

Entergy's Push to Restore Power in Louisiana Is Slowed by Downed Lines

The utility said on Monday that Hurricane Ida had put 216 substations and more than 2,000 miles of transmission lines out of service.



By Ivan Penn and Peter Eavis

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Two days after Hurricane Ida arrived in Southern Louisiana, hundreds of thousands of homes and businesses remained without power and many could stay that way for weeks as crews work to restore downed power lines belonging to Entergy, the largest utility in the state.

It was the second year in a row that the company's lines suffered extensive damage from hurricanes and storms, which scientists believe are becoming more intense and damaging because of climate change. As anger and frustration build in New Orleans and southern Louisiana, where the heat and humidity made it feel like more than 100 degrees on Tuesday, some energy experts questioned whether Entergy did enough to protect its lines and equipment from extreme weather.

In August 2020, Hurricane Laura, which like Ida was a Category 4 storm, cut a destructive path across Louisiana, toppling many of Entergy's lines and equipment.

"Their vintage equipment didn't stand up to Laura, and I suspect the same report for Ida," said Robert McCullough, an energy consultant who runs McCullough Research in Portland, Ore.

The company's power plants have the ability to generate electricity but Entergy can't move that energy to homes and businesses because the storm has brought down or damaged much of its network of towers, poles and wires.

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Entergy said it had shut down a natural gas plant in New Orleans that began operation last year, pointing to damage to power lines, including those that carry electricity to homes and businesses. That plant, which was meant to provide electricity to the city during periods of high demand and in emergencies, was not heavily damaged in the storm, the company said.

Several other plants near the city also are ready to produce electricity when workers complete enough repairs to power lines. They include Ninemile 6 in Westwego, La., and the J. Wayne Leonard Power Station in Montz, La.

"Teams are assessing the transmission system and working to develop a plan for restoration of power," Jerry Nappi, a spokesman for Entergy, said in an email on Tuesday. "They expect to have first light within the city by end of day Wednesday."

The company said on Monday that Hurricane Ida had put 216 substations and more than 2,000 miles of transmission lines out of service. A conductor on one transmission line fell from an Entergy tower into the Mississippi River near Avondale, La. The utility and others have posted numerous pictures online of transmission and distribution towers lying on the ground.

The storm also damaged some of the utility's plants in the New Orleans area, Entergy said on Tuesday. As the storm's winds increased, Entergy said, it disconnected the Waterford 3 Nuclear Generating Station in St. Charles Parish from the grid, noting that the facility remained in a safe and stable condition. The plant was listed on the Nuclear Regulatory Commission site as not producing power.

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Gov. John Bel Edwards, who has praised Entergy for building the J. Wayne Leonard plant, expressed some frustration on Tuesday with the pace at which the company was restoring power.

“I’m not satisfied with 30 days, the Entergy people aren’t satisfied with 30 days, nobody who’s out there needing power is satisfied with that,” Mr. Edwards, a Democrat, said. “But I am mindful that we just had the strongest hurricane — at least tied for the strongest — that the state has ever experienced.”

Entergy provides power to three million customers in Louisiana, Arkansas, Mississippi and Texas. It also operates several nuclear power plants, most of them in the South.

The financial costs of storms are piling up for Entergy. In addition to the repairs it is making because of Ida, the company’s equipment was damaged in three hurricanes in 2020 and a winter storm this year. Entergy told Louisiana regulators that restoration costs in the state relating to the earlier storms would total \$2.1 billion.

Storms appear to be taking a bigger toll. Regulators let Entergy entities recover \$732 million for Hurricanes Katrina and Rita, which hit in 2005, according to materials that Phillip May, chief executive of Entergy Louisiana, submitted to the Louisiana Public Service Commission in April. After adjusting for inflation, the two 2005 hurricanes cost the company \$1 billion in 2021 dollars.

The company is seeking permission to charge customers higher electricity rates to cover repair costs. Regulators typically end up approving such requests, but ratepayers may object to frequent rate increases.

In its request to raise rates, Entergy detailed the scale of the wreckage of the most damaging of last year’s storms — Hurricane Laura. The company said 1,822 transmission structures, 12,453 distribution poles and roughly 770 miles of distribution wires were destroyed or damaged.

The total bill for the 2020 hurricanes may be even higher than the company has estimated so far. In February, Entergy said in a securities filing that hurricanes last year damaged several transmission lines, including an unspecified one in southeastern Louisiana. The company said that the line had not been repaired because it could cost a lot to do so. “The restoration plan for this transmission line and the related cost estimate is still being evaluated,” Entergy said in a filing to the Securities and Exchange Commission.

Entergy did not immediately respond to questions about that transmission line and whether it had been repaired or removed.

The company, which employs more than 13,000 people, brought in \$10.1 billion in revenue in 2020 and its profits climbed 12 percent, to \$1.4 billion. Though Entergy will most likely be able to pass on storm costs to customers, the company has struggled to win over investors. Over the past two years, its stock is down about 2 percent, compared with a 10 percent increase for utility stocks in the S&P 500 and 55 percent for the S&P 500 as a whole.

Sophie Kasakove contributed reporting.