



December 2, 2020

Members of the New Orleans City Council
1300 Perdido Street
New Orleans, LA 70112

Re: Renewable and Clean Portfolio Standard

Dear Councilmembers:

The undersigned organizations, along with the electric utility serving New Orleans, Entergy New Orleans, LLC (“ENO”), submit this correspondence to express our collective support for the decisive and effective action the Council for the City of New Orleans (“Council”) has taken, and is poised to take, in response to the climate crisis facing New Orleans and the rest of the world through the Council’s development and adoption of a technology-neutral Renewable and Clean Portfolio Standard (“RCPS”). The Council’s technology-neutral RCPS will facilitate the continued decarbonization of the electric service provided by ENO, as well as other major sectors of the New Orleans economy, which include transportation, tourism, and industry.

Experts from across the globe know that implementation of aggressive, technology-neutral, economy-wide carbon reduction policies, like the Council’s RCPS, is the only course of action that can produce the emissions reductions needed by mid-century to avoid the worst potential impacts of climate change. We applaud the Council’s achievements to date and encourage the Council to take the next steps toward actualizing its vision by enacting a rule that focuses on the outcome of mitigating climate change rather than subsidizing specific technologies.

At the outset of the Council’s RCPS rulemaking, a host of environmental organizations – including some of the undersigned parties – submitted correspondence to the Council advocating for the adoption of an inclusive climate policy that would use “all the tools in the toolbox” in the fight against climate change.¹ For example, Third Way urged the Council to “design regulations that, instead of promoting a narrow set of favored technologies, allow for the use of whatever combination of energy resources will create the most rapid transition to a carbon-free grid.”² Collectively, Third Way and other well respected advocates stated that such an approach would be consistent with what industry, academic, scientific, and environmental experts agree will be necessary to effectively curb climate change. In one of the multitude of studies that validate this collective recommendation, Dr. Ernest J. Moniz, the U.S. Secretary of Energy under President Obama, stated

¹ These entities include the Center for Climate and Energy Solutions (“C2ES”), the Clean Air Task Force (“CATF”), America’s Wetland Foundation (“AWF”), Environmental Progress, and Third Way.

² Third Way Comments, dated May 30, 2019, also included as Attachment C to ENO’s initial Comments, at page 1.

that progressive utility regulators like the Council should adopt “technology-neutral clean energy portfolio standards and zero emissions credits in order to strengthen markets for clean energy innovation — to include renewables and other forms of zero or low-carbon energy.”

The Council answered the call of the scientific and environmental community when it issued Council Resolution No. R-20104, which announced a vision for development of the RCPS. The Council’s Resolution adopted one of the most ambitious emissions reduction targets from any utility regulator in the United States, requiring ENO to provide electric service to New Orleans with net-zero emissions by 2040 and zero carbon emissions by 2050. The Council also directed that these goals be achieved at the lowest reasonable cost, limiting the annual cost of implementation to just one percent (1%) of ENO’s total retail sales. In its Resolution, the Council further clarified that its RCPS should include the following attributes, which are consistent with what experts believe is needed to effectively combat climate change:³

- “[A]n RCPS would allow all emissions-free resources, including renewables, to be included in the utility’s resource portfolio. This has the advantage of giving the utility maximum flexibility to acquire the resources most closely matched to the needs of ENO’s load at the lowest reasonable cost;”
- “[I]n addition to zero emissions sources of generation, ... [the RCPS] include[s] energy efficiency, demand-side management (‘DSM’), and Beneficial Electrification as resources;”
- The RCPS “would have the goal of rapid decarbonization while ensuring that the City has a safe and reliable power supply at a reasonable cost and with as much flexibility as possible. Rather than requiring ENO to acquire a specific percentage of renewables, it would require ENO to convert its entire portfolio to zero-emissions resources. A wide range of currently known and yet to be developed zero-emission energy technologies would be employed with priority given to measures that reduce emissions within Orleans Parish and measures that are sited within Orleans Parish.”⁴

In sum, the Council’s directives not only seek to aggressively reduce emissions through a technology-neutral policy, they also encourage reduction of emissions from all sectors of New Orleans’ economy by including Beneficial Electrification and DSM as compliance tools. The Council’s directives also keep equity at the forefront of the RCPS policy goals by capping compliance costs and encouraging the siting of resources, and the corresponding economic development, in New Orleans. In other words, the RCPS directives issued to date exemplify sustainable, equitable, progressive, and achievable climate policy.

As the Council and stakeholders work to finalize the rules through which the Council’s vision will be implemented, it will be imperative to keep the Council’s overarching directives in mind and create a framework that maximizes flexibility, remains technology-neutral, encourages creative solutions, and takes advantage of all opportunities for emissions reductions. This should include nuclear generation and all types of Beneficial Electrification projects, both large and small, which have substantial potential for economy-wide carbon reductions in New Orleans.⁵

To date, the Council has taken bold, necessary, and timely action to fight climate change in an aggressive, yet equitable manner. The Council has acted prudently in taking the necessary time to study implications of the RCPS and to engage with a broad array of stakeholders. With this effort largely completed, now is the time for the Council to finalize the formal rules through which the RCPS will be implemented and enforced so that the Council, ENO and other stakeholders can move forward with the Council’s vision of aggressively reducing carbon emissions by any means necessary. The undersigned organizations join with ENO in commending the Council for its action to date and encouraging immediate enactment of

³ Moniz, Ernest, J., Yergin, Daniel, et al., “Advancing the Landscape of Clean Energy Innovation,” February 2019, at page 19, available at:

https://cdn.ihs.com/www/prot/pdf/0219/FULL%20Report_IHS%20Market%20-%20EFT%20Report.pdf

⁴ See, Council Resolution No. R-20-104 at pages 7-8.

⁵ See, the City of New Orleans Climate action plan, available at www.nola.gov/nola/media/Climate-Action/Climate-Action-for-a-Resilient-NewOrleans.pdf, which describes the potential for emissions reduction through Beneficial Electrification and notes that 17% of the City-government’s emissions (and 44% of all emissions in New Orleans) come from the transportation sector and 62% of municipal greenhouse gas emissions come from water treatment functions.

rules consistent with the Council's vision; New Orleans and New Orleanians can ill-afford any unnecessary delay in taking action to fight climate change.

Sincerely,



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