

November 2, 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



What is in the Inflation Reduction Act of 2022?

The latest in a line of massive federal legislation is the [Inflation Reduction Act of 2022](#) (IRA). This bill was passed by Congress on August 12, 2022, along a party-line vote and enacted on August 16, 2022. While the IRA includes measures that address prescription drug prices, health care subsidies, a corporate minimum tax and Internal Revenue Service compliance, the legislation is being touted as the most significant action and investment (approximately \$369 billion) in clean energy and climate initiatives ever taken by the United States.

As claimed by sponsors, the IRA aims to curb inflation by reducing the deficit, lowering prescription drug prices, and investing in domestic energy production while promoting clean energy. However, some recent studies show little confidence that the legislation will have any impact on inflation. Nevertheless, IRA is now law, and its provisions offer financial opportunities for states, local communities, and businesses. Below is a brief summary of some of the tax and financial incentive provisions contained in the law that is available to eligible citizens, businesses, states, and municipal entities.



Tax Credits

The IRA includes \$30 billion in clean energy tax credits for resources such as solar, wind, and battery storage. Notably, the IRA amends and expands the Production Tax Credit (PTC) and Investment Tax Credit (ITC) for 10 years and creates a new “direct pay” option. The PTC is a tax credit primarily provided for the production of energy at a qualified facility. The ITC is a lump sum tax credit claimed by the project owner when an energy generation facility becomes operational.

Before IRA, only homeowners and commercial entities with tax liability could claim the tax credits when installing solar panels, wind turbines, or other eligible technologies on a property or eligible facility. Now, non-taxable entities can also benefit from these credits, and the credits are also available for other zero-emission technologies, such as geothermal, nuclear power production, carbon dioxide sequestration, and clean hydrogen production.

IRA also creates a new tax credit for standalone battery storage with more than three kilowatt-hours of storage capacity in residential units. The federal government has been encouraging higher penetration of intermittent renewable energy into the electricity grid. The new battery storage tax credit will provide a significant incentive for installing distributed battery storage to bolster the electricity grid.



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Energy Efficiency Incentives

The IRA extends and increases the residential energy efficiency tax credit for most energy efficiency measures from \$500 to \$1,200. Certain appliances are eligible for additional tax credits. The commercial energy efficiency deduction is now available for retrofits as well as new construction. The tax credit for energy efficient home building was increased to \$5,000 per home, but the home must be built to Net Zero Energy standards and other conditions.

The USDA Rural Energy for America Program was provided additional funding to provide financial assistance to agricultural producers and rural small businesses that want to become more energy efficient or undertake a renewable energy project. The Department of Energy will also be distributing billions to states and tribal governments for home energy efficiency retrofit rebates, electrification rebates, workforce training, energy efficient building code adoption, and more.



Electric Vehicles

The IRA has new and expanded incentives for electric cars and commercial vehicles, that cover both new and used vehicles and expanded tax credits for vehicle charging infrastructure. The application of tax credits can be confusing, as there is now eligibility limits on income and on the price of the vehicle. The maximum credit amount for installation of electric vehicle charging infrastructure is increased from \$30K to \$100K and eligibility is expanded to include bi-directional charging infrastructure. But the credit will now only be available for infrastructure installed in low-income and rural areas.



Other Incentives

- **Hydrogen:** A new production tax credit (up to \$3/kg) for low greenhouse gas hydrogen production was created.
- **Carbon Sequestration:** Incentives for carbon capture and sequestration is modified and extended with a maximum credit of \$180 per metric ton, depending on the capture technology and carbon utilization.
- **Electricity Transmission:** Nearly \$3 billion in loans and grants to speed the siting and construction or modification of transmission facilities.

The IRA has myriad tax and financial mechanisms aimed at altering and modernizing the U.S. energy system. Nearly every week, new programs are rolled out with the goal of achieving a cleaner, more affordable, more reliable energy future. As the different sectors of energy consumers and producers take advantage of the provisions in the IRA, the energy landscape could fundamentally change. As a utility regulator, I have to be sure that our core regulatory activities over resource planning, energy procurement, customer service and rate design continues to deliver the full range of benefits to ratepayers. I look forward to working with all stakeholders to leverage components of the IRA for the benefit of Mississippians.



Highlights from the November 1st, 2022, Docket Meeting

The Mississippi Public Service Commission met on November 1, 2022, at 10:00 am CT to consider the following [agenda](#) items:

- ☑ **The Commission** issued an [Order](#) approving the Notice of Intent of **Entergy Mississippi, LLC** to provide a Flex Charge Offering Program to support non-residential customers' interest in electric vehicle charging infrastructure.



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The cost of any supply equipment and charging infrastructure will be borne exclusively by the industrial, commercial, and governmental customers that choose to participate in the Charging Infrastructure Rate Schedule. Each customer can choose what infrastructure it chooses to own, operate and maintain and how much of the infrastructure it would like **Entergy Mississippi, LLC** to own, operate and maintain. Prior to **Entergy Mississippi, LLC** installing charging infrastructure at the customer's premise, the customer will enter into an Agreement with **Entergy Mississippi, LLC** to pay a fixed monthly charge based on the expenditures made by **Entergy Mississippi, LLC**, plus an agreed-upon fixed amount to cover on-going operations and maintenance expenses based on the customer's desired level of warranty, insurance, remote monitoring, access and network services. The customer will receive an energy charge metered under an existing rate schedule. For most customers this will be General Lighting and Power Service Rate Schedule, and this is not a sale of electricity for resale.

- ☑ **The Commission** issued an [Order](#) approving **Entergy Mississippi, LLC's** Compliance Filing containing the updated revenue requirement and the proposed Interim Capacity Rate Adjustments for recovery of expenditures associated with the commercial operation of the Sunflower Solar Facility. **Entergy Mississippi, LLC** showed through testimony and supporting exhibits that the rate base impact and first year non-fuel revenue requirement of the Sunflower Facility are expected to be approximately \$8.78 million, which is approximately \$356,000 less than the \$9.1 million originally estimated at the time the **Commission** approved **Entergy Mississippi, LLC's** Certificate for the Sunflower Solar Facility. The net rate impact from Sunflower, inclusive of projected fuel and MISO capacity cost savings, is estimated to be an increase of approximately \$0.47 on a typical residential customer's monthly bill.
- ☑ **The Commission** considered and issued an [Order](#) approving **CenterPoint Energy Mississippi Gas's** filing its Energy Efficiency Cost Recovery calculation, schedules and work papers for the program Year ending December 31, 2023, which includes a true-up of the year ending December 31, 2021. The filing supports the following rate adjustments: Residential Rate Schedule 68, Increase per Ccf of \$0.0059; Commercial Rate Schedule 69, Increase per Ccf of \$0.0059; and Large Rate Schedule 49 and Transportation Service Rate Schedule MT-9, Increase per Mcf of \$0.0210.
- ☑ **The Commission** issued an [Order](#) approving **Neo Network Development's** Motion to extend time to begin operating and provide regulated telecommunication services in Mississippi.
- ☑ **The Commission** issued Orders referring the following for hearing, report, and recommendation of an appropriate Order, or any other action necessary:
 - ☑ [Order Referring](#) the Notice of Intent of **Great River Utility Operating Company, LLC** to Establish Initial and Temporary Rates of \$27 for Wastewater Disposal Service for Acadian Square Subdivision in **Forrest County** to a Hearing Examiner.
 - ☑ [Order Referring](#) the Application of **Yokena-Jeff Davis Water District** for a Supplemental Certificate Authorizing it to Construct, Operate and Maintain a Water System in a Specified Area in **Warren County** to a Hearing Examiner.
 - ☑ [Order Referring](#) the Notice of Intent of **Great River Utility Operating Company, LLC** to Establish Initial and Temporary Rates of \$27 for Wastewater Disposal Service for Big Bay Subdivision in **Lamar County** to a Hearing Examiner.
 - ☑ [Order Referring](#) the Notice of Intent of **Great River Utility Operating Company, LLC** to Establish Initial and Temporary Rates of \$15 for Water Service for Parks Subdivision in **Noxubee County** to the Central District Commissioner.
 - ☑ [Order Referring](#) the Petition of **Mississippi Power Company** for a Certificate of Public Convenience and Necessity Authorizing the Acquisition, Construction, and Operation of Transmission Substations and Related Facilities and Rights-of-way in **Clarke** and **Hancock Counties** to a Hearing Examiner.



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- ☑ **The Commission** also considered and issued Show Cause Orders Establishing Dockets and Referring the following to Hearing Examiners for hearing, report, and recommendation regarding compliance with Pipeline Safety:
 - ☑ [Show Cause Order](#) regarding compliance with Pipeline Safety Regulations for the **City of Holly Springs**.
 - ☑ [Show Cause Order](#) regarding compliance with Pipeline Safety Regulations for the **Town of Port Gibson**.
 - ☑ [Show Cause Order](#) regarding compliance with Pipeline Safety Regulations for **Southwest Village Apartments**.
 - ☑ [Show Cause Order](#) regarding compliance with Pipeline Safety Regulations for **Tougaloo College**.

Last Week at the MPSC

- ☐ **Atmos Energy Corporation** filed its [Responses](#) to **Larkin** and **Accufacts** Report Recommendations regarding its Compliance Tariff Filing in the Matter of a Comprehensive Review of **Atmos Energy Corporation's** Proposed Capital Budget for Fiscal Year 2023.
- ☐ **The Commission** issued a [Report and Recommendation on Order](#) approving a Special Contract between **Mississippi Power Company** and **Makerstar Capital, Inc.** for the **Makerstar** facility in **Meridian**, as well as a [Report and Recommendation on Order](#) approving a Special Contract between **Mississippi Power Company** and **Makerstar Capital, Inc.** for the **Makerstar** facility in **Wiggins**.
- ☐ **The Commission** issued Orders Certifying the following Eligible Telecommunications Carriers for the 2023 Universal Support Funding Year: [CoastConnect, LLC](#); [Pearl River Valley Communications, LLC](#); [CableSouth Media III, LLC](#)

CENTRAL DISTRICT SNAPS



It was a great turnout at the 2022 Annual Hobnob Event last week!



Last week, I attended a roundtable conversation with Congressman Michael Guest, Consumer Energy Alliance, and the Mississippi Energy Institute to discuss the role of energy and agriculture and their impacts on Mississippi. The event was held in the Forestry Auditorium at the Mississippi Department of Agriculture and Forestry Museum.

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I thank the Carthage Rotary Club for having me as their guest speaker to provide an update from the Commission. It's always a treat to return to my hometown! I appreciate the invite from Deborah Hayes and Lucas Brown and look forward to another visit!



*I enjoyed attending the Lauderdale County School District groundbreaking event Monday for their upcoming Career and Technical Education (CTE) Center. The event included a pre-construction tour and showcase of potential CTE programs that may be offered at the Center, including an Energy Academy program. We heard remarks from Lauderdale County Superintendent, Dr. John-Mark Cain, and other key Lauderdale County officials. I appreciate his and others' leadership to move forward with this investment in the future of their students.
Way to go Lauderdale County!*

Y'ALL VOTE

Tuesday, November 8

Polls open at 7 a.m. and close at 7 p.m.



Daylight savings time ends this weekend.

Don't forget to set your clocks back one hour before going to bed on Saturday, November 5.

That means you will get an extra hour of sleep! Oh boy!!



Last week, our Consumer Complaint Specialists handled a total of **28** complaints in the Central District.

Electric Companies	24
Natural Gas	2
Telecommunications	1
Water/Sewer	1

Last week, the Central District received a total of **233** 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.