

April 12, 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



Reports, Papers, Studies and Analyses

The first few months of each year seems to bring forth a plethora of reports from a wide range of stakeholders. These reports aim to inform, influence and/or initiate action on matters that may impact personal behavior, policy development or technological investments. Below are some recent reports that have garnered attention in certain circles. My hope is that the research put forth in support of developing findings, conclusions and recommendations of each subject area can stimulate a healthy conversation among Mississippians regardless of one's politics, ideology, socio-economic status or other.

Operation of the U.S. Power Generation Fleet During Winter Storm Elliott

A new report, [Operation of the U.S. Power Generation Fleet During Winter Storm Elliott](#), analyzes the performance of traditional power sources and renewable energy resources during the December 2022 storm that brought record-setting low temperatures and record-setting electricity demand to most of the country. In fact, December 24, 2022, recorded the highest single day electricity demand on record for the U.S. Lower-48 states. Coal, natural gas, and fuel oil provided 94 percent of the additional electricity that was needed when demand peaked because of Elliott. At the same time, some natural gas plants in the southeast failed to start as natural gas heating demands created insufficient supplies in natural gas pipelines. The analysis also shows the increase in wind speeds during the storm event helped the grid meet the significantly increased demand for electricity. The report shows the need for a broad portfolio of resources (fossil fuels, energy storage, renewables) to avoid electricity shortages in future extreme weather events.

2022-2031 SERC Annual Long Term Reliability Assessment Report

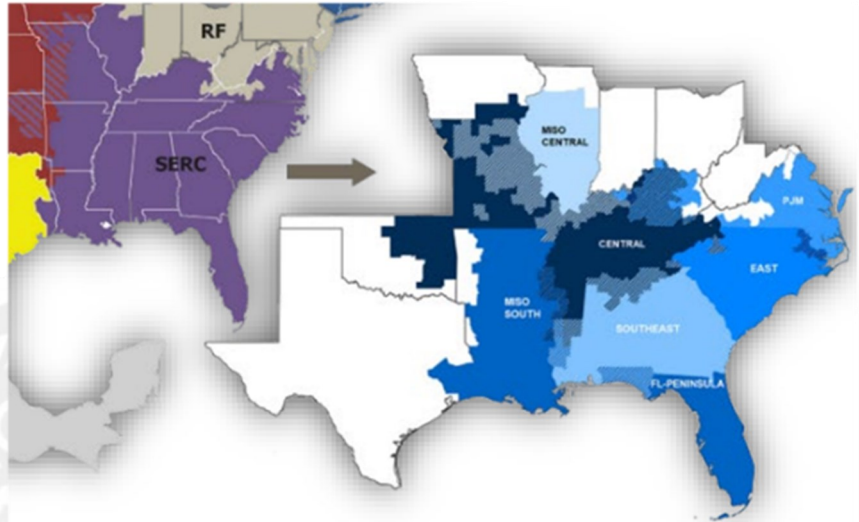
The [2022-2031 SERC Annual Long Term Reliability Assessment Report](#) focuses on regional reliability risks related to electricity demand, resource capacity, reserve margins, and transmission adequacy for the existing system and as well as for ten years into the future. The Southeast Electric Reliability Corporation (SERC) performed analyses in collaboration with its subject matter experts through extensive data gathering and research.



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The report showcases several key SERC observations:

1. The SERC MISO Central subregion does not expect its anticipated generating reserves to meet the NERC recommended planning reserve margin during summer months.
2. SERC will continue to see the growth of Inverter-Based Resources throughout the region.
3. SERC anticipates accelerated coal retirements in the future. However, both conventional and renewable capacity additions are expected to offset the coal-fired capacity retirements.
4. Throughout the SERC Region, registered entities report plans to build transmission, especially in the first five years of the assessment period, to ensure a reliable interconnected power system.
5. The electric demand in the SERC Region is reported to be relatively flat due to several factors, including the growth of rooftop solar that masks the residential load on the system, energy efficiency programs, and the netting of distributed energy resources generation with the system loads.

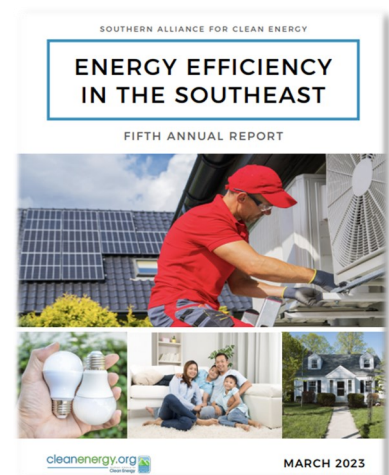


The electric grid has changed over the past few decades, and the transformation of the grid is accelerating with the push for de-carbonization of energy resources supported by federal and state policies. However, challenges from grid transformation, extreme weather, and physical and cyber security of the SERC Region will remain.

Energy Efficiency in the Southeast – Fifth Annual Report

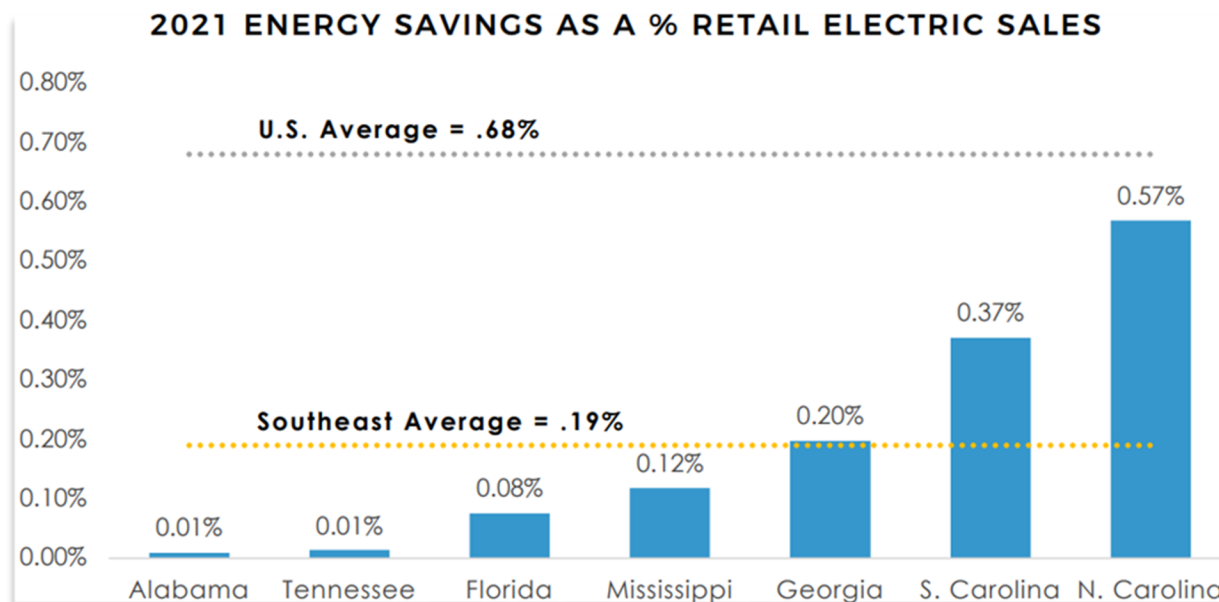
The Southern Alliance for Clean Energy released its fifth annual [*Energy Efficiency in the Southeast*](#). Energy efficiency is a proven low-cost clean energy resource, but Southeastern utilities and regulators have historically underinvested and deprioritized energy efficiency according to the report. As a result, households in many Southeastern states have some of the highest electricity usage and monthly energy bills in the nation. Key insights from the report, including:

- The potential for an influx of new federal funding to double efficiency savings in the Southeast and lower electricity consumption and bills for customers.
- Energy efficiency as a key to accelerating the transition to a clean energy grid, offsetting the need to build new power generation.
- The unique opportunity in the Southeast for utility-funded efficiency projects in manufactured homes.





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According to the report, efficiency savings in Florida, Tennessee, **Mississippi**, and Alabama are far below their proportionate share, indicating that customers in those states are being deprived of valuable efficiency resources. However, new federal funding and programs for energy efficiency can be aligned with utility-administered energy efficiency programs to create significant opportunities for customers. For **Mississippians**, the major utilities and cooperatives in the state can help customers lower energy waste and reduce monthly energy bills by increasing investments in programs and expanding energy efficiency portfolios to include programs for residents of manufactured homes.

Synthesis Report of the IPCC Sixth Assessment Report

The latest report from the United Nations Intergovernmental Panel on Climate Change (IPCC), the sixth [Synthesis Report](#), used findings from three previous assessments to construct a brief for policymakers as they prepare for the next round of international climate negotiations. The report recognizes the interdependence of climate, ecosystems and biodiversity, and human societies and the close linkages between climate change adaptation, mitigation, ecosystem health, human well-being and sustainable development. The report's scientific body has set a new target for slashing greenhouse gas emissions: a 60% reduction in annual greenhouse gas emissions by 2035.

2022 State of the Markets – Report to the Federal Energy Regulatory Commission

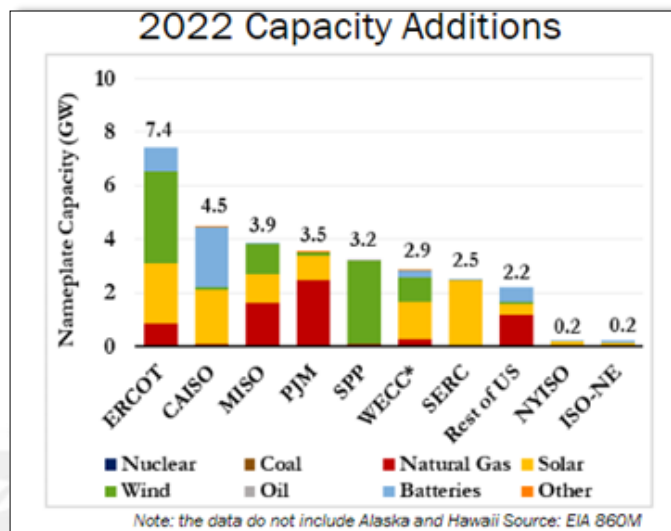
The [2022 State of the Markets](#) report summarizes key trends in electricity and natural gas markets, infrastructure changes, including the shift to renewable resources, and notable events in 2022, including the western heat wave and its effect on electricity and natural gas markets, along with the December 2022 winter storm. The report highlighted numerous issues impacting wholesale energy markets, including the following:



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The report highlighted numerous issues impacting wholesale energy markets, including the following:

- Most generation capacity additions came from wind and solar resources
- Most retirements came from coal resources
- Natural gas still holds the largest share of generation at 38.9% in 2022
- New generating resources encountered interconnection delays
- Higher wholesale electricity prices and higher natural gas prices in 2022
- Largest mean wholesale price increases in NYISO Zone J and PJM – over 80%
- U.S. LNG exports grew in 2022, though at a slower pace than in 2021
- Western heat wave impacted the Western Interconnection and CAISO
- December 2022 winter storm triggered power outages, mainly in the Southeast.



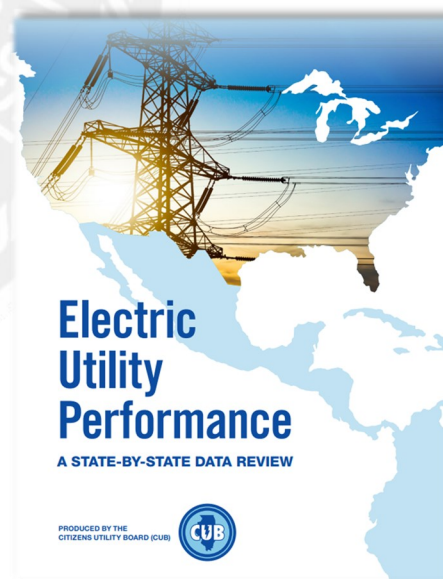
Wholesale electricity and natural gas prices increased in most markets in 2022 due to higher demand for electricity and natural gas, warmer-than-normal temperatures across most of the country, a tight international market due to global demand for LNG, and lower-than-normal natural gas storage inventories going into the winter. Extreme weather events can also drive demand for energy resources and cause market disruptions.

Electric Utility Performance: A State-By-State Data Review

Electric Utility Performance: A State-by-State Data Review

represents a comprehensive ranking of electric utility performance in every state in America on the key public interest metrics of affordability, reliability, and environmental responsibility. Reliable, affordable power enhances economic growth, drives customer satisfaction, and facilitates prosperous communities. Data tell stories and raises questions. The findings in this report can spur more discussion among regulators, utilities and consumers to identify solutions.

The affordability of electricity can be an existential matter for some consumers. And just because a state may have some of the lowest rates in the nation, customers in that state may still pay some of the highest overall bills due to various factors. For the affordability metric, Mississippi ranked 14th in the nation for “Electricity Cost per Kilowatt-Hour for Residential Customers.” However, Mississippi ranked 47th for “Annual Electricity Expenditures” and 51st for “Total Household Electricity Costs as a Percentage of Income.” After factoring in all affordability metrics, Mississippi ranked 33rd on overall affordability.





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Providing reliable electricity service is one of the foremost responsibilities we entrust to utilities. Most power disruptions mainly occur on the distribution grid. The best overall measure of an electric utility's reliability is the average number of minutes of outages per year per customer, calculated by a method referred to as the System Average Interruption Duration Index (SAIDI). The System Average Interruption Frequency Index (SAIFI) measures outages per customer per year. The Customer Average Interruption Duration Index (CAIDI) measures the average time for the utility to restore power to a customer after an outage starts. These indexes are computed with and without including Major Event Days (MED), such as ice storms, windstorms, wildfires, hurricanes, etc.

Mississippi's reliability metrics rankings:

SAIDI Including MEDs: 47 th	Excluding MEDs: 50 th
SAIFI Including MEDs: 46 th	Excluding MEDs: 47 th
CAIDI Including MEDs: 38 th	Excluding MEDs: 37 th

Mississippi ranked tied for 46th overall among the states and [Washington](#) D.C. in reliability, when comparing the average duration and frequency of outages along with average time to restore power to customers.

The study's environmental metrics includes a state's emissions of carbon dioxide, sulfur dioxide, and nitrogen oxide along with clean and renewable generation resources. Overall, Mississippi ranked 38th overall in the environmental performance rankings.

2022 Electric Utility Residential Customer Satisfaction Study

Overall residential electric utility satisfaction has dropped as more customers are experiencing higher monthly bills and feeling worse off financially, according to the J.D. Power [2022 Electric Utility Residential Customer Satisfaction Study](#). Specifically, overall satisfaction is 731 (on a 1,000-point scale), a decrease from 748 in 2021. The overall reduction in satisfaction is primarily due to a drop in price satisfaction. As customers face or experience financial challenges, utilities need to be understanding and increase communications regarding assistance programs that may be available, along with energy efficiency programs. These proactive and targeted messaging can increase overall customer satisfaction as energy affordability can be a hot button issue in many **Mississippi** households.

[The study results](#) are based on responses from 102,879 online interviews conducted from January 2022 through November 2022 among residential customers of the 145 largest electric utility brands across the United States, which represent more than 105 million households.

April is National Safe Digging Month

Don't forget that April is recognized as National Safe Digging Month in the U.S. and in Mississippi. National Safe Digging Month is an opportunity to remind everyone to call 811 a few days before any home or commercial digging project. The Mississippi Public Service Commission is pleased to help increase awareness of safe-digging practices and of calling 811.

**I'm planning to dig.
How does 811 work?**



1. Call 811 or go to your state 811 center's website a few days before digging to request that buried utilities in your yard be marked.
2. Wait a few days for all utilities to respond to your request.
3. Confirm that all utilities have responded.
4. Respect the utility marks or flags.
5. Dig carefully around buried utilities.



[Click photo to enlarge](#)



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Calling 811 connects you to your local underground utility operators, who will mark the approximate location of buried natural gas, electric, telecommunications, water, and sewer lines that may be in the vicinity of where you plan to dig. Prevent damages and injuries. Call 811 before you dig!




*Commissioner Bailey
and Mississippi 811,
Inc.'s Fred Johnson*

Additionally, I would like to wish a special congratulations to Fred Johnson, who was recently appointed as President of Mississippi 811, Inc., upon the retirement of Sam Johnson. Mr. Fred Johnson has been employed with Mississippi 811 for 19 years and has served in several roles that included Damage Prevention Coordinator, Call Center Manager, and Operations and Human Resources Manager. Congratulations Mr. Fred! And I also thank and appreciate Mr. Sam Johnson for his 39 years of service to Mississippi 811, Inc. [Read more.](#)



*Commissioner Bailey
and Mississippi 811,
Inc.'s Sam Johnson*

Last Week at the MPSC

-  **Mississippi Power Company** filed Rule 7.103 Notices for the following plants since prior to beginning construction on or at any of the facilities they have a projected capitalized cost in excess of \$1,000,000 or one percent (1%) of existing jurisdictional net plant investment:
- Plant Daniel Unit 2
 - Mississippi Power Company (MPCo) plans to replace the blades on the [HP Steam Turbine](#). The replacement of the HP Steam Turbine blades is expected to begin on 4/15/2023 and be completed by 6/2/2023. The estimated total cost is \$2,252,969 (MPCo's portion of this cost is \$1,126,485).
 - Plant Daniel Unit 3
 - MPCo plans to replace the [Main Steam turbine Control Valve](#) (MSCV). The replacement of the Unit 3 MSCV is scheduled to begin on 3/1/2025 and be completed on 4/13/2025. The estimated total cost is \$7,900,000.
 - MPCo plans to modernize the [ovation control system](#) by replacing hardware that is supported by the OEM. The Ovation Modernization is scheduled to begin on 6/9/2023, and be completed by 6/21/2023. The estimated total cost is \$1,114,731.
 - Plant Daniel Unit 3A
 - MPCo plans to replace the Daniel 3A [LP evaporator module](#) in the Heat Recovery Steam Generator (HRSG). The replacement of the LP Evaporator is estimated to begin on 3/1/2025 and be completed by 4/9/2025. This estimated total cost is \$3,672,350.
 - MPCo plans to replace the Daniel 3A [preheater module](#) in the HRSG. The replacement of the 3A Preheater is estimated to begin on 3/1/2025 and be completed by 4/9/2025. The estimated total cost is \$3,928,347.
 - Plant Daniel Unit 3B
 - MPCo plans to replace the [LP evaporator module](#) in the HRSG. The replacement of the 3B LP Evaporator is estimated to begin on 3/1/2025 and be completed by 4/13/2025. The estimated total cost is \$3,909,160.



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- MPCo plans to replace the [preheater module](#) in the HRSG. The replacement of the 3B Preheater is estimated to begin on 3/1/2025 and be completed by 4/9/2025. The estimated total cost is \$3,475,029.
- Plant Daniel Unit 4
 - MPCo plans to replace the [Main Steam turbine Control Valve](#) (MSCV). The replacement of the Unit 4 MSCV is scheduled to begin on 9/6/2024, and be completed on 10/19/2024. The estimated total cost is \$7,900,000.
 - MPCo plans to modernize the [ovation control system](#) by replacing hardware that is supported by the OEM. The Ovation Modernization is scheduled to begin on June 9, 2023, and be completed by June 21, 2023. The estimated total cost is \$1,114,731.
 - MPCo plans to add additional [steamer platforms](#) to the steam turbine. The addition of the platforms is expected to take place in the fall of 2023. The estimated total cost is \$1,536,115.
- Plant Daniel Unit 4B
 - MPCo plans to replace the [LP evaporator module](#) in the HRSG. The replacement of the 4B LP Evaporator is estimated to begin on 3/1/2024 and be completed by 4/9/2024. The estimated total cost is \$4,200,000.
 - MPCo plans to replace the [preheater module](#) in the HRSG. The replacement of the 4B Preheater is estimated to begin on 9/6/2024 and be completed by 10/19/2024. The estimated total cost is \$4,200,000.
- Plant Daniel Units 3 & 4 Combined Cycle Backup Generators
 - MPCo plans to install backup generators for the Plant Daniel [combined cycle](#) administrative building and other emergency systems. The installation of the generators is expected to begin in the fall of 2023. The estimated total cost is \$1,228,892.
- Plant Ratcliffe Unit 1
 - MPCo plans to rebuild the IP [Steam Bypass](#) valve. The IP Steam Bypass valve parts have reached the end of their useful life and the internal parts need to be replaced to maintain reliability of the unit. The replacement began on 3/26/2023, to be completed by 5/14/2023. The estimated total cost is \$1,006,685.
 - MPCo plans to modernize the [ovation control system](#) by replacing hardware that is supported by the OEM. The Ovation Modernization began on 3/26/2023, to be completed by 5/14/2023. The estimated total cost is \$1,475,702.
 - MPCo plans to add [redundant natural gas](#) regulators on for combustion turbines A and B. The addition of the natural gas pressure regulators began on 3/26/2023, to be completed by 5/14/2023. The estimated total cost is \$1,686,197.
- Plant Watson Unit 5
 - MPCo plans to replace the [high pressure feedwater heaters](#). The replacement of the Plant Watson Unit 5 high pressure feedwater heaters is expected to take place in 2024. The estimated total cost is \$4,400,000.



Legislation Tracker

The 2023 Regular Session finished up in the early morning hours of Saturday, April 1. Below is a rundown of some of the bills we monitored throughout the session and where they currently stand. Most of this legislation goes into effect on July 1, the beginning of the 2024 Fiscal Year.

House

[HB 288](#): Public Utilities Staff; authorize certain personnel to be filled by consulting contract. Current Status: [Signed by Governor 03/13/23](#)

FROM THE DESK OF
COMMISSIONER BRENT BAILEY
CENTRAL DISTRICT OFFICE



Continued...

HB 698: Municipal water, wastewater, and sewer services; require equity-based billing based on use of. Current Status: *Due from Governor 04/20/23*

HB 809: Executive Director of Public Utilities Staff; remove Public Service Commission from the process of appointing. Current Status: *Signed by Governor 03/22/23*

HB 1060: Electric vehicles; authorize charging by non-utilities. Current Status: *Signed by Governor 03/13/23*

HB 1225: Telephone solicitation; bring forward provisions of law relating to. Current Status: *Signed by Governor 03/22/23*

HB 1620: Appropriation; Public Service Commission. Current Status: *Due from Governor 04/20/23*

HB 1716: Appropriation; DEQ for funding the MS Municipality and County Water Infrastructure Grant Program. Current Status: *Signed by Governor 03/22/23*

Senate

SB 2102: Impending emergency excavation; define, establish advance notice requirements and require premarking for. Current Status: *Signed by Governor 03/21/23*

SB 2339: Provision of law establishing energy efficiency standards for building construction; extend repealer on. Current Status: *Due from Governor 04/20/23*

SB 2341: Electric transmission infrastructure; maintain state jurisdiction over integrity of. Current Status: *Signed by Governor 03/06/23*

SB 2433: Regulation of public utilities; exempt distribution of water by eligible homeowners' association to its own residents from. Current Status: *Signed by Governor 03/08/23*

SB 2512: Counties; authorize to designate ARPA funds to rural water and sewer associations for infrastructure projects. Current Status: *Due from Governor 04/20/23*

SB 2562: Transportation; allow public and private partnerships to establish electric vehicle charging stations. Current Status: *Signed by Governor 03/03/23*

SB 2698: Ad valorem tax; extend fee-in-lieu qualifying period for renewable energy project. Current Status: *Signed by Governor 03/16/23*

Please note that identification of a bill 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. However, I plan to offer my analysis of selected legislation in a future newsletter.

CENTRAL DISTRICT SNAPS



The gift that keeps on giving... I had the chance to donate blood on the Mississippi Blood Services bus parked at the Woolfolk State Office Building last week. In Mississippi, hundreds of pints of blood are needed every day. A little bit of our time could give someone else a lifetime. Please donate when you can.



FROM THE DESK OF COMMISSIONER BRENT BAILEY CENTRAL DISTRICT OFFICE



I appreciate Mr. David O'Bryan (pictured left) for the invitation to speak at the Delta Electric Power Association Annual Meeting yesterday morning. Mr. O'Bryan showcased the development and growth of their cooperative, including 31 miles of new power lines, 624 miles of new fiber, and an increase of 12.2% of electricity demand over last year.



Following the Delta EPA annual meeting, we stuck our head in at Ervin Cable Construction LLC, the general contractor in charge of installing all of the DE LightSpeed fiber.



We enjoyed a visit with Jason yesterday at Yazoo Valley Electric Power Association. I appreciate the update on their post-storm restoration efforts and the assistance they provided to their neighboring cooperatives.



One of our favorite lunch stops when traveling through the Central District is Tom's in downtown Yazoo City.

The Central District will have a booth set up at the Ochsner Scott Regional Community Health Fair next Wednesday, April 19, in Morton starting at 10 a.m. Come by and see us!



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

Electric Companies	15
Telecommunications	7
Natural Gas	1

Last week, the Central District received a total of **153** 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.