

March 24, 2022



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.

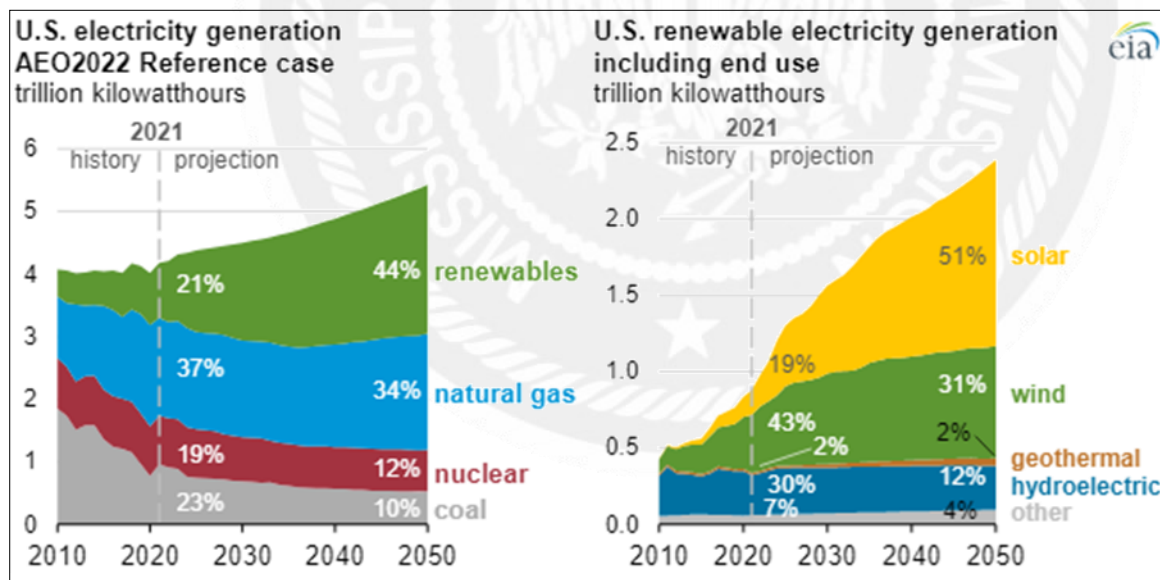
Brent Bailey

Can the U.S. Achieve 100% Carbon-Free Electricity by 2035?

Back in December 2021, President Biden signed an executive order that directs the United States to leverage its scale and purchasing power to reduce emissions across federal operations, support American clean energy industries and manufacturing, and create healthy, resilient communities. One of the core objectives of that executive order is to support a previously set target of 100% carbon-free electricity across America by 2035.

Today, 60% of electricity is sourced from fossil fuel-fired power generation units. While the share of energy generated from fossil fuels is projected to decrease over the coming years and decades, fossil fuel-based electricity will likely continue to be part of the nation's energy portfolio. However, that future energy portfolio will look much different than it does today due to several factors. And certain changes to state and federal energy policy could significantly alter the scale and scope of our future energy mix.

According to the U.S. Energy Information Administration (EIA), if current laws, regulations, and energy policies remain in place, the share of U.S. power generation from renewables will increase from 21% in 2021 to 44% in 2050. The share of natural gas decreases from 37% in 2021 to 34% in 2050. The share of coal decreases from 23% in 2021 to 10% in 2050. The share of nuclear power decreases from 19% in 2021 to 12% in 2050.



Source: U.S. Energy Information Administration, [Annual Energy Outlook 2022](#) (AEO2022)



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The primary drivers of this shift include favorable federal tax credits for solar and wind, declining costs of clean energy technologies, retirements of coal and nuclear generating units, slowing growth of natural gas-fired generation, more burdensome regulatory programs and market factors that incentivize renewable resources.

Today, we are already seeing the effects and influence of tax credits, falling technology costs and customer preferences as solar power and battery energy storage account for 60% of planned new U.S. electric generation capacity over the next two years. Power plant developers expect to add 85 gigawatts (GW) of new generating capacity to the U.S. power grid from 2022 to 2023. Of that, 51 GW (60%) will be from solar power and battery energy storage systems. Many projects will be a combination of these technologies.

Utility-scale solar photovoltaic projects will account for 41 GW of new planned capacity over the next two years while battery storage capacity will account for 10 GW. The remaining 34 GW of planned capacity additions over the next two years will largely come from natural gas (16 GW) and wind (15 GW) with nuclear adding 2.2 GW.

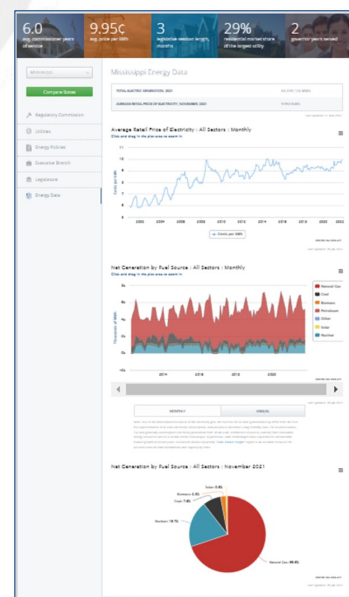
As we have recently seen with the sanctions levied against Russia for their invasion of Ukraine, energy markets increased in volatility and prices of fossil fuels experienced sharp increases. That is because the global economy, livelihoods, and critical systems depend heavily on oil, coal, and natural gas.

While it would be extremely difficult to immediately stop producing and using fossil fuels, a few reports outline pathways the U.S. can take to decarbonize electric power generation. [2035 The Report](#) uses the latest renewable energy and battery cost data to demonstrate the technical and economic feasibility of achieving 90% carbon-free electricity in the United States by 2035. A McKinsey & Company [article](#) outlines 10 actions that would put the U.S. on a path to power sector decarbonization by 2035. Other reports provide roadmaps to transitioning to a clean energy grid by 2035.

Without robust changes to state and federal energy policy and significant investments in transmission and smart grid infrastructure, it will be very difficult to completely eliminate the use of fossil fuels for the generation of electricity. As utility regulators, we must be smart about how we influence the production and consumption of energy in Mississippi and effectively balance any new costs with consumer interests.

PowerSuite Data Captures State Energy Policies

Advanced Energy Economy (AEE) has introduced the PowerSuite platform with the goal to make state and federal energy policy information accessible to everyone. Wonder how Mississippi energy policy stacks up to other states? Want to see monthly net generation by fuel source? Then check out the [Mississippi Energy Profile](#) page.








Legislation Tracker

Conferees have been named for most of the bills headed to conference including some of the more important ones we have been monitoring. Both the PSC and the PUS appropriation bills, HB 1609 and HB 1610, will go to conference. Saturday March 26th brings the filing deadline for conference reports on appropriations and revenue bills. Monday March 28th is the deadline for final adoption of appropriations conference reports as well as the filing deadline for conference reports on general bills. April 3rd is the scheduled end of the 2022 Session. The Commission continues watching numerous bills that could impact customers, certain utilities, or the MPSC.

- [HB 1029](#): Mississippi Broadband Accessibility Act; create. *House Conferees Named: Bounds, Stamps, Read; Senate Conferees named: Carter, Parks, Harkins*
- [HB 1031](#): Capital City Water/Sewer Projects Fund; create and require DFA to develop plan for improvements projects. *House Conferees Named: Lamar, Aguirre, Bain; Senate Conferees named: Hopson, Polk, Michel*
- [HB 1421](#): Establish ARPA Rural Water Associations Infrastructure Grant Programs under Department of Health. *House Conferees Named: Read, Oliver, White; Senate Conferees named: Hopson, Polk, Michel*
- [HB 1425](#): Establish ARPA Wastewater and Drinking Water Infrastructure Grant Programs under DEQ and Department of Health. *House Conferees Named: Read, Oliver, White; Senate Conferees named: Hopson, Polk, Michel*
- [HB 1538](#): Appropriation to the MS State Department of Health for the purpose of funding the ARPA Drinking Water Infrastructure Grant Program. *House Conferees Named: Read, Oliver, White; Senate Conferees named: Hopson, Polk, Michel*
- [HB 1607](#): Approving expenditure of special funds to defray expenses of the Mississippi Broadband Commission. *House Conferees Named: Read, Bounds, Beckett; Senate Conferees named: Hopson, DeLano, Carter*
- [HB 1609](#): Mississippi Public Service Commission Annual Appropriation. *House Conferees Named: Read, Bounds, Beckett; Senate Conferees named: Hopson, DeLano, Moran*
- [SB 2822](#): Establish the Mississippi Water and Wastewater Transformation Infrastructure Grant Program to be administered by the MSDH and MDEQ. *Senate Conferees Named: Hopson, Polk, Michel; House Conferees Named: Read, Oliver, White*
- [SB 2898](#): Certain municipalities allowed to establish overdue water/sewer payment programs; extend repealer on code section. *Senate Conferees Named: Simmons (12th), McCaughan, Norwood; Awaiting House Conferees.*

Please note that identification of a bill in this newsletter does not indicate support or opposition to a measure. Each bill is simply identified as an example of legislation that has been assigned to Energy, Public Utilities or other committees with oversight of these matters. Bills being tracked could change from week to week.

Last Week at the MPSC

-  **CableSouth Media III, LLC, Hunt Land Holdings LLC, and ITC Broadband Holdings, LLC** filed their [Joint application](#) for Approval of Indirect Transfer of Control in **CableSouth Media III, LLC to ITC Broadband Holdings, LLC**. The Transaction will result in a significant infusion of capital resources into CableSouth, which will enhance the company's ability to accelerate deployment of high-speed broadband and interconnected VoIP services to Mississippi customers.
-  The **Public Utilities Staff** prepared Monthly Purchased Gas Adjustment (PGA) Audit Reports for the period of November 1, 2021 through November 30, 2021 for the following: [Atmos](#); [CenterPoint](#); [Spire](#)
-  **CenterPoint Energy Resources Corp.** filed its [Notice of Filing](#) of Routine Changes in its Small Commercial Redevelopment Rider SCR-1. The changes represent an extension of the availability of Rider SCR-1 for an additional three years, and an update of the name and address of the **CenterPoint** Vice President over this state's operations. These changes are routine and do not involve substantial revenue adjustments.

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- ✎ **Mississippi Power Company** filed its Notice of its [2022 Performance Evaluation Plan](#), Rate Schedule (PEP -6). The residential customer charge has increased from \$0.89 per day to \$1.23 per day, which reflects a fully costed customer charge as allowed by the **Commission** in Docket No. 2021-AD-19. Despite the reductions in certain rate factors resulting from the change in the residential customer charge, the requested increase in revenue requirement is expected to result in an overall increase in monthly bills for most customers. For a residential customer that consumes 1,000 kWh per month, approval of **Mississippi Power Company's** 2022 Evaluation Report is estimated to result in an increase of \$2.50 per month. However, residential customers participating in other rate classes could see a rate decrease.
- ✎ The **Commission** filed an [Order](#) Setting Hearing on Tuesday, April 5, 2022, immediately following the **Commission's** opening meeting at 10:00 in regard to the Notice of **Mississippi Power Company** of its 2022 ECO filing pursuant to the Company's Environmental Compliance Overview Plan.
- ✎ **Spire Mississippi** filed its [Application for Approval](#) of an Automated Meter Reading (AMR) System. **Spire** proposes to install an AMR system to enable meters to be read using a vehicle equipped with AMR technology driven in proximity to customers' meters that will have an AMR module installed that will send usage data to the vehicle. The more efficient AMR system will enable all meters to be read in 4 to 5 days with a single vehicle compared to 20 plus days using up to five meter readers as is done currently. **Spire** estimates the AMR project duration to be 12 months and cost approximately \$2,500,000. The estimated impact of the proposed AMR system on a residential customer is approximately \$0.37 per month in year 1 of AMR operation and decline each year thereafter due to operational savings and declining costs.
- ✎ Intervenor, **Rankin County**, filed their [Reply](#) to the Response of **Entergy Mississippi, LLC's** Response to the Motion to Compel Responses to Data Request/Discovery.
- ✎ **CenterPoint Energy** made their [Compliance Filing](#) in regards to their Notification of Customer Assistance Organizations and Programs. The filing is evidence of the company's compliance with the **Commission's** directive requiring certain gas utilities to notify their customers of the various organizations or programs which are available to assist customers with payment of natural gas bills in the winter.
- ✎ The following entities filed comments in the Docket to Review Community Solar Proposals: [Coalition for Community Solar Access and Solar Energy Industries Association](#); [Mississippi Power Company](#)



We were thrilled to be a part of the Business, Education & Healthcare Expo at East Central Community College Tuesday morning! It was a great turnout! George and Natalie -from our office- enjoyed sharing information about the PSC with students, faculty and other members of the community. We look forward to next year! Go Warriors!



Last week, our Consumer Complaint Specialists handled a total of **23** complaints in the Central District.

Electric Companies	16
Telecommunications	3
Natural Gas	3
Water/Sewer	1

Last week, the Central District received a total of **172** 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.