

ENTERGY NEW ORLEANS, INC.
CITY OF NEW ORLEANS
Docket No. UD-17-03

Response of: Entergy New Orleans, Inc.
to the First Set of Data Requests
of Requesting Party: Advisors to the Council
of the City of New Orleans

Question No.: Advisors 1-7

Part No.:

Addendum:

Question:

Please provide the real societal discount rate that ENO has used in its previous DSM Potential Studies.

Response:

The Company's previous DSM potential studies have not used a "real societal discount rate."

It should be noted that the Council's newly adopted rules for the IRP process require that cost-effectiveness of DSM measures be determined by the Total Resource Cost Test.¹ Moreover, the Council noted in Resolution No. R-17-332 that "the Council does not believe there is sufficient consensus as to the appropriate definition and application of the Societal Cost Test to include it as an additional DSM screening test in the IRP analysis at this time." Finally, the Council's Technical Advisors have recommended that "a discount rate of ENO's after-tax WACC be used with subsequent re-evaluations of the Energy Smart programs and their cost-effectiveness."²

¹ See Section 5(A)(4) at pg. 7 of Attachment B to Council Resolution No. R-17-429 ("All DSM measures with a Total Resource Cost Test value of 1.0 or greater shall be considered cost effective for DSM measure screening purposes.

² See *Technical Advisors' Evaluation of Energy Smart Program Years 7-9 Proposed Program Budget Prior to the Third Energy Smart Technical Conference on July 6, 2017*, at pgs. 5-6.