December 21, 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

This is Where the Cowboy Rides Away

Well, here we are. A day that has come much sooner than I had ever anticipated or desired. The closing of a chapter that I could never have written if I had not experienced it for myself. So many people, so many places, so many experiences (and so many documents!) that did and will forever shape my views as well as have an impact on my next phase of life – whatever that may entail.

As my tenure as your Public Service Commissioner comes to a close, I want to thank you for the opportunity to serve in this role and contribute to the provision of safe, reliable and affordable utility services. Being a Commissioner may sound and seem easy, but I can tell you that the job as a Public Service Commissioner is no easy task with challenges around every turn. Commissioners must, by law, balance the service and economic interests of utility customers, the revenue and reliability requirements of the regulated utilities, and the overall economic advancement of the state of Mississippi.

Commissioners' decisions over time affect the lives of every Mississippian. However, the majority of Mississippians have little to no knowledge of the overall roles and responsibilities of the Public Service Commission. The major reason for our weekly newsletter – now 201 editions – was to educate citizens about our work and for them to hopefully understand the wide range of issues that we must tackle on a daily basis. I am proud of our overall body of work and last week we documented our accomplishments over the past four years.

I am so proud and thankful for the hard work, dedication and professionalism of the Central District staff, the Commission staff, and the Public Utilities Staff. The special relationships established through my engagement with the National Association of Regulatory Utility Commissioners, the Organization of MISO States, Mississippi 811, Mississippi Rural Water Association and so many more organizations will not be soon forgotten. In today's world, strong partnerships and support structures are key to accomplishing goals. And we would not have accomplished what we did were it not for those key relationships and the trust placed on them.

To be clear, departing the Commission was not my choice. Rather it was the choice of the voters of the Central District. Elections and voters can be fickle and unpredictable. But we take what is given us and move forward.

Continued…

While this office faced numerous challenges over the past four years, we remained steadfast in our work and responsive to constituents. I had plans of doing so much more at the Commission, but only God knows if that day or opportunity will ever present itself again. I will truly miss this job. So, as I bring this to a close, I am reminded of the lyrics of a song performed by "King" George Strait:

And my heart is sinkin' like the setting sun
Setting on the things I wish I'd done
Oh, the last goodbye's the hardest one to say
This is where the cowboy rides away

Thank you for a great ride, Mississippi.

Brent and Rhonda Bailey

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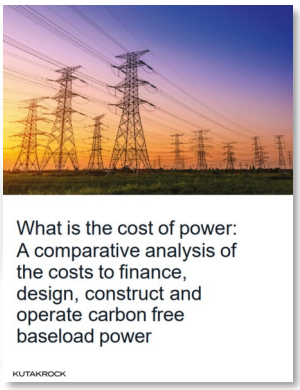
Energy News and Notes

A Comparative Analysis of Carbon Free Baseload Power



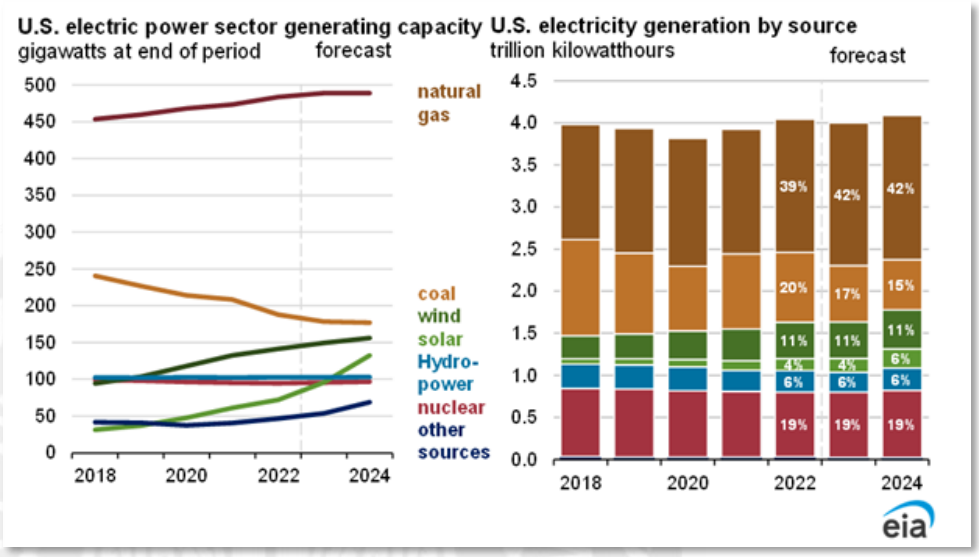
A new report finds that the cost to generate electricity from small modular reactors (SMR) compares favorably to the cost of electricity from other technologies that are similarly capable of producing dispatchable, low-carbon power. Under current policy and economic conditions, an Nth-of-a-kind SMR is estimated to have a levelized cost of electricity (LCOE) of $72/MWh whereas natural gas with carbon capture and storage would be around $98/MWh and solar with battery storage near $88/MWh. The Levelized Cost of Electricity (LCOE) of a generation technology is calculated by taking the cost of constructing and operating the asset and dividing it by the asset's expected generation over an assumed lifetime. This equates to average revenue per unit of electricity generated that would be required to recover the costs of building and operating a power generation facility.

Solar Market Summary Through Q3 2023

Wood Mackenzie's US Solar Market Insight™ report finds that solar accounted for 48% of all new electricity-generating capacity added to the US grid through the first three quarters of 2023. Cumulative operating solar capacity now stands at 161,000 MWdc and 4.7 million systems. The residential segment set another quarterly record at 1,800 MWdc installed across more than 210,000 projects in Q3 2023, reflecting 12% growth over the same quarter last year. The commercial solar segment installed 363 MWdc, declining 3% compared to the same quarter last year. The community solar segment installed 274 MWdc, a 14% increase over Q3 2022. The utility-scale segment installed just over 4,000 MWdc in Q3 2023, representing 58% growth over Q3 2022. Nearly 33,000 MWdc of solar capacity is expected to be built in 2023, making 2023 the U.S.'s biggest year for solar ever. As supply chain issues subsided, solar module costs fell. Also, increasing electricity retail rates on the east and west coasts drove residential solar installations as customers seek ways to reduce home energy costs. Mississippi ranked 32nd in the nation in solar MWdc installations for the first nine months of 2023.

Combined U.S. Solar and Wind Electricity Generation to Surpass Coal-Fired Generation in 2024

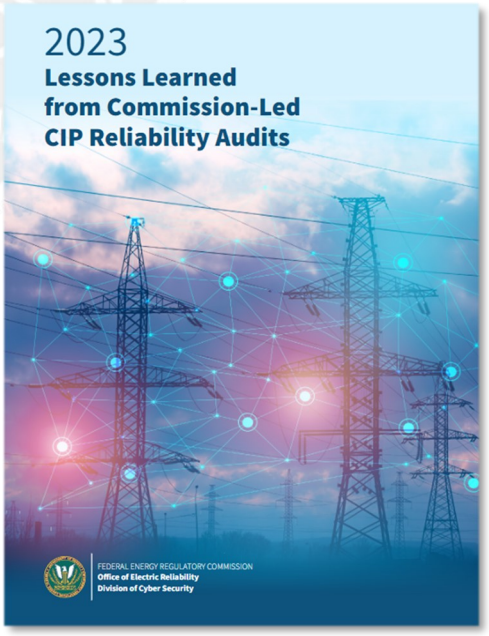
The U.S. Energy Information Administration (EIA) expects, for the first year on record, combined electricity generation from wind and solar to surpass generation from coal in 2024. EIA expects solar generation in 2024 to increase 39% from 2023, driven by continued increases in solar capacity build out.



EIA expects natural gas prices to be $2.77 per million British thermal units this winter, about 23% lower than previously forecast. The winter season is off to a warmer-than-expected start, so U.S. households are consuming less natural gas for heat than expected. The lower natural gas consumption is also contributing to rising U.S. natural gas inventories, which typically results in lower prices. Record domestic natural gas production paired with lower-than-expected natural gas demand is expected to keep natural gas prices low this winter. The full December 2023 *Short-Term Energy Outlook* available on the EIA website.

FERC Staff Reports on Cybersecurity Audits

Federal Energy Regulatory Commission (FERC) staff provided an overview of their report offering recommendations to users, owners and operators of the bulk electric system improve their compliance with mandatory Critical Infrastructure Protection (CIP) reliability standards and their overall cybersecurity postures. The report, *2023 Lessons Learned from Commission-Led Reliability Audits*, finds most of the registered entities' cybersecurity protection measures meet the mandatory requirements of the CIP reliability standards. The report identifies potential noncompliance and security risks that remain, and also offers recommendations to mitigate those risks. Staff from FERC's offices of Electric Reliability and Enforcement conducted the audits in collaboration with staff from the North American Electric Reliability Corporation and its regional entities.



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Georgia PSC Sets Plant Vogtle Rate Recovery

The Georgia Public Service Commission (GPSC) voted this week to allow Georgia Power to recover through rates $7.56 billion of the $10.2 billion the company ultimately expects to spend completing the Vogtle Units 3 & 4 nuclear reactors. Georgia Power and shareholders of its parent, Southern Company, will absorb the remaining $2.63 billion of the project's construction costs. Vogtle Unit 3 went online earlier this year. Vogtle Unit 4 is scheduled to come online in early 2024 and will then trigger the latest rate increase related to the construction of the two units. Cumulatively, the average customer using 1000 kWh per month will see an increase of approximately $14.38 on their monthly bill. This total does not include the roughly $3.5 billion in financing costs Georgia Power customers have already paid over the last decade-plus through an extra charge on their monthly bills. The addition of Units 3 & 4 was originally supposed to cost $14 billion, but total spending by all partners involved in the project has now exceeded $35 billion. The two units are expected operate for 60 to 80 years.

In September, I had the opportunity to take a tour of Georgia Power's Plant Vogtle Units 3 and 4 in Waynesboro, GA. The Vogtle Unit 3 Cooling Tower stands 60 stories high and contains five times more concrete than the Statue of Liberty.

Last Week at the MPSC

- **L & F Water Association** filed its monthly Compliance Filing in regards to the Acts Done or to be Done by **L & F Water Association**.
- **Entergy Mississippi, LLC** filed its Notice of Storm Escrow Disbursement and Request for Interim Relief. **Entergy Mississippi, LLC** seeks an interim Order from the **Commission** that authorizes, on a temporary basis, (1) the storm escrow funds to be credited to **Entergy Mississippi, LLC**'s storm damage reserve, pending **Commission** review of **Entergy Mississippi, LLC**'s storm-related costs, and (2) **Entergy Mississippi, LLC** to continue billing the Rate Adjustments to Storm Damage Rate Schedule SD-9 (Second Revised) ("Storm Damage Schedule") without suspension in the event the balance in the storm damage reserve exceeds $15 million, in anticipation of a subsequent filing by **Entergy Mississippi, LLC** seeking final relief related to this matter. **Entergy Mississippi, LLC** experienced $134,903,623 in storm damage in 2023.
- **Spire Mississippi Inc.** filed its Compliance Tariffs pursuant to the Notice of **Spire Mississippi**'s RSA Filing - 2023 pursuant to the Rate Stabilization Adjustment Rider.
- **Commissioner Brent Bailey** held a hearing and issued a Recommended Order authorizing **Hinds Solar, LLC**'s construction, operation and maintenance of a 150 megawatt alternating current solar photovoltaic electric generation facility and an up to 150 MW battery energy storage system in **Hinds County**, located on approximately 1,200 acres of land leased from landowners under voluntary agreements. The capital investment necessary to develop and construct the Project is estimated to be approximately $150,000,000 or above. The tax revenue, or fees in lieu of tax revenue, paid to Hinds County and the local school district are expected total more than $30 million over the life of the project.

Continued...

The project will sell the entire electrical output to **Energy Mississippi, LLC** under a previously approved Power Purchase Agreement. During construction of the project, up to 300 construction jobs will be created. Construction is expected to begin the fourth quarter of 2025 and the facility is expected to be operational by May 2027.

Pictured with George Fair, William Risse, Witted Swanson and Bailey Fair

MPSC Central District Customer Complaints Report – January 1 through December 15, 2023

Each week, this newsletter reports the number of complaints received from consumers in the Central District regarding electricity, natural gas, telecommunications, and water/sewer. These weekly statistics are then compiled into a monthly report of complaints received and recorded by our Central District Customer Complaint Specialists. Complaints are reported by utility provider or utility type.

Utility	January	February	March	April	May	June	July	August	September	October	November	December	*Totals*
Entergy	86	49	98	100	115	245	160	146	105	122	94	61	**1381**
MS Power	0	0	0	0	0	1	0	0	0	1	0	0	**2**
Atmos	8	3	2	6	3	4	4	1	3	1	6	0	**41**
Centerpoint	2	0	3	2	1	1	0	2	2	1	1	1	**16**
Spire	0	0	0	0	1	0	0	0	0	0	0	0	**1**
AT&T	26	7	18	15	10	10	17	24	14	8	6	3	**158**
CSpire	0	0	1	1	2	3	0	3	0	0	0	0	**10**
Comcast	0	0	2	1	2	3	4	5	7	5	0	0	**29**
Other telecomms	0	0	0	0	0	4	0	0	4	1	0	0	**9**
Rural Electric Coops	1	0	1	2	2	3	8	4	4	5	2	0	**32**
Rural Water Association	6	3	8	5	5	4	3	2	3	2	2	1	**44**
Municipal Utilities	3	6	1	6	3	3	5	3	2	10	1	6	**49**
Other	1	2	2	2	1	1	2	5	0	0	0	0	**16**
TOTAL	**133**	**70**	**136**	**140**	**145**	**282**	**203**	**195**	**144**	**156**	**112**	**72**	**1788**

The far right column is the compilation per utility for the year through December 15, 2023.

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CENTRAL DISTRICT SNAPS

A special thank you to Jan Collins, Executive Director of the Madison County Business League & Foundation for her and the organization's support over the past four years. I so enjoy attending their events, such as the recent Government Affairs Committee (Chaired by Phil Buffington) Legislative Breakfast. Their Young Professionals and Leadership Development programs are top notch.

On Monday, we joined Mississippi Power Co., media and local officials to tour and celebrate the commercial operations of the Walnut Grove Solar generation demonstration and battery energy storage facility. The technology aspects of this project make it the first of its kind in Mississippi as well as within the Southern Company service area.

The facility utilizes a sun tracking system, several types of panels, and is capable of micro grid operations. The 1.5 MW solar project also entails 5.14 megawatt hours of battery storage installed on the 16.5-acre site. It is capable of generating enough energy to power approximately 300 homes. This project provides additional reliability to MS Power Co. customers in the town of Walnut Grove as it has the ability to operate separately during an outage event and maintain power to the town.

Pictured with Mississippi Power's Renewable Energy Program Manager, Allison Little

Pictured with Mississippi Power's Chris Phillips and Cedrick Hurd

Pictured with Waid Prather, Editor/ Publisher at The Carthaginian

Congrats to Dr. Jason Pope, Director of Energy & Natural Resources Division at the Mississippi Development Authority, on his appointment to the 2024 Board of Directors of the Southeast Energy Efficiency Alliance. Dr. Pope and his team manages numerous programs for reducing energy costs and improving efficiency in both operations and buildings.

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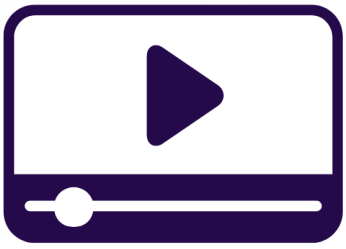
I appreciate Supertalk Mississippi's Paul Gallo for having me on The Gallo Show this morning to participate in an exit interview wrapping up my tenure as Commissioner and our achievements over the last four years.
🎧Listen🎧 back to the interview!

Rhonda and I wish you a very Merry Christmas and a safe and prosperous New Year!!
We hope to see you all again in 2024.



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