

October 6, 2021



**FROM THE DESK OF
COMMISSIONER
BRENT BAILEY
CENTRAL DISTRICT OFFICE**



The Central District is pleased to bring you the latest information concerning utility rates, project developments, Public Service Commission actions and other news you can use. I hope you will find this information to be a useful resource to learn about the Public Service Commission, consumer issues and the continuous work we are doing for the citizens in the Central District and across the state of Mississippi. Thank you again for allowing me to serve you in this capacity.

Brent Bailey

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Southeast Association of Regulatory Utility Commissioners Annual Education Conference and Business Meeting



This week I am coming to you from Kingsport, Tennessee and the Annual Education Conference and Business Meeting of the Southeast Association of Regulatory Utility Commissioners (SEARUC 2021). This is my first time to participate as a commissioner since the 2020 meeting was cancelled due to COVID concerns.

The Annual SEARUC Conference provides commissioners, utility sector professionals, technology developers, policy experts and other stakeholders the opportunity to engage and learn about new issues on the horizon as well as address continuing challenges that could impact the delivery of reliable, affordable, and safe utility services. This year, attendees have discussed topics including: Future Energy Mix; Broadband Connectivity; Impact of Electric Vehicles; Renewable Energy and



Patrick Looney (GE Hitachi) and Brian McDermott (TVA)

Energy Efficiency Opportunities; Water and Wastewater Mergers and Acquisitions; Economic and Workforce Development; Dealing with Aging Infrastructure; and more. I had the privilege of moderating a session on Advanced Nuclear Technologies. Representatives of the Tennessee Valley Authority and GE Hitachi Nuclear Energy shared with the audience some of the work being conducted and pursued that can bring less complex, more cost-effective, safe, dispatchable nuclear-based energy resources to the market by 2030.

This conference has proven to be an excellent forum to meet commissioners and staff from other states as well as connect with representatives of the various sectors of the utility service value supply chain. The ability to network in person with other regulators and stakeholders who share similar passions, concerns and visions for their state and the region is truly valuable.



SEARUC SNAPS



On Tuesday morning, I moderated a session on Advanced Nuclear Technologies.



We received the keynote address from Tennessee Speaker of the House of Representatives, Cameron Sexton.



The conference consisted of a packed agenda with numerous sessions focusing on various topics.



Onsite at the conference, I had the opportunity to take a spin with a longtime friend, Jonathan Overly, in his electric vehicle, a Tesla Model 3.





MPSC Recognizes Energy Efficiency Day 2021



Each year, on the first Wednesday in October, a growing network of advocates, companies, government agencies, utilities and others showcase the benefits of energy efficiency. Upon my motion, the Mississippi Public Service Commission adopted a [Proclamation](#) recognizing October 6, 2021 as “Energy Efficiency Day” in the state of Mississippi. While outlining the many benefits of energy efficiency as a contributor to reducing energy costs, extending energy resources, improving the environment, growing economic expansion, and creating jobs, the Commission also urges the residents of Mississippi to learn more about energy efficiency and to practice smarter energy use in their daily lives.

The 2021 Energy Efficiency Day message is simple: “Save Money. Cut Carbon. Breathe Easier.” Since the inaugural Energy Efficiency Day in 2016, this annual awareness event has been supported by hundreds of organizations, companies, government agencies and others. The goal is to share tips, tools and stories that promote

the multiple benefits of energy efficiency. Energy efficiency is the cheapest, quickest way to meet our energy needs, cut consumer bills and reduce emissions. Energy efficiency is an economic engine, supporting more than 2.3 million jobs nationwide in manufacturing, construction, and other fields – most of which can’t be outsourced overseas.



OTHER NEWS

FERC, NERC Share Findings on February Winter Storm

Federal Energy Regulatory Commission ([FERC](#)) and North American Electric Reliability Corporation ([NERC](#)) staff recently presented a [series of recommendations](#) to prevent a recurrence of the February 2021 winter storm that led to unprecedented outages in the Midwest and Southeast and left hundreds dead and caused billions of dollars in damages in Texas. The proposed new reliability rules would require utilities to better protect grid infrastructure from extreme cold weather and other climate challenges. Among the recommendations are:

- Revisions to require generator owners to identify and protect cold weather-critical components;
- Build new or retrofit existing units to operate to specific ambient temperatures and weather based on extreme temperature and weather data;
- Take into account effects of wind and precipitation in winterization plans;
- Corrective action plans for generator owners that experience freeze-related outages; and
- Ensure the system operator is aware of the operating limitations in the generating fleet so that they can plan mitigation actions.



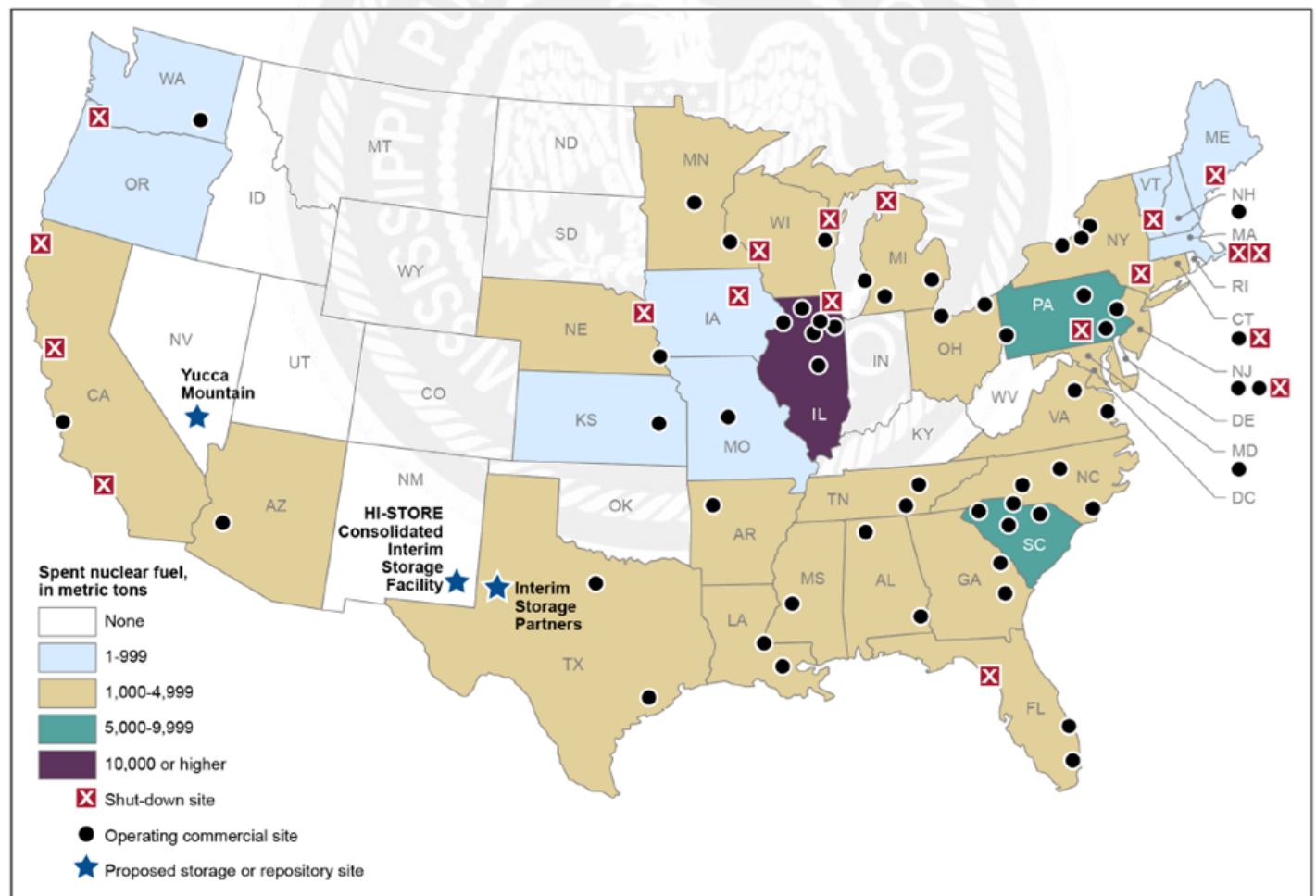
The preliminary findings also recommend establishing a joint forum including state officials (legislators, regulators) in cooperation with NERC and FERC to identify concrete actions to improve the reliability of the natural gas infrastructure system necessary to support bulk-power system reliability.

The study team said the February 2021 winter storm led to the largest controlled firm load-shed event in U.S. history and the third largest loss of load, trailing only the August 2003 Northeastern blackout and the August 1996 West Coast blackout. More than 1,000 generating units in the Midwest experienced either an outage, a derate or a failure to start from Feb. 8 to 20.

GAO Recommends a Long-Term Solution for Nuclear Spent Fuel

The Department of Energy (DOE) oversees the treatment and disposal of radioactive waste from the nation's nuclear weapons program; it is also responsible for siting, building, and operating a future geologic repository to dispose of nuclear fuel waste. However, no long-term plan for storing, treating, and disposing of America's spent nuclear fuel has been enacted.

Figure 1: Stored Commercial Spent Nuclear Fuel Amounts, through 2019, and Locations, as of June 2021



Sources: GAO analysis of data from Gutherman Technical Services, LLC, the Department of Energy, and the Nuclear Regulatory Commission; Map Resources (map). | GAO-21-603



The Government Accountability Office (GAO) undertook [an examination of actions](#) that experts identified as necessary to develop a solution for spent nuclear fuel disposal, including authorization of a new effort to determine where a disposal facility should be located and the development of a management strategy. The GAO [recommended four matters](#) for congressional consideration, including (1) amending the Nuclear Waste Policy Act of 1982 (NWPA) to authorize a new consent-based siting process; (2) restructuring the Nuclear Waste Fund; and (3) directing DOE to develop and implement an integrated waste management strategy. GAO is also recommending that DOE finalize its consent-based siting process. DOE agreed with GAO's recommendation.

Today, there are about 86,000 metric tons of spent nuclear fuel from commercial reactors stored at 75 U.S. sites. This amount continues to grow. Policymakers have been at an impasse over what to do with the spent fuel since the licensing of the Yucca Mountain repository stopped in 2010. Unable to meet its disposal commitment, the U.S. government has paid reactor owners about \$9 billion for spent fuel storage. The DOE cannot fully develop and implement a long-term disposal strategy without congressional action.

Berkeley Lab: Reports see Continued Growth and Falling Costs for Solar

Berkeley Lab's has released the latest edition of its [Tracking the Sun](#) annual report, describing pricing and design trends for grid-connected, distributed solar photovoltaic (PV) systems in the United States. The latest edition is based on data from 2.2 million systems installed nationally through year-end 2020.

The [report](#) finds that median U.S. installed prices for residential, small non-residential, and large non-residential systems have fallen over the long-term by roughly \$0.4 per Watt (W) per year, on average, but have tapered off since 2014, dropping by \$0.2/W per year since then. Over the last year of the analysis period (2019-2020), median prices for residential systems remained effectively flat at \$3.8/W, while price declines in the non-residential sector continued on their recent historical trajectory, falling by \$0.2/W for both small and large non-residential systems.

The 2021 edition of Berkeley Lab's [Utility-Scale Solar](#) report, which presents analysis of empirical project-level data from the U.S. fleet of ground-mounted photovoltaic (PV), PV + battery, and concentrating solar-thermal power (CSP) plants with capacities exceeding 5 MW_{AC}, explores trends in deployment, technology, capital and operating costs, capacity factors, the levelized cost of solar energy (LCOE), power purchase agreement (PPA) prices, and wholesale market value among the fleet of utility-scale solar plants in the United States.

[Key findings](#) from this year's report include:

- A record of nearly 9.6 GW_{AC} of new utility-scale PV capacity came online in 2020, bringing cumulative installed capacity to more than 38.7 GW_{AC} across 43 states. Texas (2.5 GW_{AC}) and Florida (1.64 GW_{AC}) added the most new capacity.
- Projects that track the sun throughout the day continue to outnumber fixed-tilt projects, with single-axis tracking employed by 89% of all new utility-scale PV capacity added in 2020.
- Median installed project costs have fallen by nearly 75% (averaging 12% annually) since 2010.
- Project-level capacity factors vary widely, from 9% to 36% (on an AC basis), with a sample median of 24%.
- Utility-scale PV's LCOE has fallen by about 85% on average (averaging 17% annually) since 2010, to \$34/MWh in 2020 (\$28/MWh if factoring in the federal investment tax credit, or ITC).
- PPA prices from a sample of contracts signed in 2019 or 2020 average just above \$20/MWh (levelized, in 2020 dollars).

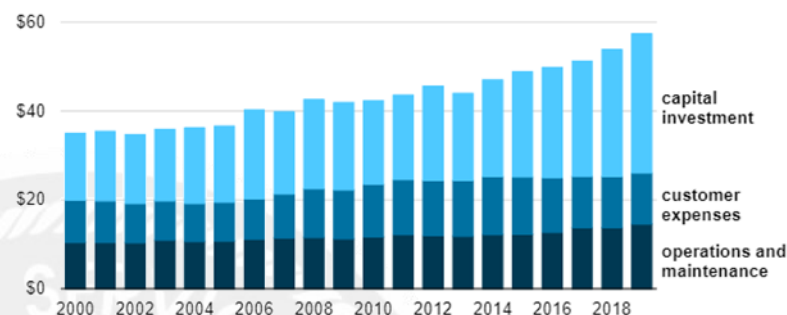


Spending on Electric Distribution Infrastructure Increases

Distribution is the final stage in delivering electricity to consumers' homes and businesses. Annual spending on electricity distribution systems by major U.S. utilities continues to increase. Utilities spent \$57.4 billion on electric distribution in 2019, 6% more than the previous year.

More than half of utility distribution spending in 2019 went toward capital investment (\$31.4 billion) as utilities worked to replace, modernize, and expand existing infrastructure (poles, wires, meters, etc.). Another \$14.6 billion paid for operations and maintenance (vegetation management, animal resistance, line testing, storm damage, repairs, etc.), and \$11.5 billion went to customer expenses, which include advertising, billing, and customer service.

Annual major U.S. utility spending on electric distribution (2000–2019)
billion 2019 dollars



Last Week at the MPSC

- Great River Utility Operating Company, LLC submitted a series of filings with the Commission to authorize Great River's acquisition of 1 [water](#) and 26 [wastewater](#) systems. The systems sought are currently owned and operated by 6 different public utilities. Great River estimates that the systems being acquired serve a combined total of 294 water connections and 2,705 sewer connections.
- Atmos Energy Corporation filed its [Construction Notice](#) and other information pertaining to the Mobile Avenue project in the city of Jackson.
- Windstream Mississippi, LLC filed its [Notice](#) of Deregulation electing to provide retail services on a deregulated basis effective November 1, 2021 for all services except Lifeline.
- Mississippi Power Company filed its [4th Motion](#) for Extension of Time to file its System Restoration Rider, Rate Schedule (SRR).
- Telepak Networks, Inc. filed its [Request](#) for Expedited Review of Neustar Pooling Administration Denial of Telepak's Application for Growth Numbering Resources.



Last week, our Consumer Complaint Specialists handled a total of **46** complaints in the Central District.

Electric Companies	23
Water/Sewer	11
Telecommunications	10
Natural Gas	2

Last week, the Central District received a total of **417** complaints from consumers against potential telemarketers through our no call app, website and mail-ins.

We encourage consumers to file telemarketing complaints with the Federal Trade Commission at <http://www.donotcall.gov/> in addition to filing complaints with the Mississippi Public Service Commission.