

RESOLUTION
R-19-110

CITY HALL: March 28, 2019

HM

BY: COUNCILMEMBERS MORENO, WILLIAMS, GIARRUSSO, BANKS,
AND BROSSETT

RESOLUTION AND ORDER ESTABLISHING A DOCKET AND OPENING A
RULEMAKING PROCEEDING TO CONSIDER THE PROCESS FOR HOW ANY
FUTURE REQUESTS FOR PROPOSALS FOR GENERATING RESOURCES OR
PURCHASE POWER AGREEMENTS ISSUED BY ENTERGY NEW ORLEANS, LLC
SHALL BE CONDUCTED

DOCKET NO. UD-18-05

WHEREAS, pursuant to the Constitution of the State of Louisiana and the Home Rule Charter of the City of New Orleans ("Charter"), the Council of the City of New Orleans ("Council") is the governmental body with the power of supervision, regulation, and control over public utilities providing service within the City of New Orleans; and

WHEREAS, pursuant to its powers of supervision, regulation, and control over public utilities, the Council is responsible for fixing and changing rates and charges of public utilities and making all necessary rules and regulations to govern applications for the fixing and changing of rates and charges of public utilities; and

WHEREAS, Entergy New Orleans, LLC ("ENO" or "Company"), is a public utility providing electric and natural gas service to all of New Orleans;¹ and

WHEREAS, ENO is a wholly owned subsidiary of Entergy Utility Holding Company, LLC ("EUH"), and the other four operating companies are Entergy Arkansas, Inc. ("EAI"), Entergy Louisiana, LLC, ("ELL"), Entergy Mississippi, Inc. ("EMI"), and Entergy Texas, Inc.

¹ On November 30, 2017, Entergy New Orleans, Inc. undertook a restructuring which resulted in the transfer of substantially all of its assets and operations to Entergy New Orleans, LLC, which since that date provides retail electric and gas utility service to New Orleans.

("ETI"). These five operating companies are referred to collectively as the "Operating Companies"; and

WHEREAS, ENO has an obligation to provide safe and reliable service to its customers at just and reasonable rates; and

WHEREAS, the Company, from time to time, seeks to acquire resources to meet its load requirements and reliability needs in order to fulfill its service obligations to its customers; and

WHEREAS, ENO has historically utilized an internal process whereby it issues requests for proposals ("RFP") to solicit bids from parties that are interested in potentially supplying ENO with a resource for its electric power supply mix; and

WHEREAS, in April 2018, the Council expressed deep concern about the lack of information it and its Advisors had received throughout ENO's 2016 Renewables RFP and the slow pace at which ENO had been pursuing potential renewable resources; and

WHEREAS, as a result of the serious concerns expressed by the Council regarding ENO's 2016 RFP process, on April 5, 2018, the Council adopted Resolution R-18-97 containing the several ordering paragraphs, including a directive to its Advisors to propose a procedural schedule for a rulemaking proceeding to consider the process for how any future requests for proposals for generating resources or purchase power agreements issued by ENO, regardless of the type of technology sought, shall be conducted; and

WHEREAS, consistent with Resolution R-18-97, the Advisors recommended an initial procedural schedule for a rulemaking proceeding that provided opportunities for ENO, Intervenors, and the Advisors to file comments addressing how ENO's RFP process for generating resources or purchase power agreements may be improved; and

WHEREAS, On October 19, 2018, ENO, the Alliance for Affordable Energy (“Alliance”) and Air Products and Chemicals, Inc. (“Air Products”) filed comments in the docket and on November 16, 2018, ENO, Air Products and the Alliance filed reply comments outlining their positions with respect to the Council’s consideration of establishing rules pertaining to ENO’s process for issuing requests for proposals for future generating resources or purchase power agreements; and

WHEREAS, on February 15, 2019, the Advisors filed their report as required by Resolution R-18-355 which addressed comments made by the parties and recommended that the Council provide additional dates in the procedural schedule that would allow additional input and participation from the parties; and

WHEREAS, all parties submitted comments expressing a desire to improve the way in which ENO conducts and makes selections from RFPs for generating resources and ENO acknowledged the Council’s frustration with the slow pace and lack of information provided throughout the ENO’s 2016 Renewables RFP process; and

WHEREAS, all parties were also generally in support of the Council adopting rules in this proceeding but expressed different opinions in their comments regarding specific aspects of any proposed rules; and

WHEREAS, the Council believes that it is appropriate, at this juncture in the proceeding after having received comments from the parties, to direct our Advisors to draft a set of prospective rules consistent with the Council’s goals and objectives as described in Resolutions R-18-97 and R-18-355; and

WHEREAS, once the draft rules are filed and circulated to the Official Service List, the Council wishes to receive input from ENO and the Intervenors prior to taking additional action in this docket; and

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS THAT:

The Council establishes the following additional dates in the procedural schedule in this docket:

1. On May 10, 2019, the Council's Advisors shall draft and file a proposed set of rules governing future RFPs for generating resources or purchase power agreements issued by ENO, regardless of the type of technology sought.
2. On June 7, 2019, ENO and Intervenors shall file proposed revisions and edits to the Advisors' draft proposed rules. Any revisions or edits shall be made in redline format for the convenience of the Council and the parties.

THE FOREGOING RESOLUTION WAS READ IN FULL, THE ROLL WAS CALLED ON THE ADOPTION THEREOF AND RESULTED AS FOLLOWS:

YEAS: Banks, Brossett, Giarrusso, Gisleson Palmer, Moreno, Nguyen - 6

NAYS: 0

ABSENT: Williams - 1

AND THE RESOLUTION WAS ADOPTED.

THE FOREGOING IS CERTIFIED
TO BE A TRUE AND CORRECT COPY
Lera W. Johnson
CLERK OF COUNCIL