

Jul 17, 2026

Via Electronic Mail

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

Re: Docket UD-24-02

Dear Ms. Collier,

Enphase Energy respectfully submits the attached filing in docket UD-24-02 pertaining to the City's Distributed Energy Resource Program.

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

Sincerely,

Jason Simon
VP, Policy and Market Development
Enphase Energy

As utilities across the country evaluate investments in grid modernization and flexible capacity resources, Virtual Power Plants (VPPs) built on distributed battery storage are emerging as one of the most promising tools available. Yet many current evaluations of battery VPP programs fail to fully capture their real-world value and the conditions necessary for sustained success.

It is important to recognize that many cost-effectiveness models underestimate the actual value that battery VPPs deliver. Traditional planning frameworks often focus on a narrow set of benefits while overlooking the full system value provided by distributed batteries, including avoided capacity investments, improved reliability, operational flexibility, resilience, and customer engagement. When called upon during critical system conditions, aggregated batteries can provide dependable capacity precisely when and where it is needed, reducing stress on the grid and helping defer costly infrastructure upgrades.

As utilities assess program economics, ongoing participation payments should be viewed as a standard resource procurement cost rather than an exceptional expense. Utilities routinely compensate conventional generators, demand response providers, and capacity resources for their availability and performance. Customer-owned batteries should be treated no differently. Ongoing compensation is simply the mechanism through which utilities secure access to a distributed energy resource that provides measurable grid benefits.

At the same time, upfront incentives remain essential to program growth. Battery owners make significant investments in their systems, and compelling upfront incentives are often the primary factor driving enrollment decisions. Without sufficient initial incentives, many customers will never purchase a battery or join a VPP program, limiting the resource pool available to support grid operations. Upfront incentives serve as the catalyst that enables utilities to build meaningful VPP capacity at scale.

However, enrollment alone does not create a successful VPP. Long-term program performance depends on keeping participants engaged year after year. Customers are increasingly aware of the value their batteries provide, and meaningful ongoing compensation is critical to maintaining participation. Programs that rely solely on upfront incentives often experience declining engagement as customers reassess whether the value they receive justifies continued participation. Sustainable VPPs require compensation structures that reward customers fairly for the ongoing use of their assets.

Most importantly, program success should be measured by actual participation and delivered performance—not by enrollment statistics alone. A program with thousands of enrolled batteries provides little value if only a fraction of participants remain active or respond during grid events. The true measure of success is the amount of dependable capacity that is available when needed and the percentage of customers who continue participating over time. High participation rates, consistent event performance, and long-term customer retention are the metrics that ultimately determine whether a VPP can be counted on as a reliable grid resource.

As utilities plan for the future, the most effective battery VPP programs will be those designed around both customer economics and grid needs. By recognizing the full value of distributed batteries, providing sufficient upfront incentives, offering meaningful ongoing compensation, and measuring success through actual participation, utilities can unlock the full potential of VPPs as a reliable, scalable, and cost-effective energy resource.

**Before
The Council of the City of New Orleans**

Re: Docket UD-24-02

CERTIFICATE OF SERVICE

I do hereby certify that I have, this Jul 17, 2026, served the foregoing correspondence upon all other known parties of this proceeding by electronic mail.



Jason Simon, Enphase Energy