For the past ten months, invisible to most of us, the New Orleans City Council has engaged in revising our electric utility rates. This last happened soon after Katrina, ten years ago.

Truth be known, because the electric utility industry is changing every year, we should respond with electric rates that timely address these changes.

Entergy, City Council, their advisors, major customers and a few public interest intervenors joined this rate case. Because there is always a push and pull on behalf of residential, commercial and industrial customers, a rate case typically produces winners and losers.

***Can we create a rate structure that is fair to all customers AND keeps up with these changes?***

Well, that could happen if Customer Lowered Electricity Price or CLEP, an innovative rate developed by one of the intervenors, is adopted by the Council. As proposed, CLEP would be an available option that a customer could sign up for or not. How CLEP works is simple:

***A CLEP customer buys electricity when it is less expensive and gets paid almost all the avoided costs of the utility that this generates.***

Sounds complicated but the utility’s computers do most of the work. As soon as a customer signs up for the CLEP rate, **all customers enjoy lower electricity prices**—explaining CLEP’s name.

CLEP rewards customers who schedule or shift electricity purchases away from peak hours—when it costs the utility the most to provide electricity because that’s when wholesale electricity prices are highest, or the delivery systems are most stressed. At no cost to ratepayers, subsidies or carbon taxes, CLEP provides an incentive that rapidly and fully pays customers to purchase and use devices that reduce peak demand, such as timed control water heating, cloth dryers, electric vehicle charging and, starting to become common elsewhere, ice-making air conditioners.

And importantly, CLEP imposes no lifestyle changes to get most of these benefits.

CLEP is essentially a sophisticated time-of-use rate (e.g., price of electricity varies by time of day), which has proven successful in other states and countries for many decades. CLEP can be easily introduced in New Orleans because Smart Meters (that ENO calls “***AMI***”, i.e., “my friend”) will be fully deployed next year.

The major benefits of CLEP are:

* Reduces the need for peaking electric power generation plants,
* Significantly reduces CO2 emissions,
* Accelerates investment in energy efficiency and solar energy technologies,
* Develops a market for behind-the-meter energy storage systems (which could be the batteries in our electric vehicles),
* Make electric vehicles more affordable, and particularly
* And finally, greatly improves the reliability of electricity delivery to you.

CLEP gives Louisiana a chance to be 1st in the nation to implement this truly innovative and fair electric rate design. And, most importantly, it does not cost New Orleans ratepayers anything.

The Council should adopt the CLEP rates and tariffs across all customer classes and all ratepayers.

Please contact your Council member and encourage them to support the inclusion of the CLEP rate into the new ENO electricity rates.

It ***is*** possible to have a fair electric rate that reduces customer costs, promotes energy efficiency and renewable energy technologies, decreases ENO’s peak demand and reduces CO2 emissions.

Dave Stets, Louisiana Sierra Club’s Chair, Myron Katz, PhD both New Orleanians and Michael Holtz, former head of the Buildings Division of SERI, predecessor of NREL

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