

**RESOLUTION  
NO. R-25-669**

**CITY HALL: December 18, 2025**

**BY: COUNCILMEMBERS MORENO, MORRELL, HARRIS, GREEN AND THOMAS**

**RESOLUTION AND ORDER APPROVING A DER PROGRAM  
TO ENHANCE DISTRIBUTED ENERGY RESOURCES**

**DOCKET UD-24-02**

**WHEREAS**, pursuant to 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 (“City”); and

**WHEREAS**, Entergy New Orleans, LLC (“ENO”) is a public utility providing electric service throughout the City; and

**WHEREAS**, ENO is a wholly owned subsidiary of Entergy Utility Holding Company, LLC; and

**WHEREAS**, in recent years, the frequency and intensity of severe weather events has increased dramatically; and

**WHEREAS**, the Council has recognized the importance of expanding the availability of distributed energy resources (“DERs”) in response to a rapidly changing climate and increased demand on the electric grid; and

**WHEREAS**, in Resolution No. R-24-624 (“Initiating Resolution”), the Council established Docket Number UD-24-02 and a procedural schedule to evaluate ways to increase the availability of DERs, battery storage, and related facilities, including any changes to ENO-related policies and funding mechanisms, and establishing a vendor-neutral program to facilitate these goals; and

**WHEREAS**, pursuant to the Initiating Resolution, ENO submitted a copy of their current Distributed Energy Resource Standards for Distribution Interconnection. Subsequently, eight (8) parties submitted comments and proposals for changes to existing policies or programs, new programs, costs, and proposed funding mechanisms, including comments on whether System Energy Resources Inc. (“SERI”) credits can and should be used to support these programs; and

**WHEREAS**, the parties filed six sets of comments, two technical conferences were held,<sup>1</sup> and revised proposals by ENO, Together New Orleans (“TNO”), and Resilience New Orleans (“RNO”) were submitted; and

**WHEREAS**, the two technical conferences addressed each proposal, issues related to potential use of SERI credits, and a range of other matters; and

**WHEREAS**, by the second technical conference, it became evident that no individual proposal was developed enough to approve, and no proposal was supported by a cost-benefit analysis or an assessment of customer bill impact related to each proposal; and

**WHEREAS**, the need for supporting data and analyses required the Council’s utility advisors (“Advisors”) to seek an extension of time to file their Advisors’ Report; and

**WHEREAS**, in response to an Advisors’ motion to allow adequate time to analyze and evaluate the cost/benefit analyses that were expected to be filed and to conduct related discovery, the Hearing Officer extended the deadline for the Advisors’ Report and set a deadline for parties to file cost/benefit analyses; and

**WHEREAS**, the Advisors issued discovery to each party that filed a proposal in the docket, and the parties’ responses are summarized in the Advisors’ Report; and

**WHEREAS**, in a supplementary discovery response, TNO and the Alliance for Affordable Energy (“TNO/AAE”) included a summary of an analysis evaluating the benefits and costs of their

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<sup>1</sup> Technical Conference 1 was held February 4, 2025, and Technical Conference 2 was held April 29, 2025.

proposed distributed energy resources program (“DERP”), including the supporting excel workpapers; and

**WHEREAS**, ENO also submitted a cost-benefit analysis of its proposal and of the proposal submitted jointly by TNO and AAE, including an independent review<sup>2</sup> of TNO/AAE’s filing summarizing their cost-benefit analysis; and

**WHEREAS**, on June 2, 2025, TNO /AAE submitted an additional supplementary response to Advisors’ discovery titled “Impacts of the Distributed Energy Resources Program on Customer Rates and Customer Bills Resources Program in New Orleans”; and

### **Comments of the Parties**

**WHEREAS**, the parties’ initial set of comments focused on proposals to expand DERs in New Orleans, and whether SERI Credits can and should be used to support the proposals. Most proposals provided a general framework to develop a DER expansion plan to achieve DER goals; and

**WHEREAS**, most proposals relied on SERI Credits for funding the expansion of DERs, only RNO and ENO opposed the use of SERI Credits for funding; however, ENO subsequently proposed using \$10 million of SERI Credits to fund its initial proposal; and

**WHEREAS**, RNO’s comments proposed the creation of a “New Orleans Carbon Offset” program to raise funds for renewable energy goals, including storage; and

**WHEREAS**, the Office of Resilience and Sustainability filed comments that included the creation and operation of area microgrids in a favorable environment with increased DERs and community solar, to improve grid reliability; and

**WHEREAS**, several parties supported building upon the structure of ENO’s existing demand response battery storage program, with TNO/AAE adding a broader vision of a

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<sup>2</sup> The independent review of TNO/AAE’s cost benefit analysis was conducted by the Energy Smart Third Party Evaluator and submitted to ENO on May 30, 2025.

decentralized network of batteries and solar installations that can function both as grid resources and as community resilience hubs; and

### **Advisors' Report**

**WHEREAS**, the Advisors examined the two primary DER proposals, participated in both technical conferences, reviewed all parties' comments and proposals, analyzed the cost-benefit analyses, and issued discovery to the parties, including two sets of discovery each to ENO and TNO/AAE, all of which formed the basis of the 36-page Advisors' Report, which thoroughly analyzed the proposals based upon the extensive record developed in the docket and was filed on July 16, 2025; and

**WHEREAS**, in the Advisors' Report the Advisors analyzed applicable state and federal law, settled utility regulatory principles, the relevant SERI-related settlement documents and resolutions, other practical considerations and long-standing Council practices and precedents and concluded that based upon the record, SERI Credits are not available for the direct funding purposes proposed by some of the parties; and

**WHEREAS**, the Advisors concluded that the record supported that the Council could proceed toward the expansion of DERs in a manner similar to the Council's approach in the resilience docket UD-21-03 that was, in part, the genesis for this docket. In that docket, the Council cautiously evaluated ENO's proposed \$1.1 billion resilience plan, ultimately approving a \$100 million two-year plan that could provide reliable data to inform future resilience decisions by the Council; and

**WHEREAS**, the Advisors noted that such a measured DER approach could allow for expansion of DERs that could be accomplished through ENO's Energy Smart Battery Energy Storage System ("BESS") Pilot Program, which both ENO and TNO/AAE have proposed to utilize; and

**WHEREAS**, the Advisors further noted, that a measured DER approach, would allow the Council to gather critical information along the way to evaluate what incentive levels work best, how much participation is achieved at a given incentive level, what are the localized impacts on the distribution system, what are the identifiable benefits from an annual review of the actual results of the program, how the program cost effectiveness could be improved, and what is the ratepayer impact of expanding the penetration of DERs; and

**WHEREAS**, RNO, PosiGen, and Enphase also support the expansion of the DERs through the Energy Smart program structure to expand the battery pilot; and

**WHEREAS**, the Advisors also expressed concerns with the proposals and noted that with good-faith collaboration and the willingness to compromise, the parties could develop a DER expansion program, conducted initially as a pilot, possibly through Energy Smart, that would accomplish the Council's goals while ameliorating the concerns; and

**WHEREAS**, the Advisors recommended that the Council consider the development of a DER expansion pilot program based upon key elements from the input of the parties and the Advisors' list of features that should be included in a DER pilot program; and

**WHEREAS**, in addition to providing a path forward for the Council to implement a DER pilot program, the Advisors suggested that although RNO's proposed New Orleans Carbon Offset project extends to parties outside the participation in this docket it is a concept that the Council could explore as a source of funds; and

### **Revised Proposals**

**WHEREAS**, although 24 parties filed petitions for intervention in the instant docket, only TNO/AAE, ENO, and RNO filed revised proposals, with TNO/AAE and ENO providing some details upon which a DER Program could be developed for implementation; and

**WHEREAS**, the revised proposals of TNO/AAE and ENO were focused on near-term expansion of DERs, including certain incentives, costs, and participation estimates, and cost-benefit analyses; and

**WHEREAS**, TNO/AAE indicated in its revised proposal that throughout September 2025, TNO/AAE and ENO convened three working meetings that produced substantial alignment on program architecture, grid integration, and market operations, but not on the scale of the program or the source of funds; and

**WHEREAS**, ENO confirmed the meetings to discuss the framework for a program and identify opportunities for alignment. ENO noted further that while these meetings have been helpful in identifying alignment between the parties on several aspects of program structure and administration, there is continued disagreement on the amount of funding that should be dedicated to the initial years of the BESS incentive program and the source of that funding; and

**WHEREAS**, TNO/AAE continue to support their original proposed funding of \$32 million, with approximately \$10 million of funds in upfront incentives allocated per year over three years. ENO's revised proposal supports program funding of approximately \$10 million over three years, or \$3.4 million per year, which includes the existing BESS Pilot Program (Phase 2) participants and incentives for participation for all enrollees; and

**WHEREAS**, in its revised proposal, ENO supports ratepayer funding of the program under Energy Smart through the Energy Efficiency Cost Recovery ("EECR") Rider tariff. TNO-AAE supports funding their proposal, including \$29 million of upfront incentives, with SERI Credits. TNO/AAE presented two options: 1) use SERI Credits directly or 2) use the Energy Smart EECR Rider with a dollar-for-dollar SERI Credit offset; and

**WHEREAS**, the Council appreciates the parties' efforts to work together, and while both TNO/AAE and ENO suggest that there is agreement between the parties except for two issues: 1)

the amount of funding (scale of the program) and 2) the source of funding, the Council finds that there are other differences that remain between the TNO/AAE and ENO revised proposals; and

**WHEREAS**, a Council decision on only the amount of funding and source of funding would not be sufficient to implement a program in an expedient manner; and

### **Findings**

**WHEREAS**, based on the record, the Council finds that the growth of DER in New Orleans would best be enhanced at this time with a three-year DER Program (“DER Program”) implemented and operated under Energy Smart and consistent with the Advisors’ Report, using the existing DER management system (“DERMS”); and

**WHEREAS**, further based on the record, the Council finds that the DER Program should be structured with a third-party incentive administrator selected by the Council, to implement, deliver, administer and conduct quality control/quality assurance for existing Energy Smart programs; and

**WHEREAS**, also based on the record, the Council finds that customer upfront incentives are necessary to achieve the Council’s goal of increasing the availability of DERs, battery storage, and related facilities, and finds that an customer upfront incentive budget of \$28 million over a period of three years is appropriate; and

**WHEREAS**, because the DER Program would be implemented under, and consistent with the goals of, Energy Smart, the Council finds that cost recovery for the DER Program can be accomplished equitably and effectively through the Energy Efficiency Cost Recovery (“EECR”) Rider tariff. This ensures that rate classes that primarily benefit from the customer upfront incentives of the DER Program are allocated the cost of the DER Program; and

**WHEREAS**, because the Council finds that the DER Program is consistent with the goals of, and should be implemented under, the Energy Smart program, the Council has existing and

separate authority to allocate SERI credits to customers as bill credits to mitigate any incremental rate impact resulting from the DER Program cost recovery through the EECR Rider; and

**WHEREAS**, to ensure that customer upfront incentives are widely available, the Council finds that fifty percent (50%) of incentives should be earmarked for residential customers and that fifty percent (50%) should be earmarked for commercial customers, subject to periodic review and adjustment by the Council based upon data presented and evaluated regarding program demand; and

**WHEREAS**, to ensure opportunity for low-to-moderate income (LMI) participation in the DER Program, the Council finds that forty (40%) of the total customer upfront incentives earmarked for residential customers should be earmarked for residential LMI customers, with the respective percentages being subject to periodic review and adjustment by the Council based upon data presented and evaluated; and

**WHEREAS**, with respect to customer upfront incentives levels, the Council accepts the TNO/AAE proposed incentive level for residential and commercial customers of \$1,000/kW based upon *delivered capacity* for residential and commercial / community battery systems; however, for implementation of the DER Program, the Council finds that establishing this incentive level on a per kWh *installed* basis is more straightforward. Restating the \$1,000/kW *delivered* incentive on a per kWh *installed* basis results in an incentive level of \$400 per kWh *installed*. Therefore, the Council finds that an incentive level of \$400 per kWh *installed* be used for non-LMI residential and commercial customers, subject to feedback from the DER Program implementation advisors and to evaluation by the Council based upon data presented and evaluated; and

**WHEREAS**, to facilitate and encourage residential LMI customer participation in the DER Program, the Council accepts the TNO/AAE proposed twenty (20%) “adder” for residential LMI customers, and finds that an incentive level of level of \$480/kWh *installed* be used for residential LMI customers, initially, and subject to evaluation by the Council based upon data presented and evaluated; and

**WHEREAS**, to further ensure that customer upfront incentives are available widely, the Council finds that it is appropriate to establish a cap on the amount of upfront customer incentives that an individual customer receives and establishes a \$10,000 residential customer cap and a commercial customer cap of \$100,000, subject to evaluation by the Council based upon data presented and evaluated; and

**WHEREAS**, consistent with ENO’s current (Phase 2) BESS Pilot, the Council finds that ENO’s proposed ongoing incentive payments are appropriate for all enrolled residential customers at the rate of \$125/average kW *delivered* across all events, capped at \$600/year, and for all enrolled commercial customers at the rate of \$250/average kW *delivered* across all events, capped at \$1800/year. The Council recognizes that these are initial values and they may be evaluated and adjusted based on the annual results of the DER Program; and

**WHEREAS**, to achieve reasonable benefits from the use of batteries installed under the DER Program, the Council finds that customers who receive upfront incentives should be required to commit to participating for seven (7) years; and

**WHEREAS**, to protect ratepayer funds, the Council finds that customers who receive incentives and do not participate in the DER Program “events,” as defined in the Program, should be subject to a claw back of the upfront customer incentives. The Council further finds that the details of any potential claw back of upfront incentives should be fully described in the terms and conditions for participation, including objective standards for measuring non-participation and

calculating any claw back amount, and that claw backs should only occur following a reasonable level of “event” non-participation by the customer; and

**WHEREAS**, to prevent excessive use of the customers’ battery systems and to promote a positive customer experience with the DER Program the Council finds that it is appropriate to limit the number of DER Program “events” per year to a maximum of thirty (30) “events” for ENO’s use of the customer’s battery. The Council notes that this maximum is consistent with ENO’s BESS Pilot (Phase 2); and

**WHEREAS**, ENO in its revised proposal has estimated program administration costs of \$979,400 for the 3-year program, and TNO had estimated \$3 million in administrative costs for the first 3 years of its proposal; and

**WHEREAS**, to keep the DER Program implementation and administration costs from becoming excessive, the Council finds that a not-to-exceed implementation and administration budget of \$2 million over the initial three-year Program term is a reasonable and supportable target budget. To allow the Council to monitor the DER Program's administrative costs, the Council finds that the DER Program should include a requirement for ENO to inform the Council if its administrative costs are expected to exceed the \$2 million budget and to request Council approval prior to collecting any excess from ratepayers; and

**WHEREAS**, to monitor the DER Program and potentially adjust incentive levels or reallocate budget based on the annual results of the DER Program, the Council finds that periodic reporting, on both a quarterly and annual basis, regarding the budget and operational progress is required, and that such reporting should have sufficient detail to allow the Council to adjust the program’s spending; and

**WHEREAS**, the Council affirms its original goal that the DER Program be vendor neutral and finds that the DER Program developed as part of this docket must be vendor neutral to permit

maximum participation; and

**WHEREAS**, the Council finds that the DER Program must provide for third-party ownership of the customers' DER installation; and

**WHEREAS**, the Council has previously engaged the professional services of Apex Analytics and Emergent Grid Solutions as DER Program implementation advisors to assist CURO and the Advisors in the design and implementation of the DER Program, consistent with directives expressed in this resolution; and

**WHEREAS**, the DER advisors should work with CURO and the Advisors to effectuate the design and implementation of the DER Program; and

**WHEREAS**, to support planning, evaluation, and accountability, the Council finds it appropriate to establish annual participation benchmarks for the DER Program by customer segment (residential low-to-moderate income, residential non-LMI, and commercial/community), as more fully set forth in the ordering paragraphs below; and

**WHEREAS**, the Council finds that the DER Program as described herein is supported by the record in this proceeding and is in the public interest; **NOW THEREFORE**

**BE IT RESOLVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That**

1. **Establishment of the DER Program and Implementation Plan.** Consistent with the Council's features and findings described in this resolution, and no later than March 1, 2026, ENO, in consultation with CURO, the Advisors and the Council's DER Program implementation advisors, shall file with the Council a proposed three-year DER Program implementation plan, under Energy Smart as Phase 3 of the BESS Pilot Program, including program design, eligibility criteria, incentive structures, budgets, performance requirements, administrative arrangements, deployment goals, and any other provisions necessary for implementation. The implementation plan shall include

quantified deployment targets for the three-year program term, expressed as the number of projects and aggregate kW of battery capacity deployed by year and by customer category; eligibility and participation rules, including eligible technologies, participation standards, third-party ownership, participation terms and claw back provisions; upfront and ongoing incentive standards for program year 2026; defined administration roles for ENO, the third-party incentive administrator and the Council's designees.

2. **Implementation Plan Approval.** The Council shall review the proposed implementation plan, provide at least thirty (30) days for party comments and advisor input, and, thereafter, may approve, modify, or reject the plan in whole or in part, and may direct the responsible entities to make revisions as the Council deems necessary, or to implement additional proceedings, to ensure consistency with Council policy, ratepayer protections, and the public interest.
3. **Upfront incentive funding.** The DER Program shall include a not-to-exceed budget of twenty-eight million dollars (\$28,000,000) for customer upfront incentives over the initial three-year Program term. These customer incentive costs, together with approved DER Program implementation costs, shall be recovered through the Energy Efficiency Cost Recovery ("EECR") Rider.
4. **Use of Council-Discretionary Portion of the SERI Settlement to offset rate impacts.** The Council directs that, to the extent practicable and subject to the annual ten million dollar (\$10,000,000) application cap established in Resolution R-24-194, the remaining portion of the SERI Settlement whose use is left to the Council's direction, under the Agreement-in-Principle, be used to mitigate any net increase in customer rates resulting from the cost recovery of DER Program costs through the EECR Rider, by providing bill

credits or other rate offsets to ENO customers. This resolution does not alter or affect the uses of settlement funds previously authorized in the Agreement-in-Principle adopted in R-24-194, including the \$22 million credit under the Formula Rate Plan and the \$44 million regulatory liability.

5. **Administration cost cap.** The total DER Program administration budget — including program design, marketing and outreach, DERMS integration, third-party incentive administration, and evaluation, but excluding customer incentive payments — shall be capped at two million dollars (\$2,000,000) over the initial three-year Program term. ENO shall submit an annual administration budget for Council approval. ENO shall not recover administration costs in excess of this \$2,000,000 cap through the EECR Rider without prior Council authorization, and shall promptly notify the Council if projected costs are expected to exceed this cap.
6. **Vendor Neutrality.** The DER Program shall be implemented in a vendor-neutral manner, permitting participation by any qualified installer and equipment provider meeting program standards.
7. **Third-Party Ownership.** Customers may participate in the DER Program whether their eligible battery or solar-plus-storage systems are owned by the customer or by a third-party entity, provided that all systems meet program technical standards and all owners comply with the DER Program’s participation and performance requirements. The structure of the DER Program shall not restrict or disadvantage participation based solely on ownership model. ENO shall apply all interconnection, metering, control, and data-access requirements in a nondiscriminatory manner to customer-owned and third-party-owned systems.

8. **Reporting.** After the DER Program is established and implementation has been initiated, ENO is directed to file the following reports:

- a. **Quarterly reports** filed by ENO in coordination with the third-party incentive administrator and the Distributed Energy Resource Management System (DERMS) contractor (presently EnergyHub, or any successor DERMS provider) serving as the DERMS platform operator. The quarterly reports shall begin with the first quarter following initiation of the DER Program and continue thereafter for the duration of the DER Program, with the filings being made no later than 30 days after the end of each quarter.
- b. **Annual reports**, beginning with a report covering calendar year 2026 shall be filed on or before March 1, 2027. Each subsequent annual report shall include results for the applicable reporting period consistent with the reporting requirements enumerated below and shall provide conclusions and recommendations with respect to the Council's objectives for the DER Program. An annual report for each succeeding calendar year of the DER Program shall be filed no later than March 1.
- c. All quarterly and annual reports shall include the following information:
  - number of residential non-LMI, LMI, and commercial participants;
  - factors influencing enrollment rates;
  - grid locations and any related grid issues (including interconnection delays);
  - number of events each month;
  - number of participants per event and average kW per event;

- funds expended for upfront incentives and ongoing incentives for residential non-LMI, LMI, and commercial participants compared to budgeted amounts;
- funds expended for ongoing incentives from residential and commercial participants, for continued participation in DER Program;
- administrative costs for ENO, the third-party incentive administrator and the program implementer compared to budget;
- any reported issues with customers or participants, including incentive disbursement;
- recommendations for adjustments to better accomplish the goals of the DER Program (annual report only).

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

**YEAS:**

**NAYS:**

**ABSENT:**

**AND THE RESOLUTION WAS ADOPTED.**