

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

MISSISSIPPI POWER COMPANY  
EC-120-00097-00

DOCKET NO. 2020-UA-132

**IN RE: PETITION OF MISSISSIPPI POWER COMPANY FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING THE CONSTRUCTION, ACQUISITION AND OPERATION OF A SOLAR GENERATION AND BATTERY STORAGE DEMONSTRATION PROJECT AND RELATED FACILITIES IN LEAKE COUNTY, MISSISSIPPI**

**ORDER APPROVING PETITION FOR FACILITY CERTIFICATE**

THIS CAUSE came on for consideration by the Mississippi Public Service Commission (“Commission”) on the request of Mississippi Power Company (the “Company” or “MPCo”) for Approval of its Request for a Certificate of Public Convenience and Necessity (“Certificate”) Authorizing the Construction, Acquisition, and Operation of a Solar Generation and Battery Storage Demonstration Project and Related Facilities in Leake County, Mississippi (“Solar Project”), as described herein for use in connection with the Company’s service to its customers in its certificated areas in the twenty-three (23) counties of southeastern Mississippi.

This Commission, being fully apprised in the premises, having considered the documents and record before it, finds that the Certificate for the Solar Project requested by the Company should be granted, and further finds as follows:

**SOLAR PROJECT DESCRIPTION**

1. MPCo requested authority from the Commission to proceed with the construction, acquisition, ownership, operation, maintenance, repair and renewal of a 1.285 megawatt (“MW”) alternating current (“AC”) solar photovoltaic energy generating facility with a maximum capacity of 1.5 MW and a 5.14 MWh capacity battery storage system (the “Facilities”) for the purposes of demonstrating the battery storage technology, and conducting research on bifacial solar and solar

plus storage technology optimization as well as testing and demonstrating the feasibility of reliability enhancements for the Walnut Grove community in Leake County, Mississippi. In support of the Certificate Petition, the Company filed as an Attachment the pre-filed Direct Testimony of Allison Little. The cost to design and construct the Solar Project is estimated to be \$7.8 million, and is expected to be completed in 2022.

2. MPCo will construct, own, operate and maintain the facility. MPC has awarded this project to an EPC firm, Asset Company, PLLC dba Asset Engineering, operating out of Canton, Mississippi. The selection of Asset Engineering as the EPC firm was subject to a competitive bidding process in accordance with Miss. Code Ann. § 77-3-16 and the Hire Mississippi Rule. After evaluation, Asset Engineering was determined to have submitted the lowest and best bid. MPCo developed a firm, fixed price contract with Asset Engineering, which accounts for more than 70% of the project cost. Asset Engineering is responsible for all permitting associated with the project.

3. The Solar Project will provide a unique opportunity for the Company to gain valuable solar facility and battery storage development, ownership, and operating experience. Importantly, MPCo will be able to conduct valuable research and study the operational and performance capabilities of solar plus battery storage under a variety of operating conditions. Gaining that ownership and operational experience on a small scale provides benefits to MPCo's customers as it moves forward in assessing future energy and capacity needs and available cost-effective technologies to enhance customer service.

#### **PROCEDURAL BACKGROUND**

4. The Company filed its Certificate Petition in this docket on September 25, 2020.

5. Notice of the matter was given to all persons interested therein in accordance with Mississippi law by mailing such notice to each public utility which may be affected, as well as by publication on October 6, 2020, in the Clarion Ledger, a newspaper of general circulation in Jackson, Mississippi, and by publication on October 8, 2020, October 15, 2020, and October 22, 2020 in The Carthaginian, a newspaper of general circulation in Leake County, Mississippi.

6. No interested persons intervened in the case and no objection to the Solar Project was submitted, formally or informally, with the Commission.

7. On April 6, 2021, the Commission held a public hearing to consider the Certificate Petition at which the Company's witness who pre-field testimony appeared and was available for questioning by the Commission.

8. At the conclusion of the public hearing, the Commission unanimously approved the Company's Certificate Petition as presented and directed Commission Legal Staff to prepare an appropriate Order.

#### LAW AND FINDINGS

9. Pursuant to Miss. Code Ann. §§ 77-3-11, 77-3-13, and 77-3-14, the Commission is equipped with statutory authority to approve applications for certificates of public convenience and necessity. In addition, RP 7 of the Commission's Rules gives effect to these sections by prescribing the filing requirements that must be met by a petitioner seeking a certificate. Under Section 77-3-14(1):

no public utility or other person shall begin the construction of any facility for the generation and transmission of electricity to be directly or indirectly used for the furnishing of public utility service in this state ... without first obtaining from the commission a certificate that the public convenience and necessity requires, or will require, such construction.

When determining whether to grant such certificate, the Commission will:

take into account the utility's arrangements with other electric utilities for the interchange of power, pooling of plant, purchase of power and other methods for providing reliable, efficient and economical electric service.

Miss. Code Ann. § 77-3-14(3). As a further condition to the issuance of a certificate, the Commission must approve the estimated construction costs for the proposed facility. Miss. Code Ann. § 77-3-14(4).

10. This Commission has jurisdiction over the parties and subject matter pursuant to Miss. Code Ann. §§ 77-3-11, 77-3-13 and 77-3-14.

11. The Commission finds that MPCo's Certificate Petition and other supporting information comply with all applicable filing requirements and Rules of this Commission; to the extent any filing requirement was not fully met in this proceeding the Commission finds good cause to waive such requirement as authorized by the Rules.

12. The Commission further finds that the proposed Solar Project will serve the public convenience and necessity and is in the public interest when taking into account the Company's various generation, transmission and distribution resources, its existing facilities in the Walnut Grove community, and the reliability enhancements that are being tested and demonstrated for the Walnut Grove community from the Solar Project. The Commission also finds that the Solar Project's cost estimates are reasonable and, therefore, are approved.

13. Based upon the foregoing, the Commission hereby approves the Request for Certificate for the Solar Project described above. The Commission further finds that, to the extent applicable, the Solar Project shall conform to requirements of the Hire Mississippi Rule; this specific finding is based upon the Company's commitment in its Certificate Petition to acquire the materials and provide the labor to construct these facilities in full conformity with the Mississippi Public Utility Act and the Rules of this Commission.

14. For all the foregoing reasons and for all the reasons set forth in this Order, the Commission hereby finds that the public convenience and necessity requires and will require the Solar Project as proposed in the Company's Certificate Petition.

**IT IS THEREFORE, ORDERED**, that the public convenience and necessity requires or will require the construction, acquisition and operation of the equipment and facilities in such locations for the Solar Project as described above and in the Certificate Petition. Therefore, the Commission hereby grants Mississippi Power Company a certificate of public convenience for the construction, acquisition, and operation of a Solar Generation and Battery Storage Demonstration Project and related facilities as described in further detail in the Company's Certificate Petition. It is further,

**ORDERED**, that the Company implement a temporary annual depreciation rate of 3.33% (based on a 30-year useful life) for the Facility until a depreciation study including the Facility is filed by MPCo and approved by the Commission. It is further,

**ORDERED**, that, pursuant to Miss. Code Ann. § 77-3-14(5), the Company shall comply with the following reporting requirements:

- Mississippi Power Company shall file with the Staff and Commission the Facility plans and specifications as soon as these items are available.
- Mississippi Power Company shall file with the Commission a "Mid-Point Construction Report" by November 1, 2021, or earlier as determined by the anticipated construction schedule, to include the following information:
  - Any deviations or variance in the scope of the Solar Project;
  - Anticipated completion date of the Facility;

- If the anticipated completion date of the Facility has deviated from the anticipated completion date at the time of this Order, an explanation of why the anticipated completion date has changed; and
- Updated project construction cost for the Solar Project.
- Mississippi Power Company shall file with the Commission a “Final Report” detailing the Company’s research and findings associated with the Facility. The Final Report is due to the Commission 30 months after Facility’s in-service date.
- Mississippi Power Company shall file with the Commission at the appropriate time, documentation verifying the utilization and accounting treatment of 1) Federal Solar Investment Tax Credits received for the Facility and 2) revenues resulting from the sales of renewable energy credits. It is further,

**ORDERED**, that the Petition for Facility Certificate filed in this cause, as provided for herein, be, and is hereby, granted.

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This Order shall be deemed issued on the day it is served upon the parties herein by the Executive Secretary of this Commission who shall note the service date in the file of this Docket.

Chairman Dane Maxwell voted aye; Commissioner Brandon Presley voted aye; and Commissioner Brent Bailey voted aye.

SO ORDERED by this Commission on this the 9th day of April, 2021.

MISSISSIPPI PUBLIC SERVICE COMMISSION



*Dane Maxwell*

Dane Maxwell, Chairman

*Brandon Presley*

Brandon Presley, Commissioner

*Brent Bailey*

Brent Bailey, Commissioner

ATTEST: A True Copy

*Katherine Collier*

Katherine Collier, Executive Secretary

Effective this the 9th day of April, 2021.