

# New Orleans Continues to Experience Power Outages

by  
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New Orleans continues to experience random electrical power outages almost a year after Hurricane Katrina devastated the city. The recent random outages are generally due to mechanical malfunctions. The fear is that the rebuilding process will be adversely affected if the city cannot provide reliable electricity.

Entergy New Orleans (ENO), the utility that provides electric and natural gas service to the City of New Orleans, has restored power to all customers capable of receiving it, except for a severely damaged area in the Lower Ninth Ward (figure below). Hurricane Katrina caused catastrophic damage to ENO's electric and gas facilities and resulted in the loss of most of ENO's customers.

Electrical System Restoration to the Most Devastated Areas in New Orleans  
will be Scheduled in 2006



Restoration to these most devastated  
areas will be scheduled in 2006

SOURCE: Entergy New Orleans ([http://www.entropy-neworleans.com/content/your\\_home/storm\\_center/ENOI\\_Electric\\_map.pdf](http://www.entropy-neworleans.com/content/your_home/storm_center/ENOI_Electric_map.pdf)/July 26, 2006)

ENO filed for bankruptcy protection under Chapter 11 of the U. S. Bankruptcy Code on September 23, 2005. Entergy New Orleans is still operating, but it does not have enough cash to make the repairs necessary to return the system to the pre-Katrina level of reliability.

On Tuesday, June 27, 2006, about 8,600 customers lost power in Westwego in the morning, and that evening 15,000 customers from Gentilly to the Lakefront lost power for more than four hours. Classes were cancelled at the University of New Orleans as a result of the outage. On Tuesday, July 6, 2006, 800 homes and businesses lost power in the City Park area for approximately 45 minutes. These are recent examples, but the outages are likely to continue, and the length of the outages is likely to be longer than similar outages pre-Katrina.

The repairs that were made to the electrical system's infrastructure after the storm are considered temporary. The system no longer has redundancy which would give them the option of switching to another source while the repairs are being made. Lack of redundancy means that, when there is a problem on a transmission line, or if a piece of equipment fails, power is out until it can be repaired.

Entergy New Orleans has applied for federal financing through Community Development Block Grants, but they are competing with other infrastructure and housing needs for the federal money. Governor Kathleen Blanco and the Louisiana Recovery Authority (LRA) will determine how much of the money ENO receives. Entergy Louisiana, Entergy Gulf States and Cleco Corporation have also applied to the LRA for aid.

ENO filed a plan for a 25% rate increase with the New Orleans City Council. The company can legally ask customers to pay for storm losses and losses of revenue. The proposed rate increase is adjusted for a much smaller customer base (about 40% of its previous customers) and seeks to recover storm costs and build up a storm reserve for future storms. Entergy feels that the rate increase is a major step in allowing the company to emerge from bankruptcy. The City Council has until November 1, 2006 to review and act on the filing.

On June 15, 2006, President Bush signed the latest spending package of which \$4.2 billion is for Louisiana to implement the "Road Home" program. Bringing people back to New Orleans depends on reliable electric service. Reliable electric service is a quality of life issue and it must be addressed by both the public and private sector. Some combination of federal funding, rate increases and "other sources of funding" will be required to provide reliable electric service for the City of New Orleans.

#### List of References:

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2. Pam Radtke Russell, "Power outage an omen, official says," *The Times-Picayune*, June 29, 2006.
3. Pam Radtke Russell, "U.S. aid urged for N.O. utility," *The Times-Picayune*, June 30, 2006.
4. Pam Radtke Russell, "Entergy New Orleans seeks 25% rate boost," *The Times-Picayune*, July 6, 2006

*NOW IS THE TIME:*  
ENERGY STAR APPLIANCES MAKE MORE SENSE NOW THAN EVER  
BEFORE

by  
James E. Davidson, Architect

Are you replacing appliances or rebuilding your home after last year's hurricanes? Homes that were not damaged by the storms and flooding, that have the Energy Star label on the breaker box and Energy Star appliances serving their owners, have become rewarding investments. Due to the extent of new construction and flooded home refurbishments required across South Louisiana, and newly imposed structural code restrictions, including new elevation restrictions for homes in those areas, construction costs have escalated. In addition, the cost of natural gas has risen, causing utility rates to increase. These situations are boosting the cost of living for South Louisianians. Now is the time to own Energy Star appliances.

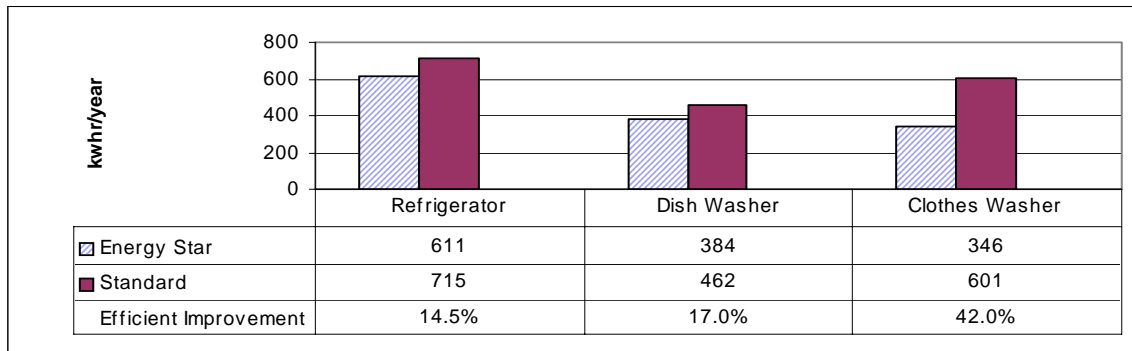
The Environmental Protection Agency (EPA), in concert with the drive to decrease the country's demand for energy produced from foreign oil and gas sources, is steadily improving the performance specifications for appliances. The latest improvements are in air conditioners, battery chargers (for cell phones and cordless drills, etc.), and clothes washers. The minimum required Seasonal Energy Efficiency Rating (SEER) for air conditioners before January 1, 2006 was 10, and an Energy Star model had a SEER of 12. After that date, the minimum requirement increased to SEER 13, and Energy Star models increased to SEER 14. The new Energy Star specifications include a minimum required Energy Efficiency Rating (EER) of 11.5. Each point increase in SEER is an approximate 10% improvement in efficiency. Thus, the minimum required efficiency has been improved 30% and is 10% better than the former threshold for an Energy Star model. Energy Star battery chargers are now 35% more efficient than the previous typical model. Energy Star clothes washers, on January 1, 2007, will be a minimum 37% more energy efficient than the current, minimally efficient model, and water usage efficiency will be specified. More information can be obtained from the Energy Star website (URL: <http://www.energystar.gov>). Information specific to the air conditioners, battery chargers and clothes washers is accessible under the *News Room* link.

Improvements are being stimulated by tax credits to manufacturers, established through the Energy Policy Act of 2005. The Act provides tax credits to homeowners that install Energy Star labeled air conditioners, windows, and tankless water heaters. It is limited to \$500 for the next two years, but there is a bill in Congress to extend it. Builders are able to obtain up to \$2,000 in federal tax credits for all houses and condominiums built and sold between August 8, 2005 and January 1, 2008, that are built to meet the International Energy Conservation Council (IECC) 2006 Code, and have a Heating, Ventilating, and Air Conditioning (HVAC) system that is 50% more efficient than the minimum requirement of the new code. Each home or condominium must be tested by a Certified Energy Rater.

Energy Star labeled appliances often cost more than non-Energy Star models with the same features

of operation. How much more depends on the manufacturer, the type of appliance, market demand, supply, and competition. This means that the consumer needs to shop for the best models that will meet his budget and provide the necessary functionality at the same time. Economic analysis of the energy savings over the expected life of the product is not something that most consumers do, but should in order to take the guess work out of purchases. Figure 1 compares Energy Star appliances with similar non-Energy Star appliances in 3 categories based on energy usage in kilowatt hours (kwhr) per year.

Figure 1. Average Power Consumption (kwhr/year)

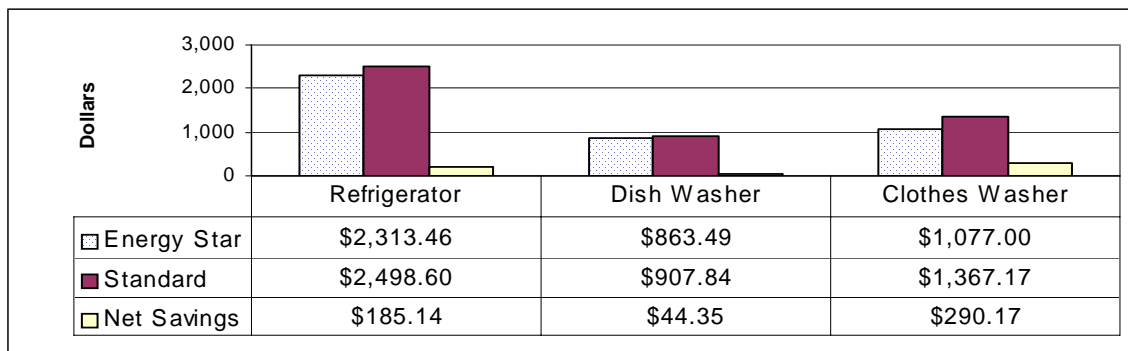


Source URL: <http://www.ge.com>, August 3, 2006

In Figure 2, the cost of ownership of these appliances is graphed over the expected life of the model. The Energy Star models perform better and conserve significant energy, especially when you realize that they can all be in use, in the same house, at the same time.

Figure 2. Cost of Ownership over Life of Appliance  
Purchase Cost plus Cost of Energy to Operate

Based on present average energy rates and the manufacturer's suggested retail price



Source URL: <http://www.ge.com>, August 3, 2006

Energy Star models often cost more, initially, and their individual energy savings are sometimes small, but if every appliance purchased for a home is an Energy Star appliance, then the cost of operating that home will be significantly less than one with cheaper appliances, and will pay increased dividends with every future rate increase.