030. We agree in principle with the company that the goal should be aggressive, if not with how the City should meet it. We further agree that the RPS is an opportunity for the Council to position itself as a leader in climate-damaging carbon mitigation that will benefit our City and our coast.

In particular, we are encouraged that the Utility agrees that, "customer-owned and operated DG-scale renewable resources like rooftop solar PV systems that take advantage of Council policies like NEM" should be part of the RPS. [SEP] Most New Orleans homeowners and business owners utilized insurance payments, federal grants and/or their own funds to install completely new roofs - or at least significantly improved roofs - post-Katrina, which means that there is a wealth of relatively high-quality roofing that is less than 15 years old throughout the city that is highly solar feasible. That hurricane also dramatically reduced our city's urban treescape, which has resulted in far less rooftop shade and therefore a dramatic increase in solar production feasibility citywide. Rooftop solar installations make roofs stronger and more durable, given the lightweight metal framing that both reinforces typical plywood/shingle roofs with a wind rating of 150 miles per hour, while providing decades of shading that slows weather and sun degradation of the roof. Therefore, rooftop solar has not just major electricity generation benefits, but also significant ratepayer benefits in the form of greater weather resiliency,

more durable building stock, increased property values and reduced temperatures in solar-shaded attics.

ENO also makes an excellent point about excluding fossil fuel sourced combined heat & power (“CHP” or “cogeneration”) and fuel cells. We support adding a qualifier that requires the fuel source for these resources to be “renewable.”

We agree with C2ES that the Council should employ an alternative compliance payment (ACP) to enforce the RPS. We strongly urge that the ACP not be recoverable in rates, as otherwise it will not be an actual financial non-compliance penalty for the utility. We do not anticipate that an ACP will be collected from ENO because the company appears to be committed to addressing climate-damaging pollution. However, should ENO fail to meet standard targets and deadlines and if any ACP is collected, then those dollars should be allocated to a Public Benefit Fund designed to support low-income families adopt Tier I and II resources (please read more about this in the draft rule document).

II. IN OPPOSITION

PosiGen is in opposition to some points made by other parties to the docket. Following, we address those areas of disagreement directly.

VOLUNTARY VS. MANDATORY

ENO, Air Products, and C2ES all recommended a voluntary regime. ENO cited a working paper from the University of Chicago Energy Policy Institute, issued April 22, 2019 that suggests mandatory RPS policies have spiked energy costs in states that adopted the policy. We strongly disagree, and so do the facts. The study is wrong.

Table I shows the lowest ten states for their electric bills derived from the average cost per kWh and consumption data from the U.S. Census Bureau and the U.S. Energy Information Administration. As can be clearly seen from the Table and supporting Map I below, the jurisdictions with the lowest electricity costs all have RPS policies and 9 out of that ten have mandatory RPS policies. Thus, the data strongly indicates that mandatory RPS have the desired effect of lowering electricity costs rather than increasing them, which is the logical result of reducing electricity demand, peak demand, transmission costs, fuel costs, etc over time through increasing deployments of renewable energy resources.

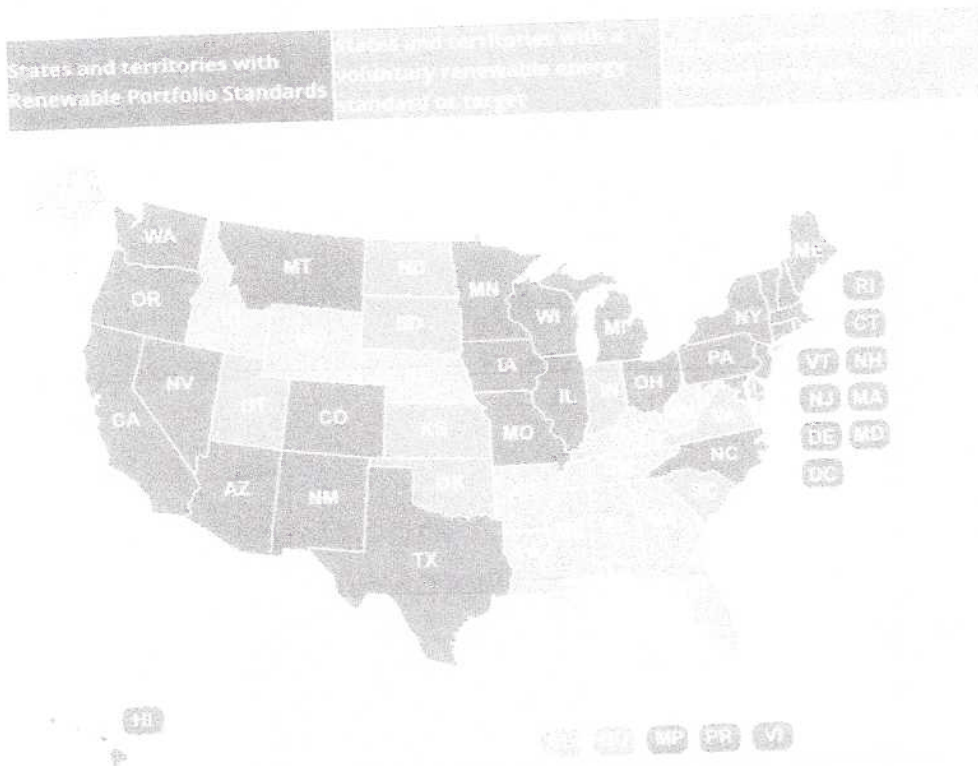
Table I: Lowest Electric Bills in the US

State	RPS Policy	Monthly Electricity Cost (rank)
New Mexico	Mandatory	\$91 (51)
Colorado	Mandatory	\$91 (50)
Utah	Voluntary	\$93 (49)

District of Columbia	Mandatory	\$93 (48)
Illinois	Mandatory	\$98 (47)
New York	Mandatory	\$101 (46)
California	Mandatory	\$107 (45)
Minnesota	Mandatory	\$109 (42)
Michigan	Mandatory	\$109 (44)
Wisconsin	Mandatory	\$109 (41)
Washington	Mandatory	\$109 (43)
Maine	Mandatory	\$111 (40)

Source: <https://wallethub.com/edu/energy-costs-by-state/4833/>

Map I: States and Territories RPS Policy



Source: <http://www.ncsl.org/research/energy/renewable-portfolio-standards.aspx>

CARVEOUT VS. NO CARVEOUT

We are pleased that ENO views solar PV as a key resource for its long-term portfolio, but based on the data presented above, we wholeheartedly reject ENO's position that rooftop or sub-utility-scale solar PV carve-outs would be costly for customers and the utility. Instead, empirical evidence indicates that these investments will significantly lower energy costs for customers and the utility.

First, the cost of 3rd-party, rooftop solar PV installations is born by the individual ratepayer, be it residential, commercial, or industrial, and not the utility. In fact, neither ENO nor New Orleans ratepayers have invested a single dollar into the existing rooftop solar PV infrastructure in New Orleans, with what is believed to be more than 5,000 rooftop installations citywide. That means New Orleans ratepayers are enjoying the numerous benefits of rooftop infrastructure investments without paying a penny for the equipment, installation, maintenance, insurance, monitoring or repairs. The energy produced from solar is put on the grid for the equivalent of retail rate at a time of day when the actual cost of energy production is generally higher in the MISO south market. Again, this is a net gain for ratepayers.

PosiGen is the largest solar company in New Orleans, headquartered here with more than 150 employees, and the one with the most residential rooftop installations in the city and the state. We provide a full BPI energy audit and energy efficiency upgrade for all of our New Orleans customers as part of our rooftop solar installation, delivering additional ratepayer benefits at zero cost to ENO or the city's ratepayers. These additional demand reduction, peak load reduction, carbon offset value, comfort, durability, health and quality of life benefits have clear and largely measurable value, and we request that they be considered in evaluations of the benefits of distributed generation for the RPS.

Since ENO is vertically integrated, its profit and corporate fiduciary goals are to increase electricity sales of its own generation resources. We understand that because most rooftop solar is not owned by ENO, the utility strongly dislikes the resource and considers it a disruptive threat to its vertical business model. Entergy employees have apparently stated as much – even calling out PosiGen specifically as a direct threat - in recent regulatory convenings, specifically the Southeastern Association of Regulatory Utility Commission's 2019 Conference panel entitled "How Do Utilities Grow and Thrive in Today's Disruptive Environment." However, ENO should not be supported in this argument, which constitutes a conflict of interest as to what is in the best interest of the ratepayers of New Orleans.

Rooftop solar delivers a net positive benefit to the grid, and as storage options become increasingly affordable and available, will deliver increasingly exceptional net positive benefits to New Orleans' resiliency and ability to remain sustainable in the face of worsening climate impacts and potential grid cyberattacks. Indeed, given the Council-required report from 2018 which indicated that ENO averaged more than 7 power outages per day even with no weather event, distributed generation and storage options appear to be an increasing necessity to ensure power does not fail on even a typical day, especially for our City's most vulnerable citizens – those with health problems, small children or elderly residents.

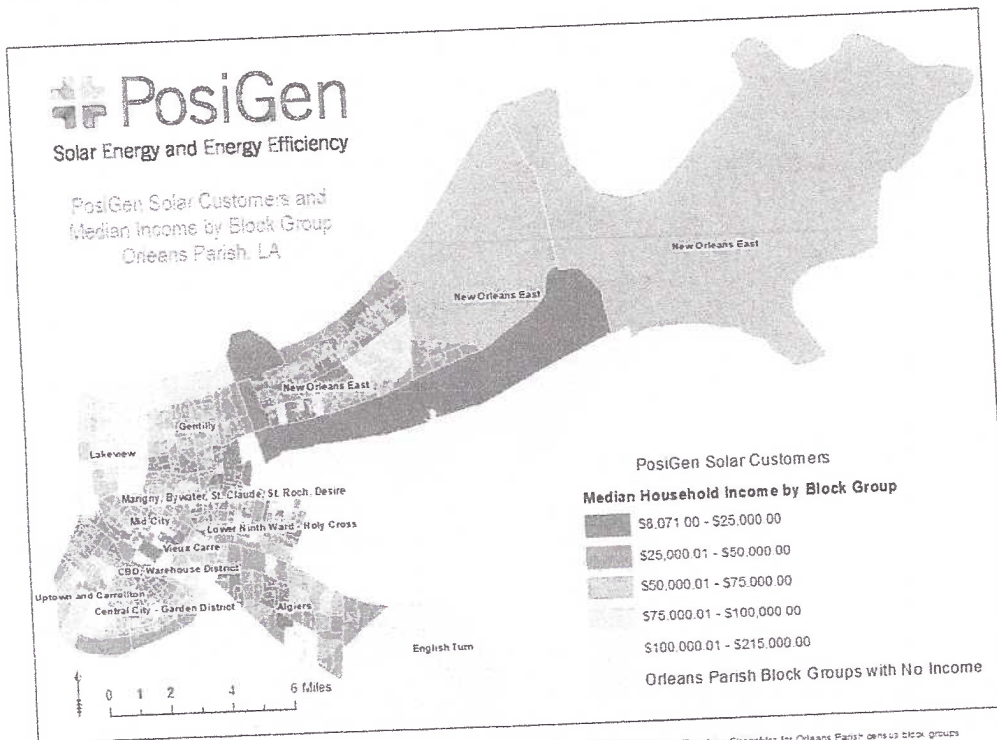
MISO offers 50% solar capacity recognizing that solar provides peak power. Capacity planning looks for peaking resource at low cost, which is why solar is being selected by utilities across the Southeastern U.S.

Washington, DC has a strong carve-out for solar, a dedicated fund for solar resources for low-income families, and has the 4th cheapest electric bills in the country. According to Google Project Sunroof, New Orleans has some of the best solar potential in the world – 94% of roofs are deemed solar-viable whereas only 67% are solar viable in DC. New Orleans can more easily achieve what DC has successfully proven, that rooftop solar is a worthy investment. New Orleans should have a strong carve-out for rooftop solar and a public benefit charge as stated in the joint Rule document.

LOW INCOME PROGRAMS

PosiGen is disappointed that low-income programs were not considered in many comments. ENO did report that they began a pilot for utility-owned residential rooftop solar PV on 100 low to moderate-income customer homes to be completed by the end of this year. We believe this is totally insufficient given New Orleans’ extreme energy poverty and vast amount of feasible solar rooftop potential for our lowest income ratepayers.

PosiGen has successfully installed rooftop solar on 3,939 households in New Orleans, the vast majority of which are in low-income neighborhoods. From the map below, it is clear to see the darker census block groups showing that most of PosiGen’s solar customers are in areas that are at or below \$50,000 annual median income.



To increase energy security in New Orleans and effectively limit carbon-emissions, we must have a robust low-income program. In a city where 50% of all residents are renters, section 8 housing is an incredibly important piece of our housing stock that should be included in the RPS, and not excluded by accident.

As we stated in our comments, a report by the American Council for an Energy-Efficient Economy (ACEEE) and the Energy Efficiency for All (EEFA) Coalition, reported that low-income New Orleanians spend on average 9.8% of their income on energy bills, whereas Washington D.C. low-income families pay some of the lowest, 2.1% of their income. Again, DC has a mandatory RPS and a strong solar carveout, which has clearly lowered costs for all ratepayers, not increased them. New Orleans should copy this immensely successful model.

UNECONOMIC VS. ECONOMIC GENERATION

In Air Product's comments, it is mentioned that no "uneconomic generation" resources should be added. PosiGen questions the definition of "uneconomic". Change has a cost but no change has a greater cost. PosiGen asserts that "uneconomic" generation is any resource that continues to contribute to our shared destruction. We must be aggressive, and we must calculate what is economical based on an accurate reflection of total cost, which means incorporating spillover costs into planning and resource modeling. The days when utilities were allowed to pollute for free as if the pollution had no economic effect are over.

It is time to invest in our future. As C2ES eloquently put, "The more jurisdictions that do their part to reduce greenhouse gas emissions, the greater the impact we can make toward mitigating the risk of dangerous climate change. And after Hurricanes Katrina and Rita, constant land loss due to relentless sea level rise, and numerous extreme precipitation events, few cities like New Orleans (and coastal Louisiana) know what those devastating effects can be like."

GENERATION VS. LOAD RESOURCES

Air Products wrote that Solar Water Heat, Solar Space Heat, Geothermal Electric, Solar Thermal Process Heat and Geothermal Heat Pumps are load and not generation resources. But PosiGen agrees with the Utility and C2ES that future renewable resource additions should include load reduction resources.

Load reduction, or demand-side management (DSM), investments need to be on a more level playing field with supply-side resources. DSM simply needs to be added into the equation and credited appropriately to aid ENO in meeting its RPS goal. In our comments, PosiGen suggested encouraging MISO to set up an Energy Efficiency Certificate trading regime similar to the M-RETS. Much like Renewable Energy Certificates, Energy Efficiency Certificates (EECs) represent 1 megawatt hour of power conserved or reduced, sometimes referred to as a 'negawatt'. The EEC will offer a way to properly credit load reduction efforts toward the RPS goal.

This may also mean that the Council should establish appropriate incentives and cost recovery mechanisms for demand-side investment. In light of this recognition, PosiGen is supportive of the

company's request for a new and innovative cost recovery mechanism for Energy Smart called the Demand-Side Management Cost Recovery Rider ("Rider DSMCR").

In addition, we support adding battery technology to the list of RPS resources.

SUBSIDY FALLACY

ENO falsely asserts that it has suffered from volumetric sales loss from solar and energy efficiency. The Council has not established a typical bill that all ratepayers should be paying. Therefore, ENO cannot reasonably claim that anyone has a less than "typical" bill or that this customer is being subsidized.

In addition, ENO has never proven that ratepayers who invest in solar or energy efficiency had "average" bills before the investment. In fact, the opposite may be true. We know that customers who make these investments have exorbitant bills. The higher bills justify the investment for most people. PosiGen rejects ENO's effort to drive a wedge between their customers, vilifying those who have spent money on their homes and businesses to save energy and lower their costs.

TECHNOLOGICAL ADVANCES IN ADDRESSING INEQUITY

A 2018 study from the Illinois Citizens Utility Board found that low-income customers are likely paying much higher bills than their true cost of service. The data was derived from newly installed smart meters that allowed the utility board to discern time of use per customer type. More than 50% of ComEd low-income customers use less electricity, especially at peak when electricity costs are higher. David Kolata, executive director of the Illinois Citizens Utility Board said, "Potentially, lower-income consumers are subsidizing higher-income consumers."

As ENO brings smart meters online, PosiGen strongly recommends conducting a similar study to determine how New Orleans' low income customers may be unfairly subsidizing the grid for higher energy users during peak times. PosiGen knows firsthand with our high volume of low-income customers that before the upgrades to their home, they couldn't afford their electric bill and suffered with extreme heat and cold temperatures in their homes. As a city, we can and must do better.

CAP ON COSTS

PosiGen reiterates that it supports a cap on bills but not cost of the RPS program. Much like typical generation resource acquisition, the cost is spread out over a long-term payback period, like a mortgage. RPS investments should be treated the same way. We also recommend an exemption for households who need LIHEAP or utility-based bill assistance more than once per year or more than one consecutive year.

OFFSETTING COST

In addition to capping costs, the Council could make the RPS more affordable by leveraging minimal ratepayer dollars for maximum resilience and energy savings using innovative financing mechanism like green bonds, PACE financing, and partnering with local financial institutions. New Orleans is believed to be among the highest percentage of low-income ratepayer solar penetration in the nation due to

PosiGen's 100% financing to low-income families, regardless of income or credit score. PosiGen suggests the Council could continue this great trend through the creation of a local Green Bank, with potential funding from the Finance Authority of New Orleans. Also, the Council may consider partnering with local community development financial institutions (CDFIs), which are "100% dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream."

In Re: RESOLUTION AND ORDER ESTABLISHING A DOCKET AND OPENING A RULEMAKING PROCEEDING TO ESTABLISH RENEWABLE PORTFOLIO STANDARDS. DOCKET UD-19-01

I hereby certify that I have on this 15th day of July, 2019, served the required number of copies of the foregoing correspondence upon all other known parties of this proceeding, by USPS or electronic mail.



Elizabeth Galante

PosiGen Solar

RULEMAKING PROCEEDING TO ESTABLISH RENEWABLE PORTFOLIO STANDARDS

DOCKET UD-19-01

Lora W. Johnson, lwjohnson@nola.gov

Clerk of Council
City Hall - Room 1E09
1300 Perdido Street
New Orleans, LA 70112
(504) 658-1085 - office
(504) 658-1140 - fax
Service of Discovery not required

Erin Spears, espears@nola.gov

Chief of Staff, Council Utilities Regulatory Office

Bobbie Mason, bfmason1@nola.gov

City Hall - Room 6E07
1300 Perdido Street
New Orleans, LA 70112
(504) 658-1110 - office
(504) 658-1117 - fax

Andrew Tuozzolo, CM Moreno Chief of Staff, avtuozzolo@nola.gov

1300 Perdido St. Rm. 2W40
New Orleans, LA. 70112

David Gavlinski, 504-658-1101, dsgavlinski@nola.gov
Council Chief of Staff
City Hall - Room 1E06
1300 Perdido Street
New Orleans, LA 70112

Sunni LeBeouf, Sunni.LeBeouf@nola.gov
Law Department
City Hall - 5th Floor
New Orleans, LA 70112
(504) 658-9800 - office
(504) 658-9869 - fax
Service of Discovery not required

Norman White, Norman.White@nola.gov
Department of Finance
City Hall - Room 3E06
1300 Perdido Street
New Orleans, LA 70112
(504) 658-1502- office
(504) 658-1705 -- fax

ADMINISTRATIVE HEARING OFFICER

Hon. Jeffrey S. Gulin, judgegulin@gmail.com
3203 Bridle Ridge Lane
Lutherville, MD 2109
(410) 627-5357

NEW ORLEANS CITY COUNCIL CONSULTANTS

Clinton A. Vince, clinton.vince@dentons.com
Presley Reed, presley.reedjr@dentons.com
Emma F. Hand, emma.hand@dentons.com
1900 K Street NW
Washington, DC 20006
(202) 408-6400 - office
(202) 408-6399 -- fax

Basile J. Uddo (504) 583-8604 cell, buddo@earthlink.net

J. A. "Jay Beatmann, Jr. (504) 256-6142 cell, (504) 524-5446 office direct,
jay.beatmann@dentons.com
c/o DENTONS US LLP
650 Poydras Street
Suite 2850
New Orleans, LA 70130

Joseph W. Rogers, jrogers@legendcgl.com
Victor M. Prep, vprep@legendcgl.com
Byron S. Watson, bwatson@legendcgl.com
Cortney Crouch, ccrouch@legendcgl.com
Legend Consulting Group
6041 South Syracuse Way, Suite 105
Greenwood Village, CO 80111
(303) 843-0351 - office
(303) 843-0529 – fax

Errol Smith, (504) 284-8733, ersmith@btcpas.com
Bruno and Tervalon
4298 Elysian Fields Avenue
New Orleans, LA 70122
(504) 284-8296 – fax

ENTERGY NEW ORLEANS, LLC

Brian L. Guillot, 504-670-3680, bguill1@entergy.com
Entergy New Orleans, LLC
Vice-President, Regulatory Affairs

Polly S. Rosemond, 504-670-3567, prosemo@entergy.com

Derek Mills, 504-670-3527, dmills3@entergy.com

Keith Wood, kwood@entergy.com

Seth Cureington, 504-670-3602, scurein@entergy.com

Kevin T. Boleware, 504-670-3673, kbolewa@entergy.com

1600 Perdido Street, L-MAG 505B

New Orleans, LA 70112

504-670-3615 fax

Tim Cragin (504) 576-6571 office, teragin@entergy.com

Alyssa Maurice-Anderson (504) 576-6523 office, amauric@entergy.com

Harry Barton (504) 576-2984 office, hbarton@entergy.com

Entergy Services, Inc.
Mail Unit L-ENT-26E
639 Loyola Avenue
New Orleans, LA 70113
(504) 576-5579 - fax

Joe Romano, III (504) 576-4764, jroman1@entergy.com
Suzanne Fontan (504) 576-7497, sfontan@entergy.com
Therese Perrault (504-576-6950), tperrau@entergy.com

Entergy Services, Inc.
Mail Unit L-ENT-4C
639 Loyola Avenue
New Orleans, LA 70113
(504)576-6029 – fax

ALLIANCE FOR AFFORDABLE ENERGY

Logan Atkinson Burke, logan@all4energy.org
Sophie Zaken, regulatory@all4energy.org
4505 S. Claiborne Ave.
New Orleans, LA. 70125

350 LOUISIANA

Renate Heurich, 504-473-2740, 350louisiana@gmail.com
1407 Napoleon Ave,#C
New Orleans, LA, 70115

Andy Kowalczyk, a.kowalczyk350no@gmail.com
1115 Congress St.
New Orleans, LA 70117

Benjamin Quimby, 978-505-7649, ben@350neworleans.org
1621 S. Rampart St.
New Orleans, LA 70113

Marion Freistadt, 504-352-2142, marionfreistadt@yahoo.com
1539 Adams St.
New Orleans, LA 70118

CENTER FOR CLIMATE AND ENERGY SOLUTIONS

Bob Perciasepe, 703-516-4146, PerciasepeB@c2es.org
3100 Clarendon Blvd, Suite 800
Arlington, VA 22201

GULF STATES RENEWABLE ENERGY INDUSTRIES ASSOCIATION

Stephen Wright, 318-663-3810, swright@gsreia.org
522 Marilyn Dr.
Mandeville, LA 70448

Jeff Cantin, 877-785-2664, jcantin@gsreia.org
2803 St. Philip St.
New Orleans, LA 70119

NATIONAL AUDUBON SOCIETY

Karen J. Profita, 225-768-0820, kprofita@audubon.org
Gary Moody, gmoody@audubon.org
5615 Corporate Blvd., Suite 600B
Baton Rouge, La. 70808

SOUTHERN RENEWABLE ENERGY ASSOCIATION

Simon Mahan, 337-303-3723, simon@southernwind.org
5120 Chessie Circle
Haltom City, Texas 76137

AIR PRODUCTS AND CHEMICALS, INC.

Katherine W. King, Katherine.king@keanmiller.com
Randy Young, randy.young@keanmiller.com
400 Convention St. Suite 700
Baton Rouge, LA. 70802
Or
P.O. Box 3513
Baton Rouge, LA 70821-3513

Carrie R. Tournillon, carrie.tournillon@keanmiller.com
900 Poydras St., Suite 3600
New Orleans, LA 70112

Maurice Brubaker, mbrubaker@consultbai.com

16690 Swigly Ridge Rd., Suite 140
Chesterfield, MO 63017

Or

P.O. Box 412000
Chesterfield, MO. 63141-2000

NEW ORLEANS CHAMBER

G. Ben Johnson, (504) 799-4260, bjohnson@neworleanschamber.org

1515 Poydras Street, Suite 1010
New Orleans, La. 70112

SIERRA CLUB

Grace Morris, 973-997-7121 Grace.Morris@sierraclub.org

4422 Bienville Ave
New Orleans, LA 70119

Dave Stets, 804-222-4420, Davidmstets@gmail.com

2101 Selma St.
New Orleans, LA 70122

POSIGEN SOLAR

Elizabeth Galante, 504-293-4819, bgalante@posigen.com

Ben Norwood, 504-293-4819, bnorwood@posigen.com

819 Central Avenue, Suite 201
Jefferson, La. 70121

VOTE SOLAR

Thadeus B. Culley, 504-616-0181, thad@votesolar.org

1911 Ephesus Church Road
Chapel Hill, North Carolina 27517

DEEP SOUTH

Monique Harden, 504-510-2943, moniqueh@dscej.org

3157 Gentilly Boulevard, #145
New Orleans, La. 70122