

A photograph of a street scene in New Orleans. In the foreground, a trolley is on a track. To the left, there are utility poles and street signs for Delgado and Picheloup. The background shows trees and a street with cars.

# The Journey to Rebuild New Orleans Energy Smart

Cathy Herren, Director of Energy Efficiency  
Lana Lovick, Manager of Regulatory Affairs  
Entergy New Orleans, Inc.



## *Effects of Hurricane Katrina on New Orleans*



*Photo by Entergy's Michoud plant manager Don McCroskey*



**Aug. 30, 2005: *Levees broke and floodwaters inundated New Orleans***



# Let the Journey Begin

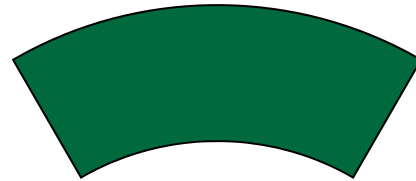
- Uniquely Rich heritage
- 26% of residents impoverished
- Average housing stock over 40 yrs. old
- New building codes
- Katrina/Rita offered “clean slate”



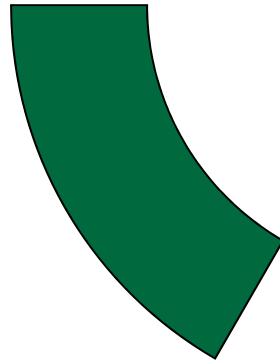
# The Road Less Traveled



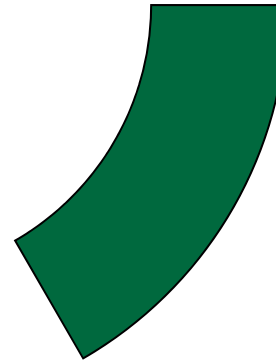
**Stakeholders**



**Regulators**



**Utility**



THE POWER OF PEOPLE®

# A Long and Winding Road

## *Steps that led us to Energy Smart Plan*

- **2007**
  - New Orleans City Council supported grass-roots efforts to develop comprehensive energy policy.
  - Resolution R-07-600 expressed Council's commitment to energy efficiency.
- **2008**
  - Resolution R-08-366 describes Energy Efficiency Program concepts.
  - Resolution R-08-601 set aside \$1.855 million for residential use in the Energy Smart Plan.



# A Long and Winding Road

## *Steps that led us to Energy Smart Plan*

- **2009**
  - 2009 Agreement in Principle approved in April.
  - Provided \$3.1 million annually to fund Energy Smart Plan for three years.
  - Directed Entergy New Orleans to collaborate with Council Advisors to design cost effective DSM programs.



# Charting the Course

- Baseline profiles established by:
  - Structural characteristics
  - Income
  - Appliance profiles
  - Geography





# Charting the Course

- Energy utilization patterns revealed:
  - Average household energy usage declined by 9% compared to pre-Katrina patterns.
  - Greatest reduction in energy use were in neighborhoods heavily flooded.
  - New building codes and replacement of older appliance resulted in lower consumption.

# Charting the Course

## **Guiding Principles** to build foundation for Energy Smart Programs:

1. Benefit to all customers
2. Be cost-effective
3. Design using New Orleans data
4. Scale to provide a meaningful energy savings
5. Reflect “best practices”
6. Utilize commercially available technologies and infrastructure

# Charting the Course

## Guiding Principles to build foundation for Energy Smart Programs: (cont'd)

7. Economically significant within the budgetary realities
  - Focus on market and workforce development
  - Costs not to exceed authorized funding
8. Create measurable benefits
9. Can consider complimentary funding sources
10. Priority given to local vendors
11. EM&V component

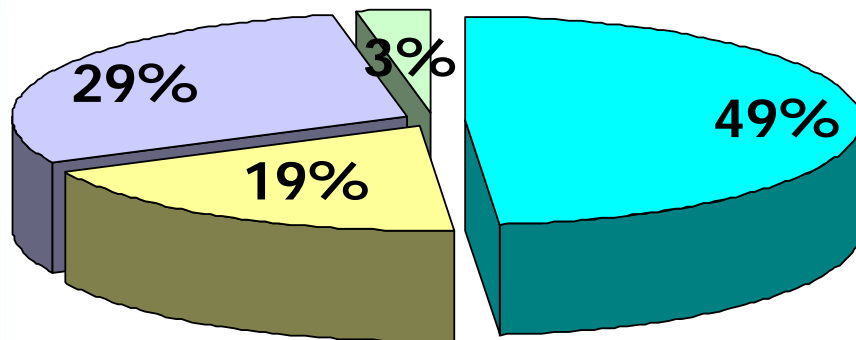
# Summary of General Framework



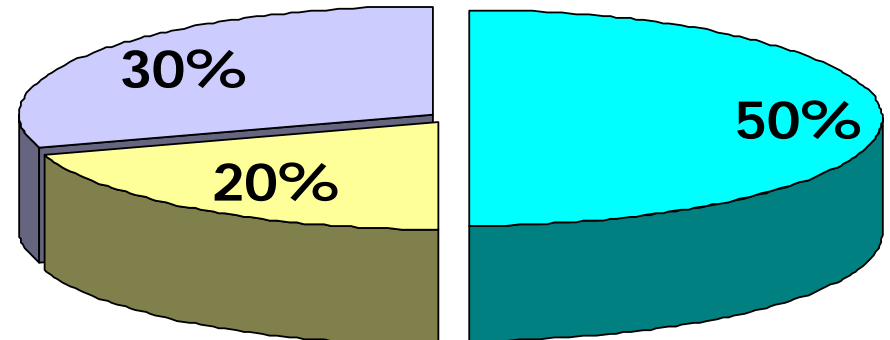
# All Customer Segments Benefit from Energy Smart

By Customer Segment

Ratepayer Demographics



Expenditure Distribution



-  Residential
-  Small Commercial
-  Large C&I
-  Municipal (*expenditures assumed included in Commercial Programs*)

# A Few Detours

- Selection of Independent Monitor
- Utility Chair did not seek re-election
- City wide elections
- Signing of Independent Monitor contract
- RFP process



# Lessons Learned

- One size does not fit all:
  - Housing stock
  - Demographics
  - Limited resources of many households
  - Immature market for energy efficiency
- Importance of buy-in from regulators
- “All or nothing” mindset of some stakeholders
- Some customer segments embraced ideas more quickly than others
- Setting realistic goals

# Challenges

- Building consensus among all stakeholders
- Harness ideas from all stakeholders and condense into workable plan
- Lack of Stakeholders understanding of New Orleans market
- Customer focus on energy efficiency
- Lack of qualified local contractors
- Third Party Administrator selection process



# Are We There Yet?

- City Council approval of Third Party Administrator
- Finalize program design and implementation strategy
- Program launch
- Annual City Council reviews

# And the Journey Continues...



Stay Tuned!!!!

For More Information on the New Orleans Energy Smart Plan Journey go to [www.Entergy-Neworleans.com/IRP](http://www.Entergy-Neworleans.com/IRP)

Save the Date



## 22<sup>nd</sup> National Conference & Expo

February 6-10, 2012  
Hilton San Diego Bay Front

