



July 20, 2026

Via Electronic Mail

Aisha Collier
Assistant Clerk of Council
Room 1E09, City Hall
1300 Perdido St.
New Orleans, LA 70112

RE: Comments on the Neighborhood Power Plan proposal from Together New Orleans and Entergy New Orleans Proposed BESS Phase 3 Implementation Plan in UD 24-02 (Proposal to Enhance Distributed Energy Resource Programs for the City of New Orleans)

Dear Ms. Collier,

Solar United Neighbors (SUN) respectfully submits the following comments in docket UD 24-02 (Proposal to Enhance Distributed Energy Resource Programs for the City of New Orleans). Please file the attached communication and this letter in the record for the proceeding.

Please do not hesitate to reach out to me with any questions related to this filing.

Respectfully submitted this 20th day of July, 2026.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Anderson", with a long horizontal line extending to the right.

Shannon Anderson
Virtual Power Plant Policy Director
Solar United Neighbors
sanderson@solarunitedneighbors.org

cc: Official Service List UD-24-02 (via electronic mail)



BEFORE THE COUNCIL OF THE CITY OF NEW ORLEANS

RESOLUTION AND ORDER ESTABLISHING	)	
A DOCKET AND PROCEDURAL SCHEDULE	)	UD-24-02
TO ENHANCE DISTRIBUTED ENERGY	)	
RESOURCE PROGRAMS	)	

SOLAR UNITED NEIGHBORS' COMMENTS ON IMPLEMENTATION PROPOSALS

By and through its undersigned staff, and pursuant to the scheduling order issued in UD-24-02, Solar United Neighbors (SUN) respectfully submits these comments on the implementation proposals from Entergy New Orleans (ENO) and Together New Orleans (TNO) submitted to the Council of the City of New Orleans (Council) in this proceeding.

At the outset, it is important to revisit the purpose of the battery storage incentive program approved by the Council, and that is not only employing existing battery systems already owned by residential and commercial customers more efficiently for the benefit of the grid, but also deploying *new* batteries through upfront incentives that will drive adoption of new distributed energy resources to create greater customer affordability and customer resiliency. As discussed in TNO's comments, the incentive level matters greatly for this deployment goal, especially for income-qualified families and individuals that would benefit from new battery systems the most. The Council has wisely recognized this inherent need to achieve co-benefits through income-qualified incentives, but to reach its goals and objectives of 40% of the incentives reaching income-qualified participants, the incentives must create overall system affordability.



SUN is concerned that if ENO's proposal is adopted, the City and its residents will miss out on a critical opportunity to lead in developing a program that will truly meet the shared goals of the Council and the Parties in saving costs, increasing energy equity, and creating a future grid powered on local, clean energy.

The following comments are offered with the purpose of furthering good faith discussion to achieve a successful program that can be quickly implemented and meet the goals established by the Council. The Council's leadership in establishing this program is commendable, and SUN is eager to work with the Parties to ensure the visionary mission set forth in this docket is achieved.

SUN Supports TNO's Proposal for Restoring the \$28 Million to be Used for Upfront Incentives Because Upfront Incentives Are Critical to Driving Adoption of New Battery Resources for a VPP

In previous comments, SUN referred to its work reviewing virtual power plant programs around the country that aggregate solar-powered customer-sited battery storage. SUN engages in regulatory proceedings around the country and studies the success and learnings of other programs to better inform our work and our advocacy before utility commissions. Unfortunately, based on these studies, one lesson that is clear is not all programs have realized the opportunity these programs create to meaningfully contribute to the grid. As discussed in this docket, Entergy New Orleans' pilot program failed to attract customers. In contrast to programs that have enrolled



thousands (or tens of thousands of participants) and created hundreds of megawatts of capacity, Entergy's program had only enrolled 114 customers as of July 1, 2025 creating a mere 360 kw of load shed per event.

On the other hand, aggregated storage programs that are designed to meet customer needs and interests offer tremendous benefit to utilities and their customers. These programs show that with the right incentives and program terms and conditions in place, customers will join by the tens of thousands and keep showing up event after event to participate in the program year after year. These successful programs create a scalable, meaningful opportunity to reduce energy costs, not just for participants but for ratepayers overall.

New Orleans could be the next place for a successful program to get successfully up and running, but stakeholders need the Council to act now to create the program that will meet our goals and truly fulfill the opportunity before us. This starts by ensuring the full \$28 million goes towards creating upfront incentives for new battery deployment, especially for income-qualified families. If batteries are not affordable, they will not be adopted, and if they are not adopted, the program will fail both in terms of reducing peak demand and in terms of delivering energy affordability, no matter the good intentions on the part of the Council, the Parties, and ENO. Economics matter, and TNO has crunched the numbers and provided substantial data to propose upfront incentives that will be effective in achieving the goals of the program.



As SUN has previously noted in comments in this docket, we fully support the proposition that third-party solar and battery leasing companies who serve as aggregators in the program can assist with the goals of battery adoption for low- and moderate-income households through low or no cost up front financing. *However*, as TNO's analysis demonstrates, to meaningfully achieve equity goals for the program, the SERI credit incentives, or another source of income-qualified incentive financing, will be necessary.

Performance Payments Will Be Cost Effective for All Ratepayers

If the entirety of the \$28 million is used for upfront incentives, the question then becomes whether the program is still cost effective for the ongoing performance payments that offer compensation to customers participating in the program. The answer to this question is an unequivocal yes. VPPs create energy affordability not just for participants, but for ratepayers in general. This cost savings is an especially critical component of any program for energy-burdened families who are already having difficulty affording their power bills. SUN believes strongly in creating energy affordability and thus SUN would not be supporting a program that doesn't have demonstrated cost savings potential. The program proposed by TNO has this demonstrated ability, and we urge the Council to adopt it.

SUN has reviewed similar VPP programs around the country and in all cases, where resources are deployed at scale and used effectively by utilities, VPP programs



deliver economic benefits that outweigh the costs of the incentives. In fact, some programs deliver benefits to costs at a ratio of 2:1 or even higher, again, especially when sufficient resources exist in a program to displace utility reliance on more expensive resources during times of peak power needs or to achieve other grid services. It is because of these positive benefit ratios that utility commissions in Utah, Puerto Rico, Massachusetts, Arizona, Illinois, Maryland, Colorado, and elsewhere have approved performance payment incentives as part of VPP programs. All of these utility commissions have requirements for programs to achieve cost savings, and they have rigorous measurement and verification protocols to ensure that the cost savings utilities estimate are actually achieved. This means, even after several years or in some cases many years, these programs and their performance incentives still achieve regulatory approval because of their demonstrated cost savings.

Here are some examples of the cost effectiveness of VPP programs from around the country, demonstrating that the energy cost savings of the programs outweigh the costs of compensating participants through performance payments. Also note that in these cases, administrative costs of the programs are also included in the cost-to-benefit ratio calculations whereas here administrative costs are separately allocated through the SERI funding.



- Rocky Mountain Power's **Wattsmart Battery** incentive program in Utah passes the utility cost test, the total resource cost test, and the ratepayer impact cost test (May 2025 report to Utah PUC, Docket No. 25-035-36)
- Puerto Rico's Energy Bureau found that the **Customer Battery Energy Sharing** program's economic benefits are "likely to be, on the order of, twice as large as the cost of the incentives, if not more" (April 2025 order, Docket Number: NEPR-MI-2022-0001).
- Arizona Public Service's **Storage Rewards** program was designed to avoid any cost shifts, setting incentives at a level that ensures program costs do not exceed benefits (March 2025 proposal to Corporation Commission) (Docket E-01345A-23-0088).
- The **Connecticut** ESS order says the CBA for the residential battery proposal is 2.0 - 1.96. This includes using a "less than ideal" cost effectiveness screen. It uses a RIM test and the Commission suggests it undersells it since the project owners take the risk of performance, not ratepayers.
- In **Maryland**, BGE's program is estimated to create \$331,574,938 net benefits with a 4.5 ratio and the PHI Utilities' (Pepco + DPL) program is estimated to create \$161,653,162 in net benefits with a 2.3 ratio.

It should also be noted that in some states, the true value of cost savings of aggregated battery storage systems is left unquantified, meaning that the programs mentioned



above, and the program proposed by TNO, will likely deliver even better benefits than anticipated. If the Council is interested in developing a benefit-to-cost ratio analysis for future review of the program, we encourage consideration of the National Standards Practice Manual methodology, which was updated in 2026 to include virtual power plants. (See: <https://www.naseo.org/nesp/nspm>)

Conclusion

While performance payments are critical to long-term program success in attracting and retaining participating customers, SUN firmly believes that such payments should be absorbed by utility ratepayers because they are demonstrated to be cost-effective options compared to other resource choices a utility can make. SUN therefore supports TNO's proposal to use the \$28 million on upfront incentives designed to facilitate deployment of new resources that will become the building blocks of a successful program.

SUN also stands by previous comments submitted in this docket and continues to offer its technical expertise and interest in helping the Council meet the needs of the moment before it to continue to be a leader in developing innovative and effective clean energy solutions for the people of New Orleans.

Respectfully submitted this 20th day of July, 2026.

/s/Shannon Anderson
Solar United Neighbors



CERTIFICATE OF SERVICE

I, Shannon Anderson, do hereby certify that on July 20, 2026 I served the forgoing SOLAR UNITED NEIGHBORS' COMMENTS upon all other known Parties of this proceeding via electronic mail.

/s/ Shannon Anderson
Shannon Anderson
Solar United Neighbors