2017 Regular Session

HOUSE RESOLUTION NO. 133

BY REPRESENTATIVE ABRAMSON (BY REQUEST)

ENERGY: Requests the Louisiana Public Service Commission to study the CLEP battery pilot and the feasibility of implementation

A RESOLUTION

To request the Louisiana Public Service Commission to study the Customer Lowered Electricity Price (hereinafter "CLEP") battery pilot and the feasibility of its implementation in the state of Louisiana.

WHEREAS, CLEP was designed to answer the following question: "How can we best engage the market place, avoiding all subsidies and taxes, to rapidly and best incentivize investments for both an electric utility and end-use consumer to minimize costs and maximize profits for all?"; and

WHEREAS, invented by a consulting firm in New Orleans, Louisiana, CLEP was designed to improve the reliability, quality, and resilience of electricity within our homes, businesses, and industries in the face of frequent power outages, and much less frequently, catastrophic storms; and

WHEREAS, CLEP is a market-based electricity pricing plan connected to the free market for deliverance of wholesale electricity to consumers; and

WHEREAS, via utility-provided smart meters, CLEP consumers effectively buy and sell electricity at real-time, wholesale prices and are paid to avoid demand at the same annual rate charged to commercial customers; and

WHEREAS, of the five basic ways a consumer may apply CLEP, utility-financed, whole-home batteries provide the most profitable advantage for both consumers and respective electric utilities; and

WHEREAS, a whole-home battery can store, within four hours, all of the electricity to be used throughout an entire day; and

WHEREAS, through use of CLEP, a whole-home battery has a projected payback period of ten thousand dollars, and the payback period is beneficially coincidental to the battery's general ten year warranty period; and

WHEREAS, CLEP provides a way to fully finance whole-home batteries while shifting costs away from non-CLEP consumers; further, because all CLEP income is generated from current or future utility cost savings, and the utility retains five percent, CLEP lowers prices for all consumers, not just those who choose CLEP; and

WHEREAS, additionally, CLEP allows a utility to earn a sixty-three percent return on investment in ten years as a reward for financing a CLEP battery pilot, all without burdening non-participants; and

WHEREAS, with the potential to save lives and a savings of more than half the cost of electricity, CLEP may generate profits and stimulate desirable growth and market transformation; and

WHEREAS, CLEP may double cash flows for energy efficiency and renewable energy investments by harvesting inexpensive ways to produce electricity, or through incentives to avoid the use of electricity; and

WHEREAS, a CLEP consumer pays normal utility bills and receives a cash flow for the following:

(1) Buying electricity during off-peak hours when wholesale prices are low, or for selling electricity back to the grid when prices are high.

(2) A "negative demand charge" reward for low demand during peak hours; and

WHEREAS, when an electric utility provides the battery for the consumer's use, the potential for standardization and scalability are drastically improved; and

WHEREAS, there are no subsidies or carbon taxes, and with large-scale implementation, CLEP can greatly encourage an orderly transition toward renewable energy and energy efficiency simply by engaging the private, self-interest of every consumer; and

WHEREAS, importantly, CLEP is applicable and valuable to all consumer classes, as well as community solar projects; and

WHEREAS, CLEP has been supported by the Sierra Club and a broad group of national energy design professionals, including consultants who design rate structures, as well as past and current leaders in the field of residential energy design.

THEREFORE, BE IT RESOLVED that the House of Representatives of the Legislature of Louisiana does hereby urge and request the Louisiana Public Service Commission to study the CLEP battery pilot and the feasibility of its implementation in the state of Louisiana, and to report the findings of the commission to the legislature not later than forty-five days prior to the convening of the 2018 Regular Session of the Legislature of Louisiana.

BE IT FURTHER RESOLVED that the Louisiana Public Service Commission shall specifically solicit input, recommendations, and advice from Building Science Innovators, LLC.

BE IT FURTHER RESOLVED that the Louisiana Public Service Commission is authorized to exercise its discretion as to the use of or engagement in certain research, consultations, studies, or any other pertinent information deemed essential by the commission in its assessment of the feasibility of implementing a CLEP battery pilot in this state.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the Louisiana Public Service Commission.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HR 133 Original 2017 Regular Session Abramson

Requests the La. Public Service Commission to study the CLEP battery pilot and the feasibility of its implementation in the state of La., and to report its findings at least 45 days prior to the 2018 R.S.