

MOTION

NO. M-21-342

CITY HALL: September 23, 2021

BY: COUNCILMEMBERS MORENO, GLAPION, GIARRUSSO, BANKS AND BROSSETT

WHEREAS, pursuant to Section 3-130 of the Home Rule Charter of the City of New Orleans (“Charter”), the New Orleans City Council exercises powers of supervision, regulation, and control over electric and gas utilities providing service in the City; and

WHEREAS, on March 15, 2021, Energy Future New Orleans (“EFNO”) sent a letter requesting that the Council institute a “independently-conducted management audit” of Entergy New Orleans, LLC (“ENO”) addressing the following:

- a) Leadership and staffing roles, responsibilities, and requirements,
- b) Organizational structure, decision-making processes, internal controls, and external relations of all kinds,
- c) Billing operations and verification method,
- d) Emergency planning and response,
- e) Salary and compensation levels, and
- f) Corporate culture and capacity to address the critical issues of climate change, a transition to a renewable energy system, advanced energy efficiency, and ensuring energy justice; and

WHEREAS, EFNO stated that a management audit was necessary in response to recent bill increases, Mardi Gras load shed event, Grand Gulf’s performance, and a misconfiguration of security protocols which could have allowed others to access customer account balances due; and

WHEREAS, on September 14, 2021, the Alliance for Affordable Energy, Deep South Center for Environmental Justice, and Sierra Club (“Parties”) filed: Motion for Investigation of the Failures of ENO, Motion for Independent Management Audit, and Second Motion to Institute Prudence Review (collectively referred to herein as “Motions”); and

WHEREAS, in the Motions, the Parties point to concerns around messaging related to and utilization of the New Orleans Power Station (“NOPS”), the failure of transmission lines bringing power into New Orleans, and the citywide power outage during and after Hurricane Ida, which struck the City of New Orleans on Sunday, August 29, 2021, as chief reasons for the Council to grant the Motions; and

WHEREAS, the Council raised similar questions related to ENO's actions surrounding Hurricane Ida and directed the Advisors to conduct a forensic investigation into those actions in Resolution R-21-____; and

WHEREAS, the Council desires to retain an independent consultant to perform a management audit of ENO; **NOW THEREFORE**

BE IT MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the Council Utilities Regulatory Office ("CURO") is directed to work with the Parties to develop the scope for a request for qualifications and proposals for a consultant to conduct a management audit.

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That in accordance with Council Rule 42, CURO is directed to issue and advertise the agreed upon requests for qualifications and proposals.

BE IT FURTHER MOVED BY THE COUNCIL OF THE CITY OF NEW ORLEANS, That the selection review committee shall be constituted in accordance with paragraph 8 of Council Rule 42 and shall include Council Chief-of-Staff, the Council Research Officer, the CURO Chief-of-Staff and Counsel, a representative of EFNO as movant, and any additional knowledgeable persons whose particular expertise would be helpful in the evaluation process as determined by the Council Chief-of-Staff.

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

YEAS:

NAYS:

ABSENT:

AND THE MOTION WAS ADOPTED.