

January 25, 2023



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



Short-Term Energy Outlook: Renewable Generation Up; Natural Gas Prices Down

The U.S. Energy Information Administration (EIA) forecasts that U.S. power generation from new renewables capacity—mostly wind and solar—will increase in 2023 and 2024. These two energy sources will account for 16% of total generation in 2023, up from 14% last year and 8% in 2018. The rapid expansion of renewable energy resources represents one of the most significant shifts in the mix of U.S.

electricity generation over the past few years.

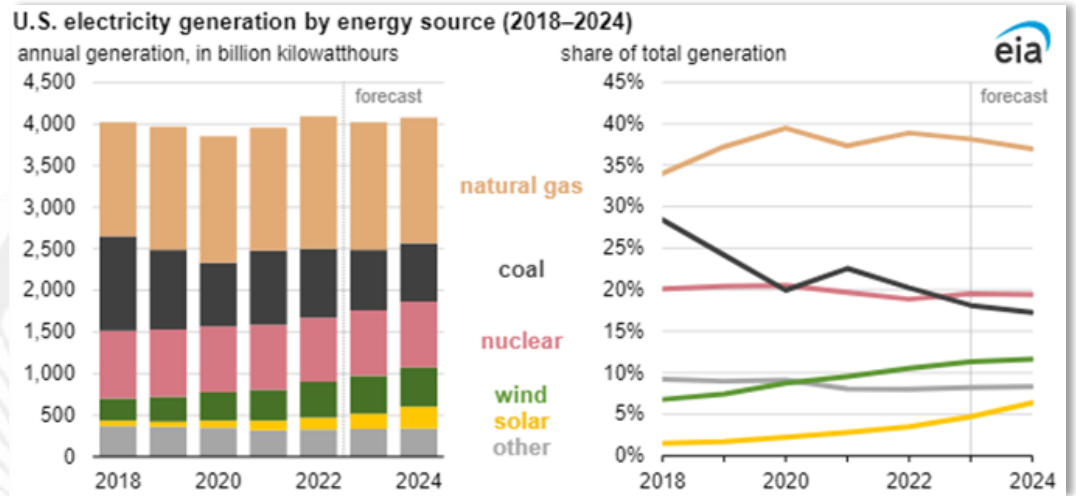
The U.S. electric power sector operated about 74 gigawatts (GW) of solar photovoltaic capacity at the end of 2022, which is about three times the capacity at the end of 2017.

Reported project plans indicate that solar capacity will expand another 63 GW (84%) by

the end of 2024, driven by utilities' decarbonization goals, corporations' desire for clean energy resources, declining construction costs, and favorable tax credits. As a result of this expected increase in solar capacity, EIA forecasts that solar's generation share will rise from 3% of U.S. generation last year to 5% in 2023 and 6% in 2024.

U.S. wind power has grown by more than 60% since 2017 to about 143 GW of capacity. However, the growth in wind power is predicted to be slightly slower this year than in recent years, at about 12 GW of new planned capacity over the next two years. The forecast wind generation share in 2023 remains relatively similar to last year, averaging 11%, and then increases to 12% in 2024.

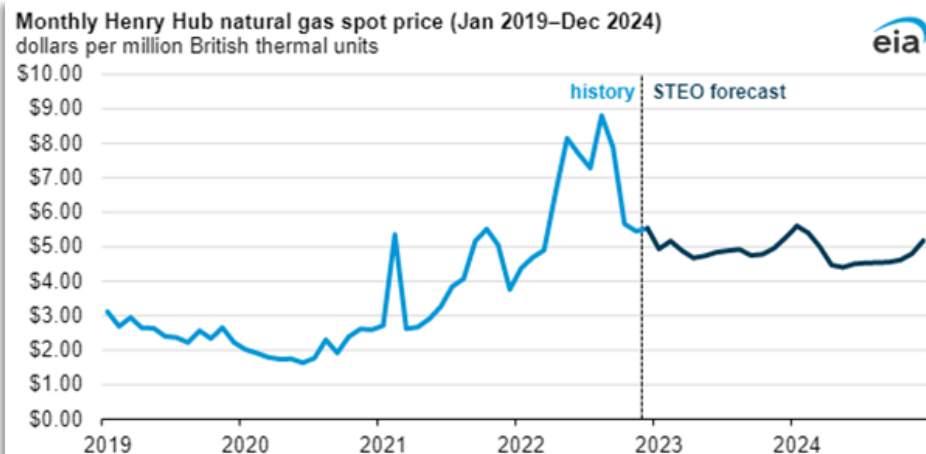
With the growing share of electricity generation from renewables and an anticipated decline in total U.S. energy consumption (-0.9%) due to relatively flat economic growth, the EIA expects that the share of electricity generation from coal will fall from 20% in 2022 to 18% in 2023 and 17% in 2024. The EIA also forecasts the natural gas contribution to the generation of electricity will decline slightly, falling from 39% in 2022 to 38% in 2023, and to 37% in 2024.





Continued...

The combination of an increase in renewable energy generation, a decrease in generation from natural gas, flat to decreasing electricity demand, and an increase in U.S. natural gas production by 2% leads the EIA to forecast natural gas prices at the benchmark Henry Hub to average \$4.90 per



MMBtu in 2023. That price is more than \$1.50 per MMBtu lower than the 2022 average price. The EIA expects natural gas prices to average \$4.80 per MMBtu in 2024. Of course, any wild swings in temperatures, changes in domestic consumption, challenges in production, and fluctuations in LNG exports can have dramatic impacts on natural gas costs and consumer prices.

We don't want to experience a repeat of 2022's natural gas price volatility driven by supply disruptions and sanctions on Russia linked to the war in Ukraine which fed demand for U.S. natural gas exports to Europe and Asia. In 2022, the Henry Hub spot natural gas price ranged from \$3.46 per MMBtu to \$9.85 per MMBtu, reflecting significant day-to-day price changes. Due to the high utilization of natural gas for the generation of electricity in Mississippi, last year's high prices continue to put upward pressure on electricity rates. Moderated prices throughout 2023 could lead to rate relief this time next year.



NARUC News

The National Association of Regulatory Utility Commissioners (NARUC) has announced the release of its [Energy Resilience Reference Guide](#) (Resilience Manual). Envisioned as a sweeping foundational-level resource, the guide will cover a range of energy resilience topics presented in chapter form. Chapters will be released over time, each highlighting emerging best practices on a specific resilience topic, profiling individual state efforts at enhancing system resilience, spotlighting contributions from subject-matter experts, and summarizing key regulatory considerations for energy system resilience. The first chapter, available now, is an introduction to energy resilience. Contents focus on definitions of energy resilience and contextualizes the growing importance of resilience investments by utilities and the public sector alike.

NARUC's Center for Partnerships & Innovation announced the release of a new paper on the effects of the digital economy on the energy system. [Digitalization in Electric Power Systems and Regulation: A Primer](#) covers the five elements of digital systems that have evolved over the past three decades relevant to the electric distribution system: network interconnection, interoperability, modularity, open source, and automation. Digitalization can help deliver the benefits of decentralization and decarbonization while mitigating some of their challenges. Remote sensors and controls, automation, networks, and digital market platforms enhance flexibility and enable scheduling of demand to coordinate with supply, rather than the traditional practice of scheduling supply to meet inflexible demand. The report provides public utility commissions and others engaged in utility regulation with definitions of grid digitization and provides concrete examples of how the key elements of digital systems are influencing the modernization of electric utilities.



Legislation Tracker

The deadline for original committee action to pass general bills and constitutional amendments is next Tuesday, January 31, 2023. The Commission is watching numerous bills that could impact customers, certain utilities or the MPSC. Many pundits thought this would be a rather calm session for potential legislation. However, the number of bills introduced shows this could be anything but. Below are bills that we have identified thus far:

House

[HB 19](#): Supreme Court districts; bring forward

[HB 30](#): Public Service Commission; require to mandate annual filings by rural water associations

[HB 38](#): Administrative Procedures Act; amend to require proposed agency rules to be approved by the state auditor

[HB 149](#): Joint Legislative Study Committee on Electrification of Transportation; create

[HB 178](#): Electric Power Association Law; bring forward entirely and amend election provisions of

[HB 195](#): Bonds; authorize issuance to assist City of Greenville in paying costs of improvements to its water and sewer systems

[HB 263](#): Municipalities; extend repealer on authority to create program addressing delinquent customer water bills

[HB 264](#): Energy Efficiency standards on buildings; extend repealer on statute requiring certain buildings to meet

[HB 288](#): Public Utilities Staff; authorize certain personnel to be filled by consulting contract

[HB 303](#): Electric vehicle tax; exempt low-speed electric vehicles

[HB 331](#): Helping Mississippians Afford Broadband Act; create

[HB 335](#): income tax; allow credit for investments in qualified clean-burning motor vehicle fuel property

[HB 378](#): Electric/hybrid vehicles; repeal sections of law authorizing taxes

[HB 465](#): Emergency communications districts; require to implement text-to-911 services by a certain date

[HB 498](#): Municipalities allowed to establish overdue water/sewer payment programs, certain; extend program repeal date

[HB 697](#): Homeowner associations that provide water to its residents, certain; prohibit PSC from providing certain regulation of

[HB 698](#): Municipal water, wastewater and sewer services; require equity based billing based on use of

[HB 809](#): Executive Director of Public Utilities Staff; remove Public Service Commission from the process of appointing

[HB 835](#): Utility shutoffs; revise Governor's authority regarding

[HB 871](#): Ad valorem tax; extend time for partial exemption and fee-in-lieu of ad valorem tax agreement for certain renewable energy projects

[HB 885](#): Mississippi Emergency Communications Act; create

[HB 944](#): Water bills; prohibit municipalities from estimating water bills after 120 days

[HB 945](#): Water bills; prohibit certain municipalities from estimating water bills after 120 days

[HB 946](#): Power lines; prohibit a person from placing objects on

[HB 986](#): "Mississippi Electric Vehicle Charging Infrastructure Act of 2023"; enact to authorize MDOT to enter into public-private partnerships

[HB 1044](#): Excavators; require to mark proposed excavation area with white paint, flags or stakes before notifying Mississippi 811

[HB 1059](#): Broadband equipment speed; increase to FCC requirement regarding ad valorem tax exemption

[HB 1060](#): Electric vehicles; authorize charging by nonutilities

[HB 1061](#): Electric transmission infrastructure; prescribe requirements for issuance of certificate of public convenience and necessity

[HB 1067](#): Mississippi Broadband Accessibility Act; create

[HB 1108](#): Rural water associations; authorize those providing sewer services to participate in the ARPA Rural Water Association Infrastructure Grant Program

[HB 1109](#): ARPA funds; counties may spend revenue loss category of those funds projects of rural water associations and water/sewer authorities

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



Continued...

[HB 1185](#): ARPA Rural Water Associations Infrastructure Grant Program; clarify that certain entities are eligible to participate in

[HB 1198](#): Microgrid and Grid Resiliency Act; create

[HB 1199](#): Efficiency standards; extend repealer on statute requiring certain buildings to meet

[HB 1213](#): Water Infrastructure Grant Program; DEQ shall give priority to applicants not receiving sufficient funding in first round grants

[HB 1225](#): Telephone solicitation; bring forward provisions of law relating to

[HB 1226](#): Excavations; provide for impending emergencies and extend notification period for

[HB 1254](#): Bonds; authorize issuance to assist City of Jackson with making repairs and improvements to water and sewer systems

[HB 1292](#): ARPA Rural Water Associations Infrastructure Grant Program; clarify that certain entities are eligible to participate in

Senate

[SB 2020](#): Electric/hybrid vehicle tax; repeal sections of law authorizing

[SB 2043](#): State agencies; notify Legislature of proposed rule adoption

[SB 2102](#): Impending emergency excavation; define, establish advance notice requirements and require premarking for

[SB 2143](#): Municipally owned utilities; authorize to accept electronic payments and to absorb transaction fees in its rate base

[SB 2232](#): Community water and wastewater facility system or solid waste program; reduce authorized interim period without certified operator

[SB 2338](#): Municipal waterworks; ensure just, reasonable and transparent billing in

[SB 2339](#): Provision of law establishing energy efficiency standards for building construction; extend repealer on

[SB 2340](#): Mississippi Water Quality Accountability Act; create

[SB 2341](#): Electric transmission infrastructure; maintain state jurisdiction over integrity of

[SB 2432](#): MS Municipality & County Water Infrastructure Grant Program Act; amend to clarify eligibility of rural water associations

[SB 2433](#): Regulation of public utilities; exempt distribution of water by eligible homeowners association to its own residents from

[SB 2436](#): Microgrid and Grid Resiliency Act; create

[SB 2437](#): Mississippi Water Quality Accountability Act; create

[SB 2450](#): Open Meetings Act; bring forward for purposes of possible amendment

[SB 2453](#): ARPA Rural Water Associations Infrastructure Grant Program; clarify that certain entities are eligible to participate in

[SB 2492](#): Electric vehicle charging; allow by non-utilities while maintaining consumer protections

[SB 2494](#): Mississippi Telephone Solicitation Act; transfer enforcement authority to Attorney General's Office

[SB 2512](#): Counties; authorize to designate ARPA funds to rural water and sewer associations for infrastructure projects

[SB 2562](#): Transportation; allow public and private partnerships to establish electric vehicle charging stations

[SB 2818](#): Jackson Water Reimbursement Grant Program; establish

[SB 2831](#): Pearl River Valley Water Supply District; add two board members from the City of Jackson

[SB 2856](#): Open meetings; revise accessibility to information on meeting times, agenda and minutes

[SB 2866](#): Administrative Procedures Act; amend to require agencies to solicit public comment in advance of filing

[SB 2889](#): Mississippi Capitol Region Utility Act; create.

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

- 📁 **Entergy Mississippi, LLC** filed its [Response](#) to **London Economics International LLC's** "Management Review Audit of **Entergy Mississippi Fuel and Electric Procurement**" for the Audit Period of 2021-2022 (the "LEI Audit Report") and the "**Entergy Mississippi, LLC Fuel Adjustment Audit**" for the Period from October 1, 2021 through September 30, 2022. In general, the LEI Audit Report found that **Entergy MS's** practices in the acquisition of fuel or purchased energy were efficient and economical. The LEI Audit Report made several recommendations regarding generator plant maintenance and performance and fossil fuel inventory management. **Entergy MS** responded to the recommendations.
- 📁 **The Commission** filed a [Scheduling Order](#) for **Entergy Mississippi, LLC's** Application for Approval of EDGE Resources to Support Reliability, Fuel Diversity, and Economic Development; and for Other Relief. The Scheduling Order identifies a path for review and consideration of the energy resource applications.
- 📁 **Mississippi Power Company** filed its [Special Contract](#) between **Mississippi Power Company** and **Cold-Link Logistics, LLC**. **Cold Link Logistics** is a cold storage warehouse and distribution facility supporting the poultry industry. The proposed Special Contract provides a credit to monthly base revenue billing if certain monthly minimum load requirements are met and is limited to a maximum credit amount. No credit is provided if **Cold-Link's** load does not exceed those minimum load requirements.

CENTRAL DISTRICT SNAPS



I appreciate Paul Purnell for swinging by the Commission to deliver copies of the 2023 Legislative Roster. The Electric Cooperatives of Mississippi have been publishing the Legislative Roster since 1966.



Boudreaux, and Moss Point School District Superintendent Oswago Harper.

I had the opportunity to stop by the 2023 Mississippi Association of School Superintendents Winter Conference this week and sat in on a session focused on opportunities and new technologies that can generate revenue in school districts, including energy efficiency, solar for schools and bus electrification. It was my pleasure to visit with panelists Dr. Ken Barron, Superintendent of the Yazoo County School District (pictured), Schneider Electric's Allie Harris and Madelyn Dunn, Biloxi Public Schools Superintendent Mr. Marcus

The past week also included visits with the members of the Mississippi Farm Bureau Federation and members of the Mississippi Association of Supervisors. On Thursday, we will be visiting Greenville and Washington County.



Last week, our Consumer Complaint Specialists handled a total of **36** complaints in the Central District.

Electric Companies	19
Telecommunications	7
Natural Gas	2
Water/Sewer	8

Last week, the Central District received a total of **110** 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.