

July 20, 2026

Via Electronic Mail

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

Re: COMMENTS OF GRID ALTERNATIVES ADDRESSING ENTERGY NEW ORLEANS'
PROPOSED BATTERY ENERGY STORAGE SYSTEMS (BESS) PHASE 3 IMPLEMENTATION
PLAN AND TOGETHER NEW ORLEANS' PROPOSED SUBSTANTIVE MODIFICATIONS IN
DOCKET UD-24-02

Dear Ms. Collier:

GRID Alternatives respectfully submits the attached comments to docket **UD-24-02** pertaining to the City's **Distributed Energy Resource (DER) Program**, specifically with regard to Entergy New Orleans' (ENO's) proposed battery energy storage systems (BESS) Phase 3 Implementation Plan and Together New Orleans (TNO)'s proposed modifications.

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

Sincerely,

Alexandra M. Wyatt
National Policy Counsel
GRID Alternatives

BEFORE THE COUNCIL OF THE CITY OF NEW ORLEANS
IN RE: RESOLUTION AND ORDER APPROVING A DER PROGRAM
TO ENHANCE DISTRIBUTED ENERGY RESOURCES

DOCKET NO. UD-24-02

COMMENTS OF GRID ALTERNATIVES REGARDING
ENTERGY NEW ORLEANS' PROPOSED DER PROGRAM
IMPLEMENTATION PLAN AND SUPPLEMENTAL FILINGS
AND TOGETHER NEW ORLEANS' PROPOSED MODIFICATIONS

Introduction

GRID Alternatives (GRID), a 501(c)(3) nonprofit organization with a mission to build community-powered solutions to advance economic and environmental justice through renewable energy, offers these comments on both Entergy New Orleans' (ENO's) proposed battery energy storage systems (BESS) Phase 3 Implementation Plan and Together New Orleans' (TNO's) proposed modifications. In line with our mission, we focus our comments primarily on program components for the low- and moderate-income (LMI) residential customer segment, with whom GRID has more than twenty years of experience working to provide clean distributed energy resources (DERs) like solar and storage, and to design, administer, and implement DER incentive programs comparable to the one mandated by the Council of the City of New Orleans (Council) in the present docket.

The importance and urgency of the program under discussion can hardly be overstated. As the Council has repeatedly recognized, rapidly expanding the availability of DERs is vital to respond to a destabilizing climate, increasingly frequent severe storms, intensifying demand on the electric grid, and affordability concerns, among other issues facing the City of New Orleans. A successful DER program at an appropriate scale is a win-win-win scenario for participants,

nonparticipating ratepayers, and the City as a whole. The Council has also recognized the importance of specifically targeting LMI households with dedicated funding and program design components to ensure that those who can benefit the most from savings and resilience against power outages can actually participate. Unfortunately, ENO's proposed Implementation Plan is not structured to enable the inclusive participation and scale that the Council seeks, and ENO has not offered any justification that it would. On the basis of GRID's experience successfully providing the benefits of DERs to LMI families and communities, we believe that the modifications proposed by TNO, GRID, and other intervenors, built on empirical evidence about what it takes to overcome relevant barriers to participation, largely address the deficiencies in ENO's proposal.

I. This BESS/VPP Program Will Benefit All New Orleans Residents

In their Supplemental Implementation Plan filed May 26, 2026, as well as their June 22, 2026 comments on TNO's proposal, ENO has repeatedly objected to the Council's decision to use \$30 million for a DER program at all, providing a cursory statement of Ratepayer Impact Measure (RIM) and Utility Cost Test (UCT) results without underlying analysis and stating that the program is not cost-effective and would shift costs to non-participants. To the extent the Council's original decision needs defending, GRID points to the Benefit-Cost Analysis (BCA) provided by TNO and the Alliance for Affordable Energy, which generally reflects the recommendations of the Clean Energy States Alliance (CESA) on more comprehensively and accurately considering benefits for energy storage BCA.¹

It must be emphasized that both ongoing VPP participation and resilience against power outages have real benefits that demand valuation and consideration by the Council, whether they

¹ <https://www.cesa.org/wp-content/uploads/Energy-Storage-Benefit-Cost-Analysis.pdf>.

do or do not show up on utility ledgers. For example, both household and institutional (e.g. community hub) resilience against power outages reduces needs for city services and hospitals in crisis situations. Reducing usage of peaker plants contributes to additional health and safety benefits spread out over the entire year from reduced pollution while also saving ratepayers direct energy costs. VPPs can also avoid or defer the need for capital investment in centralized energy generation and grid infrastructure, again helping all ratepayers. The benefits of this program in equitably catalyzing further interest in and experience with DERs and VPPs going forward and in positioning the City of New Orleans as a leader in this space also have great, if difficult to quantify, value. In the context of climate change increasingly driving interconnected challenges to health, environment, grid resilience, and other aspects of livability, the Council's leadership in building out a robust and equitable VPP program is a vital ingredient in maintaining and improving affordability *and* livability more broadly for residents.

In their June 22, 2026 comments on TNO's proposal, ENO (a for-profit subsidiary of an S&P 500 corporation) further dismisses the Council's DER program as providing "business opportunities for private, for-profit, non-utility projects." This statement ignores that the primary beneficiaries of these investments are our communities—local families, schools, churches, affordable housing developments, and small businesses who would see direct meaningful benefits for energy savings and resilience, with the grid and the community as a whole also benefiting significantly as well. GRID's experience over the last 25 years as the nation's leading not-for-profit clean organization proves that community-led models and motivations can also effectively deploy DERs that benefit everyone.

II. The Council Should Allocate \$28 Million to Upfront Incentives with a Mandatory LMI Set-Aside

GRID objects to ENO's proposal to divert some of the allocated funding away from three years of upfront incentives and use it to pay for ongoing demand response (DR) participation compensation. As TNO has explained, ongoing performance payments are compensation for the value of grid benefits actually delivered by installed BESS. This funding stream should be separate from the \$28 million allocated to upfront incentives to achieve installations and create the capacity for providing those grid benefits in the first place. The Council can do so without burdening nonparticipating ratepayers, because the grid services economically benefit all ratepayers: BESS participation in DR reduces costly peaker plant usage and avoids or defers investments in distribution grid and other infrastructure, among other benefits.

ENO has also requested "flexibility to allot budget amounts between customer groups to meet market demand for batteries and maximize deployments." Some bounded flexibility may be appropriate, but ENO should be held to a requirement to serve LMI customers proportionate to the funding percentages already allocated by the Council. It should not be allowed to simply redirect funding toward the "lowest hanging fruit" that is easier for the market to serve. Appropriate incentive levels will also help ensure that no customer group is left behind.

III. Upfront Incentives for LMI Households Should Enable Full Cost Coverage

A. ENO's Proposed LMI Residential Incentive Level Leaves a Significant Gap

GRID's analysis, like that of TNO, identifies a significant cost gap remaining for LMI customers at the proposed incentive levels, even assuming the utilization of third-party ownership (TPO) models to access and monetize the federal investment tax credits (ITC) and

applicable bonus credits that remain available for BESS. GRID supports enhancing the LMI upfront incentives to close the identified gap fully for households who don't have the financial capacity to invest their own funds into a home battery. Closing this gap is necessary to ensure a successful program deployment without delay.

According to online marketplace and project data aggregator EnergySage, residential battery system installations are currently averaging about \$1,128/kWh nationally, plus operations and maintenance costs as well as financing to cover the delay of federal ITC payment until after systems are placed into service.² With TPO, storage ITC and bonus credits (for energy communities and/or domestic content) can return more than 30% of system costs. Using those estimates, GRID's high-level financial analysis of the current Entergy proposal is that low-income families would still have to pay an additional five thousand dollars or more to install an average-sized 14 kWh home BESS.³

B. LMI Households Cannot Bear the Burden of Closing the Gap

While this type of investment may be a possibility for higher income households, asking it of LMI households who are often living paycheck to paycheck is a non-starter, particularly in the current inflationary environment where families are struggling to keep up with the rising costs of food, gasoline, and other core monthly expenses. Nationwide, 37% of adults could not afford to cover a \$400 emergency expense without incurring debt, according to the Federal Reserve's most recent *Report on the Economic Well-Being of U.S. Households*.⁴ That percentage is likely higher in New Orleans, which has a higher poverty rate than the national average, and it

² <https://www.energysage.com/energy-storage/>

³ While five thousand dollars is significant enough on its own, this gap assessment covers only the core "hard cost" of building a project once an eligible and interested customer is identified. It does not include the cost of LMI client acquisition, income verification, or any other related programming typically associated with LMI program.

⁴ <https://www.federalreserve.gov/consumerscommunities/sheddataviz/unexpectedexpenses-table.html>.

is certainly higher among the households that would be income-qualified for the LMI incentive in this program.

Even spread out over ten years, covering this gap amount is not feasible for families whose monthly and annual budgets are already precarious. GRID strongly recommends against consumer debt as part of LMI DER program models.⁵ Low-income debt financing schemes tend to raise major consumer protection and trust-building issues for communities that have a long history of financial exploitation. Many LMI households may not meet the underwriting criteria for debt finance at all, and risks of high interest rates or other aggressive and unfavorable terms are particularly acute for LMI households. As discussed above, VPP incentive payments over time serve a different purpose and also are not a solution to this upfront funding gap.

C. The Council Should Close the Gap With a Larger Upfront Incentive to Provide No-Cost BESS for LMI Customers

For an LMI program to be successful, it cannot merely be based on slight tweaks to the same assumptions that underlie market-rate programs. Programs and services for LMI households and communities need to be built from the ground up, with their actual experiences and perspectives built in from the start.

GRID recommends raising the upfront LMI incentive to a level that pencils while providing systems at no cost to the customer. In GRID's long experience with similar programs for LMI households, a no-cost incentive structure is a best practice that simplifies program design, increases deployment speed, supports administrative efficiency, and ensures the lowest possible barriers to participation. No-cost battery installations for LMI households is the best way to quickly maximize the resilience benefits of this program for folks who need them the

⁵ GRID supports debt financing options for nonresidential program segments, such as for multifamily affordable housing.

most, while ensuring that this critical component of the overall VPP program is successful. Contrary to the arguments of ENO, additional incentives do not translate into additional revenues or profits for project developers or installers, but to direct customer benefit and indirect benefit to the distribution grid and the community from more capacity being deployed more quickly.

D. The LMI Incentive Should be Between \$850-\$1100/kWh

To provide no-cost battery systems for LMI New Orleans families, Entergy should provide an up-front LMI residential incentive of \$850/kWh-\$1100/kWh. This is slightly higher than TNO's recommended upfront incentive of \$822 per kWh, but similar in scale. Like TNO, our priority is not a particular number, but rather, the assurance that the incentive level has been set on the basis of strong financial and equity analysis.

GRID's recommendation is based on both the cost gap calculations we have done around this program, as described above, and our experience implementing low-income BESS projects under the Self-Generation Incentive Program (SGIP), the largest similar BESS program in the country through which GRID has implemented about 700 residential battery projects in California. With its current project pipeline, GRID has about 1200 battery projects, or about 15 MWh of aggregate storage capacity.

SGIP initially offered an income-qualified incentive of \$850/kWh. The California legislature allocated additional, non-ratepayer funding for SGIP in September 2022.⁶ The SGIP storage incentive for the Residential Solar and Storage Equity budget was then raised to \$1100/kWh by the California Public Utilities Commission (CPUC) in March 2024 following comments from participating installers and other parties.⁷ In its decision, the CPUC cited actual

⁶ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202120220AB209.

⁷ D.24-03-071,

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M527/K963/527963349.PDF> (p37 & 104, Ordering Paragraph 24).

average project costs as the primary rationale for this change and noted that the incentive increase sought to ensure that most customers would not need to contribute financially to cover the cost of storage systems incentivized through SGIP. GRID was able to build low-income BESS projects under both iterations of the program; while the current \$1100/kWh covers all costs including community outreach and education, client acquisition, and so on, at \$850/kWh we were able to fully fund the “hard costs” of battery installations by pairing the incentive with the federal ITC and bonus credits (via TPO) along with leveraging separately-funded low-income solar programming and funding to handle costs like outreach and client acquisition.

The Council is not facing a choice between serving more LMI households with lower per-household incentives and fewer LMI households with more generous per-household incentives. It is facing a choice between designing an effective program that rapidly and equitably brings LMI households into participation, and an ineffective one that leaves these households behind entirely because the funding gap leaves insurmountable barriers in place. We urge the Council and its Advisors to adopt an LMI upfront incentive level sufficient to provide BESS at no cost to these households so that the VPP program can truly belong to all of New Orleans.

Conclusion

If the final Entergy VPP program can incorporate these changes, GRID Alternatives can commit to expanding our work into New Orleans and collaborating with Together New Orleans and other local partners to help realize this powerful vision of a virtual power plant built by and for the community. We are also excited to explore opportunities to help low-income New Orleanians pair home battery storage with solar PV systems to maximize long-term savings and household and city-wide energy resilience.

Respectfully submitted,

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TO ENHANCE DISTRIBUTED ENERGY RESOURCES

DOCKET NO. UD-24-02

GRID ALTERNATIVES
PETITION FOR INTERVENTION OUT OF TIME
AND FOR INCLUSION ON SERVICE LIST

CERTIFICATE OF SERVICE

I do hereby certify that I have, this July 20, 2026, served the foregoing correspondence upon all other known parties of this proceeding by electronic mail.

/s/ Alexandra M Wyatt

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