



October 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 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,

A handwritten signature in blue ink, appearing to read 'Elizabeth Galante', with a large, stylized flourish at the end.

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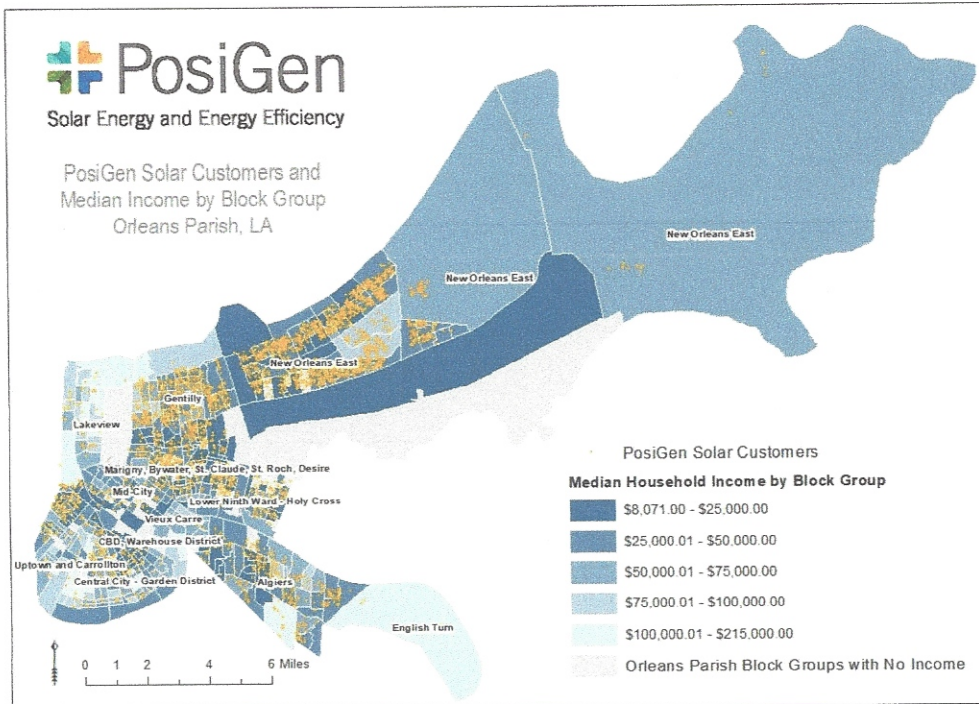
**BEFORE THE  
COUNCIL OF THE CITY OF NEW ORLEANS**

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<b>IN RE: A RULEMAKING PROCEEDING</b>	)	<b>DOCKET NO. UD-19-01</b>
<b>TO ESTABLISH RENEWABLE</b>	)	
<b>PORTFOLIO STANDARDS</b>	)	<b>October 15, 2019</b>

**Reply Comments of PosiGen Solar**

PosiGen Solar (“PosiGen”) respectfully submits its Reply Comments to the Advisors’ Report on “A Rulemaking Proceeding to Establish Renewable Portfolio Standards (“RPS”) in New Orleans” pursuant to City Council Resolution R-19-109. PosiGen is a member of the Energy Future New Orleans coalition (“Coalition”) and supports the joint comments submitted by the coalition on a recommended Resilient and Renewable Portfolio Standard (“R-RPS”). In addition, PosiGen is submitting individual comments, which should be considered separately and not subjugated. Where any inconsistency in position is perceived between the individual comments and the coalition comments, then the individual comments should take precedence.

PosiGen is the largest solar company in New Orleans, headquartered here with more than 150 employees, and at zero cost to New Orleans ratepayers, has successfully installed rooftop solar on 3,939 households in New Orleans, the vast majority of which are in low-income neighborhoods. 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. 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.



Source: PosiGen, U.S. Census Bureau 2013-2017 ACS 5-year estimates, Table B19013, U.S. Census Bureau Geography Division TigerLine Shapefiles for Orleans Parish census block groups  
Created by: Jessica Netto

PosiGen’s work with low-income families is nationally recognized and we were recently honored to be included in the Clean Energy States Alliance (CESA) on their effort to lead a wide-ranging initiative to accelerate the development of solar projects that benefit low-and-moderate-income (LMI) households and communities. The “Scaling Up Solar for Under-Resourced Communities Project” is supported by a three-year funding award of \$1.1 million from the U.S. Department of Energy Solar Energy Technologies Office.

### GENERAL COMMENTS

We applaud the Advisors for supporting a mandatory standard and aggressive targets for deep decarbonization of New Orleans’ energy grid. We also appreciate the Advisors’ call for guidance on a vision for the RPS. It is true that the policy can achieve many different goals like local economic development, job creation, local reduction in air emissions, and lower greenhouse gas emissions.

PosiGen encourages the Council to adopt a vision statement to guide the Advisors and the RPS development process that includes a broader recognition of local goals.

PosiGen recommends the following statement:

*“Our vision is to create a healthier more prosperous New Orleans by encouraging local investment in our infrastructure and people to decrease harmful pollution that causes bad air days in our city and dangerous climatic changes to our planet through mandatory grid changes and locally-sited assets prescribed in our Resilient and Renewable Portfolio Standard.”*

PosiGen was disappointed that our individual comments did not make it into the Advisor’s report and we reiterate the importance of including all comments in the record. The important issues we would like to highlight are the need for programs that address energy poverty, benefits of solar carve out programs, and comparing full cost of resources on an even playing field in the RPS.

#### ***Addressing Energy Poverty with Solar + Energy Efficiency***

New Orleans’ families suffer under the second worst energy burden in the United States and energy poverty is damaging our city’s economy and our communities. 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. The Louisiana Home Energy Affordability Gap reported that more than 19,500 New Orleans families spent a shocking 28% of their income on their electric bills in 2018, a grave and unrelenting humanitarian crisis that must be openly acknowledged and addressed in all energy regulatory proceedings going forward, including this RPS docket.



Washington, DC and other jurisdictions have proven that carve-out solar programs in RPS policies significantly lower energy costs for low-income customers, and it is much less expensive for rate-payers when these investments are made by a third party, free market provider rather than a monopoly utility.

When the cost of rooftop solar PV installations is born by the individual customer, be it residential, commercial, or industrial, then other customers get the benefits of clean energy investment without any of the acquisition cost. To date, neither ENO nor New Orleans ratepayers have invested a single dollar into the existing rooftop solar PV infrastructure in New Orleans. That means New Orleans ratepayers are enjoying the numerous benefits of clean energy infrastructure investments without bearing the cost for the equipment, installation, maintenance, insurance, monitoring or repairs.

In contrast, a utility-owned solar program is paid for by ratepayers and is much more expensive. Here is a chart illustrating the cost difference between PosiGen and ENO low-income solar models:

**Table 1. ENO Versus 3<sup>rd</sup> Party Owned Solar Program for 100 Low-income homes**

	Installation Capital	Charged to Ratepayers	Savings to Low income families	Reinvestment in local economy (7x multiplier)
ENO: low-income solar	\$2,000,000 (\$20,000/home*)	\$2,000,000 (does not include ROI, O&M)	\$36,000 / year (\$360 annual bill credit)	\$252,000
PosiGen: Solar + energy efficiency program	\$2,200,000 (\$22,000/home for solar + energy efficiency installation)	\$0**	\$50,000 (average \$500 annual savings)	\$350,000

\*Cost is assumed but PosiGen strongly encourages a full cost analysis of ENO's low-income solar program as we believe that its costs are far higher than our estimates.

\*\*The energy efficiency and solar installations are free to customers and there is no cost to ratepayers.

### ***Leveraging Private Capital Investments***

Table 1 illustrates the value of encouraging 3<sup>rd</sup> party ownership that is happening today without an RPS. If the Council offered an incentive to ramp up investment in low-income solar programs, then New Orleans could dramatically reduce energy poverty in our city.

PosiGen recommends designing a low-income solar program modeled after the successful Energy Smart energy efficiency program, which incentivizes upgrades by paying a small percentage of the total cost. By using ratepayer dollars to incentivize private spending on low-income solar programs instead of ENO-funded programs, then the total cost of the program will be reduced while maximizing the number of families who would directly benefit.

The Council should also look for other ways to leverage private capital by 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 as well as philanthropic and social impact investors. 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."

## ***Solar Viability***

We are confused that the Advisors do not consider Google Project Sunroof a reputable source and claim without evidence that New Orleans' roofs are not appropriate for solar. We recommend an independent study of New Orleans' solar potential. The overwhelming majority of roofs in New Orleans were either replaced completely post-Hurricane Katrina, or received major repairs/improvements. PosiGen has installed solar on almost 4000 homes in New Orleans, and more than 10,000 homes throughout Louisiana, and can personally attest to the extremely high feasibility of rooftop solar throughout the city, which aligns with Google's comprehensive city solar evaluation. Further, according to the National Renewable Energy Laboratory ("NREL") report, Rooftop Solar Photovoltaic Technical Potential in the United States: A Detailed Assessment released in 2016, New Orleans has the ability to meet 39% of estimated consumption from rooftop solar (2,425 GWh/year annual generation potential, and 2.1 GW installed capacity potential.)

Obviously, New Orleans has exceptional solar irradiation compared to other more northern states and cities. If there is an allegation that New Orleans has some general impairment to comprehensive rooftop solar adoption, PosiGen strongly encourages that the evidentiary basis for such a bold claim be provided so that all intervenors, the public, the advisors, and City Council members can evaluate the veracity and appropriate weight of such claims.

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.

#### ***UNECONOMIC VS. ECONOMIC GENERATION***

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.

#### ***SUBSIDY FALLACY***

A 2018 study from the Illinois Citizens Utility Board found that low-income customers pay 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, which discovered that more than 50% of ComEd low-income customers use less electricity 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.”

This gets to the heart of the “solar subsidy” fallacy. It has been largely assumed that customers with solar are subsidized by customers without solar but this is not born out by the facts. First, there is no prescribed cost of service per customer beyond the minimum customer charge. Customers are allowed to use as much or as little energy as they want. This is the system we have and it's unfair to argue that people should not be allowed to lower their own energy bill because of a “subsidy”.

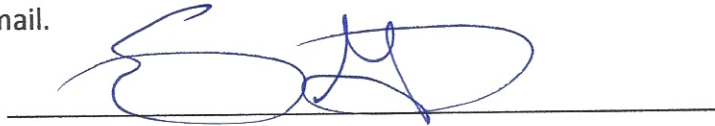


Second, PosiGen knows firsthand with our high volume of low-income customers that before the upgrades to their home, families couldn't afford their electric bill and suffered with extreme heat and cold temperatures in their homes. Putting energy efficiency upgrades and solar on low-income homes made residents more comfortable physically and helped the pocket book as well. This is not a subsidy; it's dignity.

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.

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

I hereby certify that I have on this 15th day of October, 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**

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