

November 21, 2025

BY E-MAIL

Clerk of Council
Council of the City of New Orleans
City Hall, Room IE09
1300 Perdido Street
New Orleans, LA 70112

In Re: *Establishing a Docket and Opening a Rulemaking Proceeding to Establish a Renewable Portfolio Standard*, CNO Docket UD-19-01

Dear Clerk:

Please find attached the *Advisors' Report on Renewable and Clean Portfolio Standard Compliance Plan for the 2026-2028 Compliance Years* in the above-referenced matter, for filing into the record along with this letter. The Advisors submit this filing electronically and will submit the original and requisite copies as you direct.

Sincerely,



Jay Beatmann

JAB:dpm
Attachment
cc: Official Service List for UD-19-01

**BEFORE THE
COUNCIL OF THE CITY OF NEW ORLEANS**

)
Establishing a Docket and Opening a Rulemaking
Proceeding to Establish a Renewable Portfolio) Docket No. UD-19-01
Standard)

**ADVISORS' REPORT ON RENEWABLE AND CLEAN PORTFOLIO STANDARD
COMPLIANCE PLAN FOR THE 2026-2028 COMPLIANCE YEARS**

EXECUTIVE SUMMARY

ENO filed its Renewable and Clean Portfolio Standard (“RCPS”) Compliance Plan for the 2026-2028 compliance years on August 14, 2025 (“Compliance Plan” or “Plan”). In the Compliance Plan, ENO proposes to buy additional unbundled Renewable Energy Credits (“RECs”), as needed, to ensure that it has a sufficient level of Clean Energy Credits (“CECs”) to meet its RCPS requirements. Additionally, ENO has proposed four additional sources of CECs for Council consideration: 1) Large Event Electrification as a Qualified Measure, 2) Sewerage and Water Board of New Orleans electrification as a Qualified Measure, 3) Community Solar, and 4) Net Metered Solar. The Advisors have reviewed the Compliance Plan, the Alliance for Affordable Energy (“AAE”) Comments, and ENO's Reply Comments. The Advisors conclude that the Compliance Plan has met the technical compliance requirements under the RCPS, and that compliance should be able to be achieved through the purchase of RECs without exceeding the amount of RECs allowed by the RCPS at a cost below the RCPS Customer Protection Cost Cap.

The Advisors recommend that the Council:

1. Approve ENO's proposal to purchase unbundled Renewable Energy Credits (“RECS”) as needed to achieve compliance with the RCPS;
2. Approve ENO's request to establish the Alternative Compliance Payment (“ACP”) for the 2026-2028 plan years at \$6.04/MWh; and
3. Decline to decide whether the four additional proposed sources qualify for CECs at this time. Rather, the Advisors recommend that the Council require ENO to make an additional filing before the Council requesting approval of the proposed four additional sources of CECs addressing the issues and deficiencies that the Advisors have identified in this report.

INTRODUCTION AND BACKGROUND

Section 4.e of the RCPS rules, adopted in Resolution No. R-21-182, states in part that “Upon the Utility’s submission of its final Integrated Resource Plan (‘IRP’) Report for each triennial IRP cycle, the utility shall develop a three-year prospective RCPS Compliance Plan, including a three-year Banking and Compliance Reserve provision for RECs, and the Utility’s calculation of the

ACP [Alternative Compliance Payment].” On August 19, 2022, ENO submitted its first three-year RCPS Compliance Plan covering the 2023-2025 compliance years, which was modified and approved by the Council in Resolution R-22-525. Having filed its final 2024 IRP Report on December 13, 2024 in Council Docket UD-23-01, ENO filed its RCPS Compliance Plan for 2026-2028 on August 14, 2025, and in Resolution R-25-484, a procedural schedule was adopted to consider Comments, as well as an Advisors Report, on the 2026-2028 RCPS Compliance Plan.

EVALUATION OF PROJECTED COMPLIANCE POSITION

ENO’s projected compliance position is expressed as a percentage, measured by dividing RCPS Compliance Credits¹ (MWh) by Retail Compliance Load² (MWh). RCPS Compliance credits are accumulated from the CECs through the RCPS Tier structure, which incentivizes higher priority resources through a Tier receiving a CEC multiplier for RCPS Compliance Credits.³ The RCPS compliance percentage requirements are 72% for 2026; 74% for 2027; and 76% for 2028. Specifically, ENO must meet these specific percentages of Retail Compliance Load which may require additional compliance actions, including not more than 24%, 23%, and 22%, respectively, of RCPS Compliance through RECs purchased without the associated energy.

The Advisors reviewed the RCPS Multipliers and CECs for the 2026-2028 plan years from ENO’s existing and expected portfolio resources and concluded that the projections appeared reasonable, including CECs projected from electric vehicle charging infrastructure (“EVCI”). The EVCI CEC calculations were consistent with those approved for the previous RCPS Compliance Plan (2022-2025); the EV Charging CECs per MWh electrified were determined using the same twelve steps and the same references for data approved in Resolution R-22-525. In its Comments, the AAE noted that the vast majority of ENO’s projected compliance continues to be from existing nuclear power generating facilities and from purchased renewable energy certificates (“RECs”), and that the Council should amend the RCPS to encourage the development of locally-generated renewable energy.⁴ The Advisors note that the RCPS already encourages the development of locally-generated renewable energy by classifying renewable resources directly connected to ENO’s system as Tier 1 resources, for which ENO receives a tier multiplier of 1.25, making those resources and RECs purchased from those resources more valuable.⁵

¹ RCPS Compliance Credits are Renewable Energy Credits (RECs) + Clean Energy Credits (CECs). One Clean Energy Credit results from (1) each MWh of electricity produced by a Zero Carbon Emissions Resource, (2) each MWh reduction in consumption resulting from DSM installed after January 1, 2021, (3) or each MWh associated with a Tier 3 Resource.

² Retail Compliance Load is the reported annual MWh sales for each compliance year, increased by the cumulative MWh savings of DSM programs installed after January 1, 2021. ENO’s Retail Compliance load was projected as 5,815,052 MWh for 2026, 5,858,268 MWh for 2027, and 5,921,318 MWh for 2028, which is consistent with BP24 sales projections and projected energy efficiency.

³ Tier 1 is designated for resources directly connected to the Utility’s transmission or distribution system and RECs or CECs produced receive a 1.25 multiplier until 2040. Tier 2 is designated for any Renewable Energy Resource or Zero Carbon Emissions Resource not eligible for Tier 1 and RECs or CECs produced receive a multiplier of 1.0. Tier 3 is designated for any Qualified Measure or electric vehicle charging infrastructure directly connected to the Utility’s transmission or distribution system, and the CECs received will be determined by the Council with a multiplier of 1.0.

⁴ AAE Comments, October 10, 2025, p. 2.

⁵ RCPS Rules at Section 2 and Section 3.b.

Energy Efficiency CECs - the cumulative MWh savings of energy efficiency measures in DSM programs installed after January 1, 2021 are included as Tier 1 CECs with an RCPS multiplier of 1.25. Energy efficiency measures installed in 2025-2028 are tied to the levels modeled in Strategy 1 / Scenario 1 of the 2024 IRP, which represents a conservative amount.

Based on the electric system modeling performed for the 2024 IRP, ENO projects the following CECs for each plan year of 2026-2028 from ENO’s existing and expected portfolio resources: 4,035,092 CECs in 2026; 4,193,672 CECs in 2027; and 4,167,887 CECs in 2028 (see Exhibit A).

No RECs or CECs associated with ENO’s Green Select⁶ program were included in the RCPS Compliance Credits projected for plan years 2026-2028. ENO intends to separately purchase RECs that will be used for the Green Select program that allows customers to match some or all of their monthly electricity usage with RECs. The AAE commented that the Council should require clarity from ENO as to why it has implemented this change.⁷ In its Reply Comments, ENO explains that it is separately purchasing RECs needed to offset MWh for Green Select participants, using revenues collected through ENO’s Green Power Option (“GPO”) rider. ENO indicated that approximately 3,500 RECs are expected to be required to offset Green Select participation in 2025.⁸

ENO’s Projected Compliance Position for 2026 through 2028 was calculated by dividing the RCPS Compliance Credits (MWh) by the Retail Compliance Load (MWh) in each year. As the below table indicates, considering ENO’s projected Retail Compliance Load, RCPS % Requirements, and projected RCPS Compliance Credits (CECs), there is a projected CEC deficit/shortfall each year before accounting for additional compliance actions.

	2026	2027	2028
Retail Compliance Load	5,815,052	5,858,268	5,921,318
RCPS Requirement (%)	72%	74%	76%
RCPS Requirement (CECs)	4,186,837	4,335,118	4,500,202
Projected CECs from Existing Portfolio	4,035,092	4,193,672	4,167,887
Projected CEC Deficit	(151,745)	(141,446)	(332,314)

The Banking and Compliance Reserve Provision described in Section 4.h of the RCPS rules allows ENO to bank any excess Green-e certified RECs it procures and utilize those RECs within the next two compliance years. In its Compliance Plan, ENO stated that if any RECs remain in the Compliance Reserve after demonstrating compliance with the RCPS in 2025, these RECs will be used to offset any CEC deficit in 2026 or 2027. In addition, unbundled REC purchases will also be used for the CEC shortfall to maintain RCPS compliance.

⁶ Green Select is the successor to ENO’s Green Power Option.

⁷ AAE Comments, October 10, 2025, p. 4.

⁸ ENO Reply Comments, October 24, 2025, p. 5.

COMPLIANCE PLAN

In its Compliance Plan, ENO requests that the Council approve ENO's proposal to purchase unbundled RECs as needed to achieve compliance with the RCPS. ENO stated that it will monitor projected retail sales, clean resource output, EE implementation, EVCI usage, and other factors, and will adjust its REC procurement target as its projected needs change to enable compliance at the end of each year. Considering the 2026-2028 Retail Compliance Load and the RCPS requirements that not more than 24%, 23%, and 22%, respectively, of compliance be through purchased RECs, ENO would be permitted to use up to approximately 1 million unbundled RECs, well above the projected CEC deficits for 2026-2028 listed in the above table.

ENO decided against the procurement of additional solar or wind resources to augment its RCPS compliance position in advance of a capacity or energy need, mainly because the 2024 IRP indicated that ENO is expected to remain a net seller in MISO's energy markets for the next decade. ENO contends that ratepayers would be exposed to risk that such an approach could increase customer costs if future energy market conditions vary from modeling assumptions and the additional resources do not produce enough energy revenue to cover their costs.

Since the inception of the RCPS, ENO has been able to achieve compliance through the purchase of RECs to meet its projected CEC deficit. The use of this compliance strategy will become more difficult over time as the use of RECs is gradually phased out in the RCPS. ENO will need to look to other sources of CECs and other clean energy resources to keep its portfolio of resources in compliance with the RCPS.

PROPOSED ADDITIONAL RCPS RESOURCES

Beneficial Electrification and the Treatment of Projects as Qualified Measures Tier 3 Resources

In adopting the RCPS Regulations in Resolution R-21-182, the Council stated that it "...will not include Beneficial Electrification in the RCPS as a Tier 1 resource as proposed by the Advisors, and will not accept the proposed changes to Section 4(d), but finds that discussions about the relative merits or inclusion of beneficial electrification should continue without an integration into the RCPS rules at this time".⁹ Beneficial electrification as a Tier 1 resource was excluded from the definition of CECs when the RCPS Regulations were adopted, but the CEC definition specifically incorporates MWhs associated with a Tier 3 Resource, which includes Qualified Measures. The adopted RCPS Regulations also state: "In particular, this RCPS does not prevent parties from proposing and the Council from considering and approving projects consistent with the intent of this RCPS that do not conform precisely to the interim goals, Customer Protection Cost Cap, or other requirements set forth herein if the party(ies) proposing the project are able to successfully demonstrate to the Council that the project is nevertheless consistent with the intent of the RCPS, would benefit the Utility's customers, and meets any other Council standards or requirements applicable to that project. . . ."¹⁰ The intent of the RCPS appears to include projects that conform to the definition of Qualified Measure and that are also supported by CEC credit calculations that are accepted by the Council. Of note, the Tier 3 Resource definition also includes electric vehicles

⁹ Resolution R-21-182, p. 35.

¹⁰ RCPS Rules Section 1.a.

charging infrastructure, requiring calculations demonstrating the net reduction in carbon emissions or measured emissions reductions and an annual amount of CECs in MWh associated with the proposed Tier 3 Resource. The EV Charging CECs per MWh electrified and calculations determining CEC credit rate were approved in Resolution R-22-525.

Large Event Electrification as a Qualified Measure

ENO had previously proposed to treat the electrification of large events as a Tier 3 resource Qualified Measure in Appendix B to its 2024 RCPS Compliance Demonstration Report. While the Council stated in Resolution R-25-483 that ENO's proposal for the treatment of large event electrification was beyond the scope of an RCPS Compliance Demonstration Report, there is merit in ENO's proposal to install points of grid connections that will allow the large events within Orleans Parish to discontinue the use of diesel generators, thereby improving local air quality and driving a net reduction in carbon dioxide emissions. This electrification proposal also delivers significant benefits from the reduction of surface-level air pollutants like particulate matter, sulfur dioxide, and nitrous oxides. In its Comments, the AAE noted that ENO would be creating new load by electrifying large events with no regard to the generation resources supplying that new load, which is contrary to the "primary purpose" of the RCPS, reducing dependence on carbon-emitting resources in its own generation portfolio.¹¹ In its Reply Comments, ENO responded that since beneficial electrification projects in New Orleans follow the intent of the RCPS by directly reducing local carbon emissions that have a negative impact on citizens, the Council allows them to support compliance.¹² However, to be considered as a Qualified Measure under the RCPS,¹³ ENO must also demonstrate the cost-effectiveness of installing these points of grid connections from the utility perspective, which would show a net-benefit to ratepayers. That demonstration of cost-effectiveness was not included in the 2024 RCPS Compliance Demonstration Report or the RCPS Compliance Plan for the 2026-2028 compliance years. Additionally, other than two examples of where they could install points of grid connection for large event electrification (Woldenberg Park and the Fairgrounds), ENO did not explain how many points of grid connection were anticipated, the anticipated cost of the points of grid connection, the expected total annual reduction in emissions resulting from large event electrification, and the annual expected amount of CECs that would be provided by large event electrification. This information as well as showing that the large event electrification proposal is cost-effective from the utility perspective is necessary for the Council to consider approval of ENO's proposal for large event electrification as a qualified measure.

ENO did provide a calculation of the CEC credit rate (CECs per MWh electrified) for its proposed large event electrification. A review of the proposed CEC credit rate calculation confirmed that the structure of the calculation, including industry references and metrics, is consistent with that used by ENO for crediting Electric Vehicle Charging Infrastructure as a Tier 3 resource, approved by the Council in Resolution R-22-525, and with that proposed in ENO's RCPS 2024 Compliance Demonstration Report. Based on that large event CEC credit rate calculation, ENO would receive 1.22-1.26 CECs for every megawatt-hour of electrified demand during large events in place of

¹¹ AAE Comments, October 10, 2025, p. 2.

¹² ENO Reply Comments, October 24, 2025, p. 3.

¹³ RCPS, Section 2: "Qualified Measure" means a project, program or measure which produces a measurable net reduction in carbon emissions in Orleans Parish, is cost-effective from the utility perspective, and is approved by the Council for purposes of RCPS compliance.

diesel generation. The Advisors recommend that the Council not accept ENO’s request to treat Large Event Electrification as a Qualified Measure and Tier 3 Resource at this time. Rather, the Advisors recommend that ENO make an additional filing before the Council which addresses the issues and deficiencies that the Advisors have identified in this report.

Sewerage and Water Board of New Orleans (“SWBNO”) Electrification as Qualified Measure

In Resolution R-22-258, the Council approved ENO’s construction and ownership of the new Sullivan substation to serve power to SWBNO and replace the SWBNO’s legacy gas generators. In Resolution R-22-525, the Council deferred action on ENO’s SWBNO proposal included in ENO’s 2023-2025 Compliance Plan, noting that it would be premature to approve the SWBNO Substation Electrification as a Qualified Measure at that time. In its Comments, the AAE commented that electrification is a prudent step for SWBNO; but for ENO, it simply represents a massive new retail load to serve, regardless of the generation resource, and ENO should not receive compliance credit for a project that SWBNO undertook for its own purposes.¹⁴ In its Reply Comments, ENO responded that converting the SWBNO service away from self-generation to the much cleaner ENO generation portfolio will have an obvious and positive effect on local carbon emissions, which is a primary consideration of the Rules.¹⁵

Since the substation is expected to provide power to SWBNO for the entire 3-year period encompassed in this Compliance Plan, ENO proposes that the SWBNO Electrification be considered as a Tier 3 Qualified Measure. Citing ten years of publicly available SWBNO data,¹⁶ including Mcf of gas and gallons of oil consumed annually, ENO notes that the emission rate of grid power replacing this SWBNO self-generation is approximately 80% lower, resulting in CO2 emissions reductions in Orleans Parish of over 80,000 tons annually.

The Advisors have reviewed the calculation of the CEC credit rate that ENO provided for SWBNO Electrification based on the net CO2 emissions reduction of each electrified MWh, including data references from SWBNO Comprehensive Annual Financial Reports and the U.S. Energy Information Agency. Recognizing the RCPS % requirements for each year, and using a credit rate methodology consistent with the large event electrification proposal, this CEC credit rate is calculated as 4.62, 4.64, and 4.66 CECs per MWh electrified for 2026, 2027, and 2028 respectively. Should the Council accept ENO’s proposal, the table below shows the estimated impact on the RCPS Compliance Position (Projected CEC Surplus /(Deficit)) with SWBNO CECs included.

Projected RCPS Compliance Position Including Projected SWBNO CECs				
		2026	2027	2028
1	SWBNO Ave Annual Self-Generation MWh	35,570	35,570	35,570
2	SWBNO CECs per MWh Electrified	4.62	4.64	4.66
3	SWBNO CECS Projected (line 1 x line 2)	164,333	165,045	165,756
4	Projected CEC Deficit	(151,745)	(141,446)	(332,314)
5	Projected CEC Surplus /(Deficit) w/SWBNO	12,588	23,599	(166,558)

¹⁴ AAE Comments, October 10, 2025, p. 3.

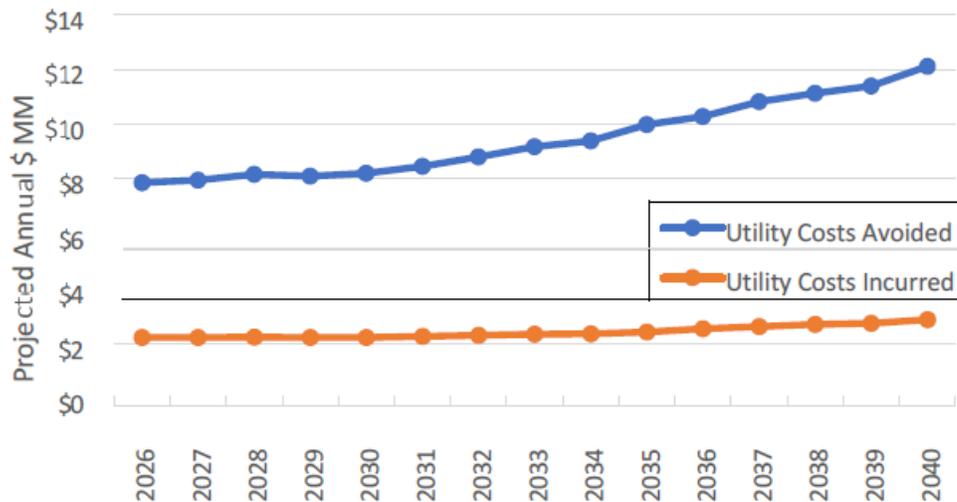
¹⁵ ENO Reply Comments, October 24, 2025, p. 4.

¹⁶ SWBNO Comprehensive Annual Financial Report for the years ended December 31, 2020 and 2019, p.IV-6.

It appears that ENO did develop an analysis to demonstrate that its SWBNO Electrification as Qualified Measure proposal was cost effective, providing the following description and figure 5 in its Compliance Plan.

“SWB electrification is cost-effective from the utility perspective: From the utility’s perspective, the incremental costs incurred to serve new SWB demand are equal to the sum of the infrastructure costs incurred and the cost of energy and capacity needed to serve the incremental electric demand. Because of the \$30 million Contribution in Aid of Construction (“CIAC”) from SWB, the incremental infrastructure costs will be greatly reduced. The costs to serve the demand are based on the energy and capacity cost forecasts developed in the latest IRP. The projected cost of incremental infrastructure and cost to serve SWB demand are shown as the “Utility Costs Incurred” in Figure 5 below. From the utility’s perspective, the costs avoided are equal to the decrease in natural gas supply costs that ENO’s gas distribution utility would otherwise incur to deliver gas at SWB to support self-generation. These costs, based on the Henry Hub natural gas price forecast used in the IRP, are shown as “Utility Costs Avoided” in Figure 5 below.”

Figure 5: SWB Electrification is Cost-Effective from the Utility Perspective



ENO did not provide any additional information to support their Figure 5, to allow for the Advisors or the Council to verify their statement that SWBNO electrification is cost-effective from the utility perspective. Showing that the SWBNO electrification as a qualified measure proposal is cost-effective from the utility perspective is necessary for the Council to consider approval of ENO’s proposal for SWBNO electrification as a qualified measure. That showing should include supporting calculations and, unless revised, should explain why utilizing avoided costs relating to the gas distribution system is appropriate through 2040 as ENO has shown in their Compliance Plan. The Advisors recommend that the Council not accept ENO’s request to treat SWBNO Electrification as a Qualified Measure and Tier 3 Resource at this time. Rather, the Advisors recommend that ENO make an additional filing before the Council which addresses the issues and deficiencies that the Advisors have identified in this report.

Community Solar

ENO proposes to treat community solar resources as RCPS-eligible and to assign CECs to its generation as a Tier 1 resource. In both the RCPS Compliance Filing and its Reply Comments, ENO claims that ratepayers pay twice for the clean energy: (i) the credits paid to Subscribers based on the retail rate, and (ii) the cost of a like amount of unbundled RECs or clean energy procured by ENO to help achieve RCPS compliance.¹⁷ However, ENO's proposal does not address the concern of preventing the value of RECs from being double-counted. The Community Solar Rules state that the subscriber owns the RECs, and the Subscriber Organization may enter into an agreement with Subscribers to transfer ownership of RECs from the Subscriber to the Subscriber Organization.¹⁸ Any such agreement to transfer ownership of the RECs must be included in the subscription agreement.¹⁹ It is entirely possible, and even likely, that at least some Subscriber Organizations will acquire the RECs from the Subscribers to be sold into a REC market. The Community Solar Rules negate the presumption that community solar RECs, owned by subscribers, can be included as CECs in RCPS compliance unless ENO can demonstrate that it has acquired properly certified RECs from the subscriber or the Subscriber Organization and can demonstrate that the REC has not also been sold to anyone else. In its Comments, the AAE also noted that if ENO would like to retire RECs generated using Community Solar, they have the right to contract with either project Subscribers or the Subscriber Organizations who may aggregate transferred RECs.²⁰ Until and unless this concern regarding double counting of community solar RECs is addressed for further clarification, the Advisors do not recommend that the Council accept this proposal.

Net Energy Metered ("NEM") Solar

The ownership of Renewable Energy Credits is not addressed in the NEM Rules, the NEM tariff NM4, or any other related ENO policy documents, including the NEM interconnection agreement. The lack of information related to ownership of NEM RECs is confirmed by the Database of State Incentives for Renewables & Efficiency, operated by the N.C. Clean Energy Technology Center at N.C. State University. ENO proposes to treat net metered solar energy provided to the ENO grid, as metered through Channel 2, as RCPS-eligible and to assign CECs to this generation, considering such MWhs as a Tier 1 resource because the solar facilities are located within Orleans Parish. With this proposal, ENO estimates that if metered Channel 2 generation is again at 2024 levels, net metered solar would mitigate the need to procure 26,620 RECs or CECs. In its Compliance Filing and related to its Community Solar proposal, ENO stated that it is not aware of any market for residential or smaller commercial customers to trade, sell, or retire the limited

¹⁷ Compliance Plan, August 14, 2025 p. 6, and ENO Reply Comments p. 5.

¹⁸ Community Solar Rules, Sections XII.B and C.

¹⁹ Community Solar Rules, Section XII.C. See also Section XIII.I.(1)(a)(xii), contract disclosures, including a statement regarding the disposition of all Renewable Energy Credits generated by the Subscriber's portion of the project, and if the Subscriber transfers the RECs back to the Subscriber Organization or sells them to a third party.

²⁰ AAE Comments, October 10, 2025, p. 3.

number of RECs they are entitled to receive.²¹ Nevertheless, some concerns remain related to preventing the value of NEM RECs from being double-counted. It is relatively common for rooftop solar providers to specify in their contracts with their customers whether the provider or the customer owns the REC, or to provide that the solar provider will sell the RECs into a REC market either for themselves or on behalf of the customer. Therefore, it may be the case that allowing ENO to also claim such RECs would result in double-counting of the RECs. To address this issue and the ownership of NEM RECs, the NEM Rules could be revised similar to the REC ownership provisions of the Community Solar Rules to better accommodate ENO's NEM proposal. Until such revisions could be considered to the NEM Rules, the Advisors recommend that the Council not approve ENO's NEM proposal.

ADDITIONAL RCPS PROVISIONS

Alternative Compliance Payment (ACP)

ENO examined the publicly available quoted REC pricing data of five REC products applicable to resources in MISO or ERCOT from June 2022-May 2025 to determine the highest value over this period, which was \$5.25/MWh.²² Based on this survey, ENO recommends that the ACP be set at \$6.04/MWh (equal to 1.15 times the highest REC value)²³ for the 2026-2028 period. The Advisors concur with this ACP value and recommend that the Council approve ENO's ACP request.

Projected Contribution Towards RCPS Customer Protection Cost Cap

Calculated as one percent (1%) of plan years 2026-2028 total projected utility retail sales revenues per RCPS Rules, the Customer Protection Cost Cap would be set at approximately \$6.7 to \$7.4 million. ENO's projected CEC deficit is 151,745 CECs, 141,446 CECs, and 332,314 CECs for 2026, 2027, and 2028 respectively. If ENO purchased the maximum projected CEC deficit (2026-2028) of 332,314 CECs at the proposed ACP price of \$6.04/MWh, that would result in a cost of approximately \$2.0 million – well below the Customer Protection Cost Cap set at approximately \$6.7 to \$7.4 million. This cost may be further reduced if the Council, after a subsequent filing by ENO, approves the proposed additional RCPS resources. The Advisors concur that the 2026-2028 RCPS Compliance Plan is not projected to approach the Customer Protection Cost Cap.

Limitation on Use of Unbundled RECs

In 2026, 2027, and 2028, RCPS compliance shall be through not more than 24%, 23%, and 22%, respectively, of RECs purchased without the associated energy.²⁴ Based on the Retail Compliance Load projections, the RCPS would permit ENO to use approximately 1 million unbundled RECs, far more than the estimated CECs needed for RCPS compliance.

²¹ Compliance Plan, August 14, 2025 p. 7. Note that the significant CECs referenced by ENO are derived from the NEM capacity limits of 300 kW for commercial and agricultural, and 25 kW for residential NEM participants, together with the growth of NEM participants.

²² Compliance Plan, August 14, 2025, p. 8.

²³ RCPS Rules, Section 5.a.2.

²⁴ In accordance with Section 3.a.5 – 3.a.7 of the RCPS Rules.

CONCLUSIONS AND RECOMMENDATIONS

The Advisors conclude that the Compliance Plan has met the technical compliance requirements under the RCPS, and that compliance should be able to be achieved through the purchase of RECs without exceeding the amount of RECs allowed by the RCPS at a cost below the RCPS Customer Protection Cost Cap.

The Advisors also recommend that the Council:

1. Approve ENO's proposal to purchase unbundled Renewable Energy Credits ("RECS") as needed to achieve compliance with the RCPS.
2. Approve ENO's request to establish the Alternative Compliance Payment ("ACP") for the 2026-2028 plan years at \$6.04/MWh.
3. Decline to decide whether the four proposed additional sources qualify for CECs at this time. Rather, the Advisors recommend that the Council require ENO to make an additional filing before the Council requesting approval of the proposed four additional sources of CECs addressing the issues and deficiencies that the Advisors have identified in this report.

Exhibit A

ENO Report Table 1: Projected 2026-2028 CECs from Existing ENO Portfolio

Resource Name	Type	RCPS Multiplier	2026 Expected CECs	2027 Expected CECs	2028 Expected CECs
Grand Gulf	Nuclear	1.00	1,941,224	2,090,222	1,924,987
River Bend	Nuclear	1.00	834,853	773,070	837,141
Energy Efficiency (implemented after 1/2021)	EE	1.25	419,000	492,490	563,268
ANO Unit 2	Nuclear	1.00	217,057	217,209	234,491
ANO Unit 1	Nuclear	1.00	198,570	184,371	184,867
Waterford Unit 3	Nuclear	1.00	170,344	183,427	170,862
Iris Solar	Solar	1.00	123,220	122,596	122,166
St James Solar	Solar	1.00	52,034	51,774	51,626
New Orleans Solar Station	Solar	1.25	50,779	50,518	50,442
Vidalia	Hydro	1.00	16,793	16,793	16,849
Commercial Rooftop Solar	Solar	1.25	6,606	6,573	6,540
Paterson Solar	Solar	1.25	1,801	1,792	1,783
EV Charging	EVCI	2.13-2.17	2,812	2,838	2,864
Total:			4,035,092	4,193,672	4,167,887

Footnotes omitted. Values do not sum to the presented Total, consistent with rounding errors, but they nonetheless reflect those provided by ENO.

**RULEMAKING PROCEEDING TO ESTABLISH
RENEWABLE PORTFOLIO STANDARDS**

DOCKET NO. UD-19-01

CERTIFICATE OF SERVICE

I hereby certify that a copy of the *Advisors' Report on Renewable and Clean Portfolio Standard Compliance Plan for the 2026-2028 Compliance Years* has been served up on the following parties of record in Docket No. UD-19-01 by electronic mail on this 21st day of November 2025.

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