

BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSISSIPPI

DOCKET NO. 2021-AD-19

FILED

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**MISS. PUBLIC SERVICE
COMMISSION**

**ORDER ESTABLISHING
DOCKET TO REVIEW
THE EFFICACY AND
FAIRNESS OF THE NET
METERING AND
INTERCONNECTION
RULES**


VIA ELECTRONIC FILING
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Dear Ms. Collier,

Please accept the following comments of the Solar Energy Industries Association regarding the above referenced docket, for electronic filing.

Solar Energy Industries Association

By:



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**IN RE: ORDER ESTABLISHING DOCKET TO REVIEW THE EFFICACY AND
FAIRNESS OF THE NET METERING AND INTERCONNECTION RULES**

**COMMENTS OF THE
SOLAR ENERGY INDUSTRIES ASSOCIATION
ON ORDER ESTABLISHING DOCKET TO REVIEW THE EFFICACY AND
FAIRNESS OF THE NET METERING AND INTERCONNECTION RULES**

Introduction:

Pursuant to the Mississippi Public Service Commission's ("Commission") February 2nd, 2021 *Order Seeking Comments on the Efficacy and Fairness of the Net Metering and Interconnection Rules* ("Order"), the Solar Energy Industries Association ("SEIA") respectfully submits these comments and general recommendations on improving the efficacy, fairness, and functionality of both Mississippi's Net Metering Rule ("NMR") and its Distributed Generation Interconnection Rule ("DGIR"). SEIA appreciates the opportunity to submit these comments and applauds the Commission for its willingness to examine such a broad set of considerations.

As originally discussed throughout the prior Net Metering Docket No. 2011-AD-2, there are myriad benefits to both Mississippi's rate payers and the broader electric grid in allowing greater amounts of distributed generation ("DG") throughout Mississippi. The Commission explicitly stated so in its December 3rd, 2015 *Order Adopting NEM Metering Rule* ("2015 Order"):

“the Commission finds a need for net metering because such a program supports consumers' right to self-supply electricity as balanced by the need and right to connect to the grid, provides increased consumer choice and introduces innovation into a market dominated by monopolies, has the potential to put downward pressure on rates and provide benefits to all ratepayers, and constitutes a substantial step toward creating a viable solar market in Mississippi.”¹

The Commission goes on to discuss the beneficial impacts programs such as Net Metering have on economic activity, job growth, and meeting emission compliance standards.² From this regulatory history we can extract a few key principles that may help guide the Commission when determining how to improve Mississippi's net metering program. Any changes to net metering should consider:

- Adopting changes that support downward pressure on electric rates and provide benefits and cost savings to all ratepayers.
- Supporting the consumer's right to self-supply electricity on balance with the right to be connected to the broader electric grid.
- Fostering more product offerings to build consumer energy choice.
- Creating space for market innovation outside of products or services traditionally offered by monopolized utilities.
- Building a market structure that supports job creation and economic growth within Mississippi.

¹ *In re Pub. Serv. Comm'n*, Docket No. 2011-AD-2, Order Adopting Net Metering Rule, filed on Dec. 3, 2015, at 5-6. (“Order”)

² See Order, at 4.

- Building or expanding programs that serve a wide variety of consumers including low-middle income (“LMI”), underserved markets (renters, multi-family housing), and at-risk communities.

There is also a significant record of public and intervenor commentary, research, and documentation within Docket No. 2011-AD-2 before and after the 2015 Order that create a stable foundation by which the Commission may modify or otherwise amend the existing Net Metering rules to more adequately meet these goals. The Synapse Energy Economics Report (“Synapse Report”) prepared for the Commission and submitted in this docket on September 19, 2014 also provide valuable insight into the benefits of DG in Mississippi.³

However, between the 2015 Order and now there has been little meaningful development in the DG market in Mississippi for a variety of reasons. The result of this lack of DG development represents a missed opportunity for the rate payers of Mississippi to lower the cost of their energy bills, give consumers better energy choices, reduce state carbon emissions, and build Mississippi’s economy. Examining this lost opportunity from a data perspective, SEIA estimates that Mississippi has lost between 700-1000 potential jobs just in the residential sector between 2015 and 2021 looking at MW install rates in comparable states like Arkansas, North Carolina, and South Carolina. Arkansas, for instance, recently passed Act 464 in 2019⁴ and updated its net metering interconnection rules to create greater access to DG for its consumers. As a result, Arkansas’s residential installations went from 4.9MW installed in 2018 to 12.3MW

³ See Synapse Energy Economics, Inc., “Net Metering in Mississippi: Costs, Benefits, and Policy Considerations,” September 19, 2014, pp. 43-44, available at: <https://www.synapse-energy.com/sites/default/files/Net%20Metering%20in%20Mississippi.pdf> (“2014 Report”)

⁴ See 2019 Ark. Reg. Sess. L. Act 464, § 23-18-603-605 (“Act 464”)

in 2019, an increase of over 60% year-over-year. They are expected to add up to 480MW over the next 10 years by some estimates, a 95% increase compared to what is currently installed.⁵

By comparison, Mississippi has fewer than 800 DG systems installed since 2016 across its four major service areas (Cooperative Energy, Mississippi Power Company, Entergy Mississippi, and the Tennessee Valley Authority), averaging approximately 160 installs per year statewide.⁶ Less than half of these installations are valued at the generation level, and by SEIA's review there are not currently any DG systems interconnected in the various Mississippi electric service areas that qualify for the \$0.02/kWh low-income adder approved in the 2015 Order.

Comparing various DG programs in states within the southeast can also be illustrative to examining the impact of policy decisions at the regulatory level on consumer behavior and market development. Below is a simple comparison using publicly available data on the electricity usage and cost of the average residential customer in Mississippi, Arkansas, North Carolina, and South Carolina⁷:

<i>State</i>	<i>Avg \$/kWh</i>	<i>Usage kWh/yr</i>	<i>Avg \$/yr</i>
<i>Mississippi</i>	11.27	14,952	\$ 1,685.09
<i>South Carolina</i>	9.8	13,368	\$ 1,310.06
<i>Arkansas</i>	12.99	13,409	\$ 1,741.83
<i>North Carolina</i>	11.42	12,952	\$ 1,479.12

Figure 1 Comparison on Regional Electric Rates and Usage

⁵ Available at: <https://www.seia.org/us-solar-market-insight>

⁶ See Commissioner Brent Bailey, "Solar Takes Another Step Forward in Mississippi," April 21, 2020. ("Newsletter")

⁷ Available at: <https://www.eia.gov/todayinenergy/detail.php?id=46276>

While there are a number of variables that contribute to a consumer's choice to adopt DG, economics is a key factor. The average resident across these four states pays a similar amount in annual electric costs and uses a similar amount of energy. From an economic standpoint, even a DG system designed to provide 80% offset of monthly load would still be providing the average Mississippi resident a savings of over \$1,000 per year. The continued slow market development in Mississippi represents at the very least an opportunity cost for Mississippi rate payers to lower their electric bills.

The 2014 Synapse Report is also informative on how DG systems can benefit all of Mississippi's ratepayers, and should not be discounted despite its age. As an aside, it may be beneficial for the Commission to request an update to this report given the rapid changes in DG technology and product offerings (such as energy storage), as well as new and developing value streams for DG that have developed in the interim between 2014 and now. Some of the highlights of the Synapse Report include:

- Distributed DG will likely result in downward rate pressure under any modeled scenario.
- Significant avoided costs for the utility in high DG penetration models including reductions in energy costs (fuel and O&M), transmission and distribution costs via resource deferral, reduced line losses, reduced environmental compliance costs, and risk reduction via resource diversification.
- A net metering program provides net benefits (benefits for all ratepayers) in almost all modeled scenarios and sensitivities.

With this in mind, SEIA's comments recommend that the Commission adopt the following changes to their existing Net Metering program and Interconnection Rules. We discuss these changes in detail in the answers to the Commission's questions below, but broadly SEIA's recommendations are:

- Adopt a simplified 1:1 retail rate export compensation.
- Remove all net metering caps and instead adopt a DG penetration percentage target whereby stakeholders convene to determine cap amendments or programmatic changes.
- Develop or amend interconnection rules in order to minimize soft costs and customer barriers to entry.
- Retain the low-income adder, expand the low-income adder option utilizing 120% AMI, and eliminate interconnection costs for all low-income projects.
- Consider adopting a standardized "grid access" charge rather than the current minimum bill methodology that charges the customer for costs accrued to connect to the grid and nothing more.

Structure of SEIA's Comments

SEIA's comments are meant to succinctly address the Commission's stated questions. In some instances SEIA will provide responses to certain questions, outline best practices, data, and concepts where appropriate, reference related jurisdictions or other programs to provide context, defer to other intervenors to the above captioned docket who may be better able to answer specifics of a question, or comment on the scope of this proceeding and whether SEIA believes that a particular programmatic issue is better addressed more formerly outside of the confines of

Docket No. 2021-AD-19. The overarching goal of SEIA's comments can be boiled down into these principles:

- Any recommendations or concepts discussed in these comments are meant to foster DG market growth in Mississippi relative to the principles outlined above and sensitive to current and future market conditions and opportunities.
- Any changes to Mississippi's net metering program ("NMP") should decrease programmatic complexity, increase market penetration, and lower barriers to development.
- Any changes to Mississippi's NMP should meet the primary objective of building a viable and diverse DG market first, and then allowing regulatory "pit stops" after certain market conditions are met (i.e. percent of DG penetration in Mississippi) to create programs that utilize advanced DG resource functionality without adversely impacting the existing market.

Addressing Questions:

1. *Have the Net Metering and Interconnection Rules been effective creating meaningful access to renewable self-supply opportunities for MS electric customers?*

As addressed in the introduction above, as both an isolated case and when compared with other similar states in the southeast, Mississippi does not currently have a meaningful or effective DG program. While some form of DG tariff program exists in Mississippi, from an interconnection standpoint it seems clear that the program as constructed has not meaningfully moved the needle for DG installations in the state. The PSC has outlined goals for DG generation, building markets for solar, increasing the number of jobs created in Mississippi, and

giving Mississippians options to reduce their energy bills and exercise agency over their energy choices.⁸ Additionally, the data currently available on interconnected DG systems in Mississippi and reviewed by SEIA is unclear at best on whether the systems actually approved to interconnect have created meaningful self-supply opportunities for those customers. The interconnection reports filed by the major utilities in Mississippi, such as the *2020 Interconnection Report of Entergy Mississippi, LLC*, filed on March 30, 2020 in Docket No. 2016-UN-32⁹ does not specify the technical specification of these systems, such as whether they have energy storage, or even what the average system size is for systems interconnected under Level 1, Level 2, or Level 3.

Using data from national sources such as the SEIA-Woods Mackenzie Solar Market Insight Report¹⁰ or data from national organizations such as The Solar Foundation's Solar Jobs Census Report¹¹, Mississippi has consistently ranked in the bottom ten of all fifty states for solar jobs, and has consistently received "failing" grades for its interconnection and net metering policies. The Solar Foundation's 2019 Solar Job Census, for instance, ranked Mississippi 41 out of 50 for solar jobs, and 45 out of 50 for solar jobs per capita.¹² It also assigns a "F" grade for both interconnection and net metering policy. Similarly, the Solar Market Insight Report ranked Mississippi 41st in solar jobs and 32nd overall for state rankings.

⁸ See Order, at 3-4.

⁹ Available at:

https://www.psc.state.ms.us/InSiteConnect/InSiteView.aspx?model=INSITE_CONNECT&queue=CTS_ARCHIVEQ&docid=648854

¹⁰ Available at: <https://www.seia.org/research-resources/solar-market-insight-report-2020-year-review>

¹¹ Available at: [TSF Mississippi Factsheet 2019.pdf \(thesolarfoundation.org\)](https://www.thesolarfoundation.org/TSF_Mississippi_Factsheet_2019.pdf)

¹² Available at: <https://www.thesolarfoundation.org/solar-jobs-census/factsheet-2019-ms/>

Mississippi

Key Figures

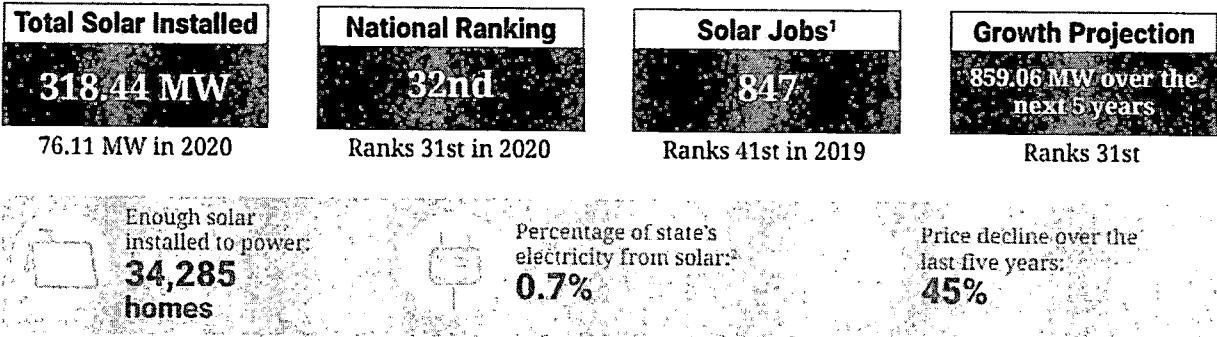


Figure 2 SEIA State Solar spotlight, Mississippi 2021

Mississippi’s Commissioner Bailey also cited the lack of DG development in the state as well in an April 21, 2020 newsletter¹³. Upon review of the interconnection data available at the time, the newsletter noted:

“Customer-financed residential solar continues to grow in Mississippi, but at a very modest pace. The inability to recognize and properly value the benefits of solar ultimately harm consumers and frustrates the solar market. At a time when more Mississippians are seeking information about solar, rules and statutes should not create marketplace barriers or restrict customers’ energy choice.”¹⁴

¹³ See Bailey Newsletter at 5.

¹⁴ See Bailey Newsletter at 5.

It seems clear that Mississippi's NMP is not meaningfully creating access to DG for a majority of Mississippi's customers, and without changes to the program this trend will likely continue.

2. What, if any, modification to the Net Metering and Interconnection rules could meaningfully increase customer access to renewable self-supply?

The single most important change that the Commission could make to Mississippi's Net Metering and Interconnection Rules would be alter the export compensation rates to reflect a 1:1 retail compensation. The Total Benefits of Distributed Generation framework currently in place to calculate compensation for DG customers undercompensates any DG investment and overcomplicates the return on investment ("ROI") of any particular system. In order to grow the DG market at a level commensurate with the Commission's original 2015 goals, the simplicity of a 1:1 retail rate compensation structure is recommended. Beyond geographically adjacent examples such as Arkansas, recent studies in the District of Columbia¹⁵ and upstate New York¹⁶ on DG adoption rates found that simplified retail rate net metering compensation structures led to increased PV adoption rates across all classes of consumers, and that reasonable expectations of system payoffs and bill savings were major factors in deciding to adopt DG.

Conversely, the most notorious example of major, detrimental changes to a DG program framework is perhaps Nevada Energy's ("NV Energy") change to Nevada's net energy metering ("NEM") program. As a response to a 2015 law change¹⁷, NV Energy instituted changes that lowered the compensation rate for exported energy from DG systems, while increasing the

¹⁵ Available at: <https://www.synapse-energy.com/sites/default/files/Distributed-Solar-in-DC-16-041.pdf>

¹⁶ See Chelsea Schelly and James C. Letzelter, "Examining the Key Drivers of Residential Solar Adoption in Upstate New York", March 24, 2020.

¹⁷ See 2015 Nev. Reg. Sess. L. Act 374, ("Act 374").

monthly minimum bill. This had the effect of gutting the Nevada solar market for two years until the legislation was reversed in 2017.¹⁸ Similarly, Hawaii's solar program which the 2015 Order references¹⁹ cut its export compensation rates by almost 50% and switched to a monthly bill credit true-up period, resulting in a 60% decline in total installations between 2015 and 2018.²⁰ Hawai'i's market downturn was so significant that the total number of installers in one island

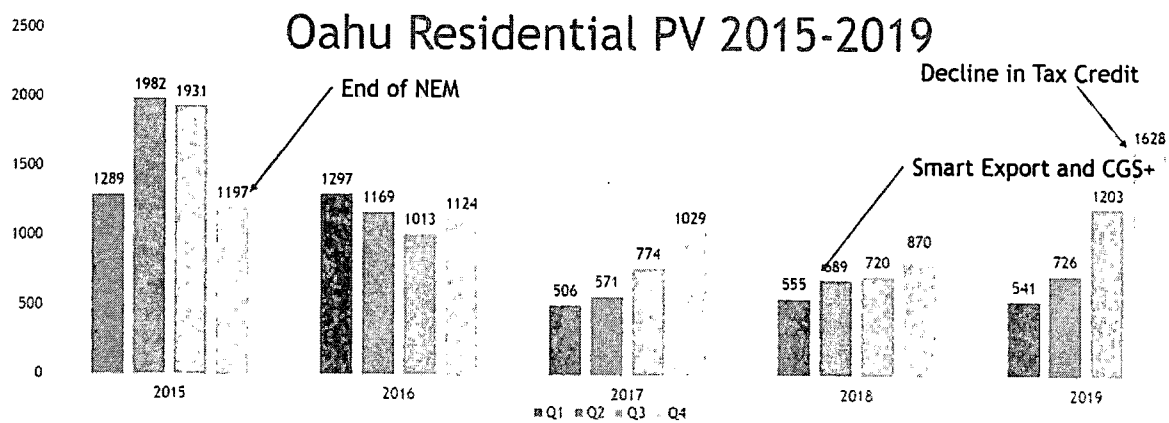


Figure 3 From HSEA's Jan 2020 Presentation, Slide 5

declined from over 300 to under 100 in 3 years and the per watt cost of an average installed residential system increased by almost a \$1/watt, a 20% total increase in 3 years.²¹

The 2014 Synapse report was clear that customer solar adoption in Mississippi is highly dependent on customers realizing a “reasonable rate of return” on their investment in order to adopt. The report concludes with the following recommendations (**emphasis SEIA's**):

“From a Total Resource Cost perspective, solar net metered projects have the potential to provide a net benefit to Mississippi in nearly every scenario and sensitivity analyzed. These benefits will only be realized if customers invest in distributed

¹⁸ Available at: <https://www.energysage.com/solar-panels/nv/?rc=seia>

¹⁹ See Order, at 12-13.

²⁰ Available at: <https://dms.puc.hawaii.gov/dms/DocumentViewer?pid=A1001001A19J15A90958J00066>

²¹ See Hawai'i Solar Energy Association, *Future DER Tariff Presentation*, Docket 2019-0323, January 30, 2020.

generation resources. This may never happen if net metering participants are not expected to receive a reasonable rate of return on investment. **Based on the results of the participant cost analysis, net metering participants in Mississippi would need to receive a rate beyond the average retail (variable) rate in order to pursue net metering.**"²²

What has occurred in Mississippi in the years since 2015 is an experiment in program structures and rates that *do not* offer most customers a reasonable rate of return, as demonstrated more fully in the answers to Questions 1 above.

Finally, the commission should consider adopting a straightforward methodology to determine a "grid access" charge rather than a minimum bill determined by each individual utility. Minimum bills in various Mississippi service areas range from \$9/month to up to \$25/month, with no clear standard. As a recommendation, this charge should be structured relative to the costs incurred by a customer to connect to the grid and nothing more or less as a first principle. There are different ways to accomplish this, and charges can either be volumetric or fixed depending on the method used. One example could be through a cost-of-service study, where customers under a given rate schedule pay for their share of certain grid costs across all ratepayers in that schedule. Customers in a basic residential rate schedule would be responsible for paying their share of applicable costs, which would be related to things like secondary lines, line transformers, services drops, etc. An alternative method could be similar to the Arizona APS grid access charge, which charges a set \$/kW amount per month determined by the Commission on a recurring basis.

²² See 2014 Report at 49-50

3. *What, if any, modifications to the Net Metering and Interconnection Rules would incentivize increased participation by both net metering customers and industry providers such as developers, designers, installers and maintenance providers for distributed generation facilities?*

An additional change the commission can make to creating a more attractive market to developers is eliminating barriers to interconnection of DG systems on Mississippi's electric grid. Due to the low level of DG penetration across the state, it seems unlikely that any technical issues that might occur on the distribution system, voltage or frequency issues at secondary circuits, or DG hosting capacity issues are a problem. Additionally, the technical capability of DG systems to provide beneficial services to the grid have evolved since 2015. Many DG systems installed today, with or without energy storage, are designed under technical standards that provide various service to the grid, such as smart responses to voltage and frequency disturbances, limits to active power, demand response functionality, overvoltage response functionality, and updated communications protocols. Standards such as IEEE 1547.1 2020 and UL 1741 Supplement A have been or are being rapidly adopted by most major inverter manufacturers. Developed markets with high DG penetrations such as California and Hawaii frequently iterate their interconnection standards (Rule 21²³ and Rule 14H²⁴ respectively) to incorporate the most progressive technical standard, meaning that as Mississippi's DG market grows it may not need to "reinvent the wheel" when it comes to interconnection standards.

Approaching interconnection standards from a perspective of soft cost reduction may also help grow the DG market. Depending on the state, soft costs such as interconnection and permit

²³ Available at: <https://www.cpuc.ca.gov/Rule21/>

²⁴ Available at: https://www.hawaiianelectric.com/documents/billing_and_payment/rates/hawaiian_electric_rules/14.pdf

processing, customer acquisition, financing, and labor all contribute to increasing the overall \$/watt installed cost of a DG system. Nationally, soft costs contributed between 35% (for utility scale) to 64% (for residential) of the total cost of a system according to the National Renewable Energy Lab (“NREL”) *U.S. Solar and Energy Storage Cost Benchmark: Q1 2020* report.²⁵

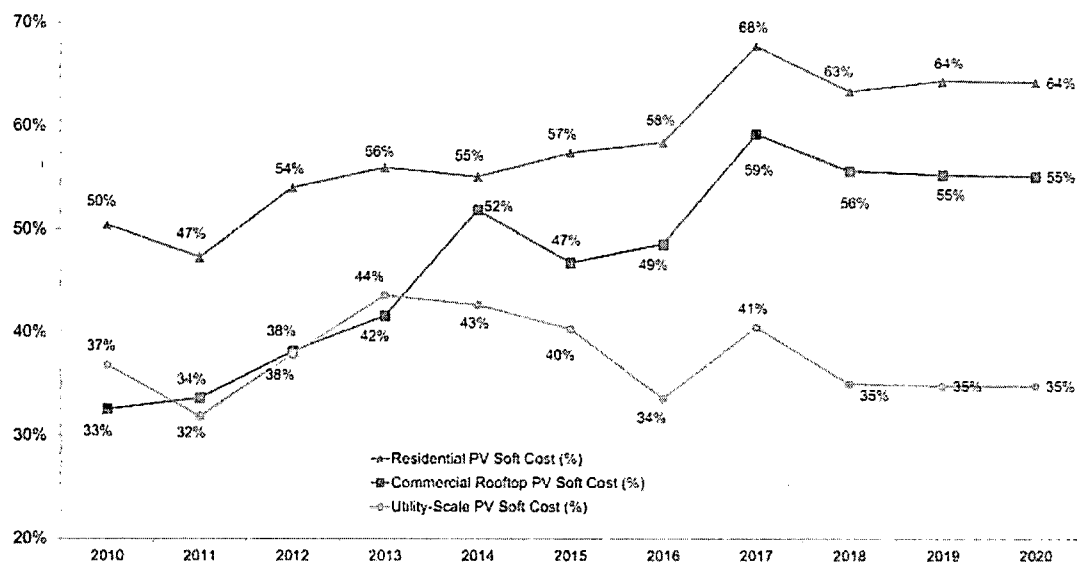


Figure ES-2. Modeled trend of soft cost as a proportion of total cost by sector, 2010–2020

Figure 4 NREL PV Cost Benchmarking

SEIA appreciates the Commission’s leadership in the 2015 Order that eliminated fees for all Level 1 interconnection applications and recommends that the Commission continue this policy. SEIA recommends that the Commission amend the Level 1 interconnection rules by striking the section pertaining to a possible fee for interconnection resubmittals. There does not appear to be a compelling reason to charge additional fees on application resubmittals, thus this represents an unneeded additionally potential cost on DG adopters. SEIA also recommends

²⁵ Available at: <https://www.nrel.gov/docs/fy21osti/77324.pdf>

removing any interconnection fees on projects that can demonstrate that they will benefit a majority of low-middle income (“LMI”) participants or a qualified low-income customer.

SEIA recommends that the Commission consider expediting interconnection of Level 1, 2, and 3 systems if those systems are installed with energy storage, demand response technology, beneficial advanced inverter functionality, and similar technology. As established in the 2014 Synapse report, simple DG systems offer a variety of benefits to *all* ratepayers, not just DG adopters. Systems that offer “grid services” beyond just simple generation and load offset have the potential to create even greater value to the grid and *all* ratepayers.²⁶ In fact, a recent 2021 meta-analysis of various value-of-solar (“VOS”) methodologies found that the total value of a DG resource on the broader electric grid is likely being significantly undercompensated.²⁷ According to the study, solar provides significant value beyond what a typical net metering rate captures in the form of avoided fixed and variable O&M costs, avoided generation capacity costs, and avoided distribution capacity costs.

Finally, SEIA has also contributed to and supports the Sierra Club’ Attachment A: Community Intervenor’s Joint Redline to Mississippi’s Net Metering Interconnection Rules filed in the above captioned docket.²⁸

3. What, if any, modifications to the Net Metering and Interconnection Rules should the Commission consider increasing low-income access to, and participation in, net metering?

²⁶ This is being contemplated and discussed in a number of state proceedings and regulatory forums in states with high DG penetration, in which DG system functions offer a dispatchable grid service (Illinois, Hawaii, California) or can be aggregated (Massachusetts) much like a traditional centralized generator.

²⁷ See K. Hayibo and J. Pearce, *A review of the value of solar methodology with a case study of the U. S. VOS*, Renewable and Sustainable Energy Reviews, 137, November 22, 2020.

²⁸ Sierra Club’s Attachment A is a Joint Redline of the Commission’s existing rule that incorporates the policies and other changes set out in these comments and those of other intervenors. SEIA

Again, SEIA applauds the Commission for including a “Low-Income Adder” in its original 2015 Order, and believes that this adder should continue to apply on top of any modifications to the export rate the Commission may make. The Commission should consider removing barriers to interconnection and permitting of solar systems to drive down soft costs of LMI eligible systems and create a development incentive to build systems that serve underserved markets in addition to SEIA’s suggestion to alter the export compensation rate to a 1:1 retail rate. The Commission should also consider lowering the threshold by which customers can qualify for the low-income adder. The threshold is currently set at “200% of the federal poverty level” and to date few, if any, residents have qualified for the low-income adder. SEIA suggests eligibility be based on 120% of Area Median Income or another commonly used metric and that every effort be made to increase eligibility for LMI participants.

A final recommendation is to eliminate any additional cost burden LMI projects may incur. Specifically, SEIA suggests that LMI eligible projects be exempt from any minimum bill charge and that any interconnection costs across interconnection Levels, as long as the serve LMI participants (51% or greater) be capped or otherwise eliminated to encourage both development of LMI projects and participation by eligible participants.

4. *What, if any, modifications to the Net Metering and Interconnection Rules should the Commission consider to better enable commercial and industrial enterprises to self-supply?*

SEIA does not recommend any specific modifications under the current standard.

5. *What, if any, modifications should be made to the annual reporting requirements of the current Net Metering Rule?*

SEIA recommends that the Commission require utilities to provide to the public, at a minimum, quarterly reports on their interconnection figures and include metrics such as:

- Number of Level 1, 2, and 3 systems interconnected in the reporting time periods.
- Average nameplate capacity size of Level 1, 2, and 3 systems interconnected.
- Whether any systems connected had energy storage, and what the average kW capacity of that storage is across system Levels.
- The average time to interconnect a system from application submittal to granting that system permission to interconnect to the electric grid across all system levels.
- Number of Level 1, 2, and 3 systems that qualified for low-income adders or any additional adders determined by the Commission in this proceeding.

The Commission should also consider adopting reporting metrics that captures the holistic value of DG resources, including deferred costs, overall ratepayer savings, carbon emission reduction, etc. As the DG market grows in Mississippi, it will be incumbent on utilities to provide the best and most up-to-date data for the Commission to make decisions, especially when considering future modifications to the NMP that value DG resources beyond bare exports of energy. Consistency and fidelity of interconnection data is important for policy makers, consumers, government entities, regulators, industry, and consumers to make prudent and well-informed decisions. If the Commission intends to modify existing reporting requirements, SEIA respectfully recommends that it does so while in the context of providing transparency in order to benefit the public interest.

6. *Should the Commission modify or remove the existing cap(s) on total installed net metering capacity?*

SEIA recommends that the Commission remove all caps across all levels of interconnected facilities, or at a minimum on Level 1 interconnected facilities to create market certainty while providing clear policy “pit stops” to facilitate greater DG penetration and utilization of more advanced resources. Jurisdictions with “capped” DG programs create market oscillations that are not conducive to market growth, creating “false positive” markets leading up to a cap where there is increased urgency to build systems prior to cap fulfilment, and “market depressions” where this is little to no market activity while the cap is readjusted or new programs are created.²⁹ The goal of the Commission in building the DG market should be in creating market certainty, stability, and predictability, rather than periods of feast and famine.

The Commission should instead consider a structure whereby it sets percentage targets, such as 10% total DG penetration across all applicable service areas, which triggers a “pit stop” where stakeholders, utilities, and other interested parties are convened, likely under a docketed proceeding, to discuss raising cap limits and other programmatic changes to the existing NM framework. At that time, the existing market should be allowed to continue while the docket proceeding occurs. Additionally, if a new DG program is created that incentivizes certain technology or grid services, such as energy storage, customers under existing net metering agreements should be allowed to participate in these programs if it is economically favorable for them to do so or they should not otherwise be required to abrogate their existing legacy interconnection agreements. Finally, the utility should be required to provide a notification to the Commission at certain milestones as the cap target is achieved, such as 50%, 75%, and 90% so

²⁹ Again, Hawaii’s rooftop solar market provides a useful example for how cap limits and programmatic changes negatively disrupt market activity. The 2015 decision to end NEM resulted in a severe downturn in the DG market, and resulted in significant job losses, customer product offerings, and lower market diversity overall.

that the industry and consumers have a clear understanding of the development of a market in a given service area.

7. *Should the Commission modify the timing or manner in which net metering customers are credited or compensated for excess energy exported to the grid?*

SEIA does not recommend any specific modifications under the current standard.

8. *What measures or mechanisms could most equitably reduce the upfront cost burdens faced by customers interested in self-supply through net metering?*

SEIA does not recommend any specific modifications under the current standard beyond what it has already offered relative to soft-cost reduction and low-income recommendations.

9. *What role, if any, should the Mississippi Public Utilities Staff serve in reviewing facilities studies for Level 2 and/or 3 interconnections?*

SEIA does not recommend any specific modifications under the current standard.

10. *In light of the Commission's recent approval of advanced metering infrastructure (AMI) for Entergy and Mississippi Power Company, are bi-directional meters still needed for effective net metering?*

AMI meters are commonly used for net metering systems and have the potential to provide a variety of benefits to Mississippi's electric rate payers beyond a simple analog bi-directional meter. Certain AMI meters are also able to utilize grid services provided by DG systems, or provide a means of communication to access these functions under certain configurations. SEIA recommends that AMI meters be used for a DG systems moving forward

and suggest that all measures be taken to avoid a scenario in which more than one meter socket or multiple meters is needed to facilitate a standard Level 1 interconnection.

11. Should the Net Metering Rule incorporate uniform rules or standards applicable to community solar projects and, if so, in what way and to what extent?

SEIA supports community solar tariffs and programs and has been an advocate for these types of programs in a variety of regulatory proceedings across the country. Community solar, virtual net metering, shared solar, or solar-for-renters programs are an excellent way to reach LMI and underserved markets, and are one of many policy tools to use to ensure that harder-to-reach communities realize the same benefits of DG as single family or commercial business owners.

SEIA notes that there are several ongoing community solar programs and discussions occurring across the United States that may inform the Commission's thinking. Hawaii and Minnesota, for instance, have separate proceedings for their "Community Based Renewable Energy" (Hawaii Public Utilities Commission Docket No. 2015-03--) and the "Solar Community Gardens" program (Minnesota Docket No. E-002/M-13-867). The Commission's 2015 Order required a feasibility study to be filed in Docket No. 2011-AD-2 on community solar.³⁰

SEIA appreciates the ability to further comment on community solar, virtual NEM, shared solar, and other types of DG programs beyond those contemplated in a typical customer Net Metering program.

³⁰ See Order at 16.

12. Should the Commission continue to condition a customer's receipt of the additional compensation allowed by the non-quantifiable benefits adder on the customer's voluntary transfer of their RE C ownership?

SEIA reiterates its original position on REC ownership as stated in its October 20, 2015 *Comments of the Solar Energy Industries Association on Order Seeking Comments on Proposed Rules*³¹ that Renewable Energy Credits ("RECs") created by a RENMIC should be the property of the REMNIC, and appreciates the clarity offered by the 2015 Order on the transferability of RECs associated with RENMICs.

13. Should the Commission permit meter aggregation by a single net metering customer owner?

SEIA defers to other parties that are better able to address specifics about meter aggregation, but we are broadly supportive of allowing meter aggregation especially if it lowers the burden and cost of interconnection for DG systems.

14. How could the Net Metering Rule most effectively and accurately incorporate new or developing distributed energy resources, such as battery storage?

In addition to above, the Commission should explore additional value streams or mechanisms at higher DG penetration levels to incentivize adoption of storage technology to build resiliency, reliability, and provide downward pressure to all ratepayers. SEIA has explored

³¹ Available at:

https://www.psc.state.ms.us/InSiteConnect/InSiteView.aspx?model=INSITE_CONNECT&queue=CTS_ARCHIVEQ&docid=360359

some of the additional benefits of advanced DG systems, energy storage, and demand response technology in previous answers.

15. What role, if any, should the Commission's Joint Solar Safety and Net Metering Working Group continue to serve going forward?

SEIA notes that the 2015 Order included a provision “requiring the establishment of a joint working group with representatives of the Commission, the Mississippi Public Utilities Staff, and the Office of the Attorney General to consider consumer protection and safety standards and guidelines for installations of distributed generation systems and education for consumers.”³² The Commission should consider continuing the Joint Solar Safety and Net Metering WG on an ad hoc basis, and should instead strive to adopt the most current applicable national standards in states with high solar penetration.

16. What measures and mechanisms should the Commission consider to better enable schools, state and local government bodies, and other non-profit or tax-exempt entities to participate in net metering?

SEIA does not take a position on additional measures or mechanisms beyond what it has already recommended and defers to developers, organizations, or other stakeholders involved in this market segment in Mississippi on specific recommendations to improve access to these entities.

Conclusion

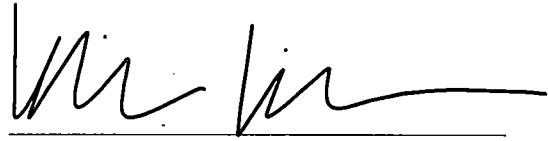
³² See Order at 21.

SEIA again appreciated the opportunity to comment on the efficacy, fairness, and functionality of both Mississippi's Net Metering Rule ("NMR") and its Distributed Generation Interconnection Rule ("DGIR"). As SEIA has demonstrated, the Commission has essentially experimented with a "post-NEM" or "post-net-metering" tariff structure since 2015, without having gone through any significant period of DG development prior to its 2015 Order. DG adoption in Mississippi has developed at an incredibly slow pace, and Mississippi's ratepayers have not been able to benefit from the rapid and growing adoption of DG across the United States.

However, SEIA believes that simple changes to Mississippi's Net Metering program can spur the development needed to meet its originally stated policy objectives. In the time since the 2015 Order was filed in Docket No. 2011-AD-2, there have been rapid increases in DG system functionality, product offerings, and massive decreases in overall system component pricing that will only benefit Mississippi's DG market should the Commission chose to adopt the above recommendations. SEIA strongly believes that the above recommendations would create jobs and bring economic development to the state of Mississippi, and benefit both Mississippi's ratepayers and the various utilities operating throughout the state through cost reductions, deferrals, and increased resiliency.

Respectfully submitted this 5th day of April, 2021.

By:

A handwritten signature in black ink, appearing to read 'W. Giese', written over a horizontal line.

William G. Giese
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CERTIFICATE OF SERVICE

I, William G. Giese, do hereby certify that I have this date filed this Motion in compliance with RP6.122(2) of the Commission's Public Utility Rules of Practice and Procedure:

(1) A copy of the filing has been filed with the Commission via e-mail of the same to:

Katherine Collier, Executive Secretary and Acting General Counsel
Mississippi Public Service Commission
501 North West Street, Suite 201A
Jackson, MS 39201

(2) An electronic copy of the Motion has been filed with the Commission via e-mail to the following address:

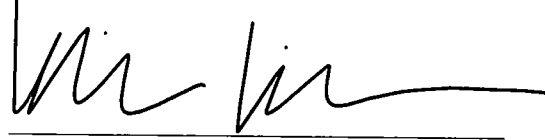
efile.psc@psc.state.ms.us

(3) An electronic copy of the Motion has been filed with the following Commission staff and Docket intervenors via email:

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