



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date: 3/9/2022

District E

Item Creation Date: 2/8/2022

ARA - Deny Entergy's Request for Approval of Two Voluntary Renewable Option Tariffs

Agenda Item#: 5.

**Background:**

The Administration & Regulatory Affairs Department (ARA) recommends that City Council adopt an ordinance denying Entergy Texas, Inc.'s (Entergy or Company) Statement of Intent and Application for approval of two voluntary rate tariffs, Rider Small Volume Renewable Option (Rider SVRO) and Rider Large Volume Renewable Option (Rider LVRO). Entergy provides electric service to approximately 483,000 retail customers in southeast Texas. Entergy serves approximately 1,800 customers in the Kingwood area — 1,500 residential and 300 commercial customers. The City of Houston (City) exercises original jurisdiction over the rates, operations, and services of Entergy under the provisions of the Public Utility Regulatory Act (PURA) for customers within city limits. Houston participates in Entergy proceedings, including rate proceedings, as a member of the Steering Committee of Cities (the Coalition), a group of similarly situated cities with Entergy customers within their city limits.

On February 4, 2022, Entergy filed an application with the City for approval of two voluntary renewable option tariffs, Riders SVRO and LVRO. Entergy filed the application concurrently with each of the cities within its service territory and the Public Utility Commission of Texas (PUC). In its application, Entergy requests approval to implement two voluntary green pricing options, Rider SVRO and Rider LVRO. Rider SVRO (customers using up to 499,999 kWh per month) and Rider LVRO (customers using more than 500,000 kWh per month) allow customers to match some or all of their monthly electricity usage with renewable energy credits (RECs) purchased by Entergy and retired on the customer's behalf. Only customers that opt-in to the program under Riders SVRO and LVRO will be charged.

As proposed, charges assessed under the Riders would be in addition to the charges paid by customers under their otherwise applicable rate schedules and riders. The monthly Rider SVRO charge for a residential customer using approximately 1,000 kWh per month would range from approximately \$3.83 to \$10.10, depending on the customer's chosen level of participation. Participation levels and corresponding prices are outlined in the attached tariffs.

Entergy requested an effective date for the Riders of March 28, 2022. The Coalition's experts are currently reviewing the Company's application to determine whether Entergy's request is consistent with PURA and PUC rules. Because of the limited timeframe provided for review at the local level, the Coalition experts recommend that the City adopt an ordinance denying Entergy's Statement of Intent. Entergy is expected to appeal the City's decision to the PUC. Once appealed, the City's proceeding will be consolidated with the concurrently filed proceeding pending at the PUC. The City, as a member of the coalition, will participate in the PUC proceeding.

**Fiscal Note:**

There is no impact to the fiscal budget or no additional spending authority. Therefore, no Fiscal Note is required as stated in the Financial Policies.

**Departmental Approval Authority:**

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**Tina Paez, Director  
Administration & Regulatory  
Affairs Department**

**Other Authorization**

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