

350 NEW ORLEANS

FILED

June 25th, 2021

JUN 25 2021

Katherine Collier, Esq.
Executive Secretary
Mississippi Public Service Commission
501 North West Street, Suite 201A
Jackson, MS 39201

**MISS. PUBLIC SERVICE
COMMISSION**

**RE: ORDER ESTABLISHING DOCKET TO INVESTIGATE THE MEMBERSHIP OF
ENTERGY MISSISSIPPI, LLC. IN THE MIDCONTINENT INDEPENDENT TRANSMISSION
OPERATOR**

Dear Katherine,

Please find an electronic copy of 350 New Orleans (350 NO) "Intervenor Comments" in Mississippi Public Service Commission's Docket No. 2021-AD-52.

Thank you for your assistance with this matter.

Sincerely,



Andy Kowalczyk
350 New Orleans

350 New Orleans | 1632 8th Street | New Orleans, LA 70115

FILED

JUN 25 2021

**MISS. PUBLIC SERVICE
COMMISSION**

BEFORE THE MISSISSIPPI PUBLIC SERVICE COMMISSION

MISSISSIPPI PUBLIC SERVICE COMMISSION

Docket No. 21-AD-52

**IN RE: ORDER ESTABLISHING DOCKET TO INVESTIGATE THE MEMBERSHIP OF
ENTERGY MISSISSIPPI, LLC. IN THE MIDCONTINENT INDEPENDENT TRANSMISSION
OPERATOR**

350 NO Intervenor Comments on Docket 21-AD-52

COMES NOW 350 New Orleans ("350 NO"), pursuant to the procedures set forth by the Mississippi Public Service Commission ("MPSC") establishing a 75-day comment period for intervenors in Docket 21-AD-52. As an intervening party in 21-AD-52, 350 NO, a registered 501(c)(3) that is a Midcontinent Independent System Operator ("MISO") stakeholder, and member of the Environmental Sector Stakeholder Group in MISO, submits the following comments for consideration by the MPSC.

Summary

350 NO supports the development of electric grid infrastructure that provides equitable access to affordable zero-emission renewable energy resources, in addition to bolstering the reliability of the system which the MISO South Subregion ("MISO South") relies on. The city of New Orleans and the state of Louisiana rely on energy resources throughout MISO South, like the Grand Gulf Nuclear Power Station, located in Port Gibson, Mississippi. Given that this resource is a central component in resource plans throughout many years for Entergy Corporation ("ETR") subsidiaries in MISO South, any discussion related to subsidiaries leaving MISO relates to resources that ratepayers in New Orleans and the state of Louisiana are reliant on. In the context of shared resources throughout MISO South, the future development of zero-emission resources in the Entergy Mississippi ("EML") territory concern the goals of 350 NO to provide equitable access to reliable and affordable renewable energy to ratepayers in the

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city of New Orleans as well as throughout Louisiana, and the scope of this docket and EML's membership in MISO can undermine or negatively impact these goals.

The stated scope of this docket is broad, and encompasses many specific themes, but the central theme regards the benefits of MISO membership for ETR subsidiary EML, as set forth in the initiating resolution by MPSC. 350 NO holds that the assessment of benefits related to EML's membership in MISO relates to the benefits of MISO members in MISO South, encompassing Arkansas, Louisiana and portions of Mississippi and Texas. In all subsidiaries the benefits of MISO membership are considerable and are documented by recent press releases from ETR to be in the range of tens of millions of dollars a year.¹

All ETR subsidiaries joined simultaneously as a part of ETR's integration into MISO. The subsidiaries EML, Entergy New Orleans LLC ("ENO"), Entergy Louisiana LLC ("ELL"), Entergy Arkansas ("EAL"), and Entergy Texas, Inc. ("EDT") share market resources between subsidiaries, including power generation assets and transmission infrastructure, in addition to sharing the same parent company. EML's system is physically a part of the larger MISO system via the Regional Directional Transfer ("RDT" or "North/South Constraint") which connects to the MISO North/Central subregion via a 1,000MW contract path. Since this connection with the rest of the MISO wholesale market is a constraint on sharing benefits for both the South and the North MISO subregions, the nature of EML's connection with subsidiaries, and the nature of the MISO South subregion's transmission system should be evaluated with regards to its separation from the wider market. This separation can constitute physical infrastructure, as well as market barriers to the benefits of MISO membership.

It should also be investigated whether certain actions or inaction on behalf of ETR subsidiaries in the MISO South subregion have resulted in placing a limitation or obstruction to benefits, reliability, and competitive electric service to the region. The effectiveness of competitive transmission planning efforts

undertaken by MISO is vitally important to enabling a more reliable system in the face of increasing market uncertainty, as well as extreme weather events. There are also wide-ranging benefits for consumers to providing greater access to affordable zero carbon emission resources like wind and solar for EML customers.

Market uncertainty throughout MISO South, created by increasingly common ‘Max Gen’ events, as well as a lack of long-term planning for the region is an issue, that left unchecked will cast a long shadow over future system affordability and reliability. This neglect carries negative impacts not only for EML’s approximately 456,000 customers, but also for customers of other ETR subsidiaries.

350 NO recognizes the need for an assessment of the benefits associated with EML’s membership in MISO, in line with the purpose of this docket, but encourages the MPSC to recognize that MISO planning processes are driven by stakeholder input that recognizes the value proposition of benefits of the membership in an Regional Transmission Organizations (“RTO”), and in turn engages in the stakeholder process to put the needs of ratepayers, rather than those of incumbent utilities first.

It is the concern of 350 NO that EML and the MSPSC’s efforts at MISO to slow transmission planning efforts in MISO South harm the goals of 350NO’s advocacy for equitable access to affordable and reliable energy in the region. The delay and deferral of MISO membership benefits for consumers in the region is an issue for more than just EML consumers. A lack of participation that centers the needs and benefits to be had by consumers which are a part of the MISO market. In the absence of engagement in strategic transmission planning focused on mitigating the growing issues of reliability and lack of competition in MISO South, the result may be a repeating cycle of reliability and affordability issues that lead to both literal and figurative ‘gridlock’ not only for EML ratepayers, but for ratepayers throughout MISO South .

Investigation of the long-term benefits, costs and commitments of EML's membership in MISO

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One of the primary benefits related to membership in an RTO is to provide access to a competitive market for electricity, and to help mitigate the market barriers that can be built up by incumbent utilities. As it has been cited by the Federal Energy Regulatory Commission (FERC) in Order 1000 “As the FERC Commission recognized in Order Nos. 888 and 890, it is not in the economic self-interest of public utility transmission providers to expand the grid to permit access to competing sources of supply. In Order No. 890, the Commission required greater coordination in transmission planning on a regional level to remedy the potential for undue discrimination by transmission providers that have an incentive to avoid upgrading transmission capacity with interconnected neighbors where doing so would allow competing suppliers to serve the customers of the public utility transmission provider²”. Order 1000 continues by stating that “By requiring the comparable evaluation of all potential transmission solutions, the Commission has sought to ensure that the more efficient or cost-effective solutions are in the regional transmission plan.”

Competition is considered a clear benefit under free market principles. Competition can lower prices for consumers and spur innovation in a competitive marketplace, which can provide superior consumer goods and services. The opposite of this paradigm is obviously a monopoly construct in which a small group of vertically integrated companies, or a single vertically integrated company dominates an entire market. The 51st U.S. Congress, in 1890, passed the Sherman Act specifically to mitigate market power and increase competition leading to better consumer outcomes.³

Although it is often stated that electric utilities enjoy a special privilege as a ‘regulated monopoly’, due to an often-cited concern related to reliable provision of a public good; utilities are not above established anti-trust law, and many of these concerns are outdated. Furthermore, the ‘regulatory compact’ cited in cost recovery and other regulatory processes that determine prices for electric utility services are often referred to as an ‘unwritten rule’, declaring that a ‘company commits to supply the full quantities

demanded by those customers at a price calculated to cover all operating costs plus a "reasonable" return on the capital invested in the enterprise'⁴; however this concept is not persuasive to a growing number of voices that work in utility regulation. This relationship is based on a franchise agreement between regulators and the regulated. 'Its foundation is a franchise, of which the incumbent utility is but a temporary grantee, one whose rights depend on performance.'⁵ What this means is that an electric utility is not legally guaranteed a monopoly on providing all services, in addition to receiving a reasonable rate of return on their investments if service is not competitive, or reliable. In this context, EML, and parent company ETR should be viewed like any other company providing a service, and not one that is granted a special privilege as a 'regulated monopoly' under an unwritten rule like the often cited 'regulatory compact'. There should never be a tradeoff for reliability or competitive service tomorrow, just because the franchise belongs to the utility today.

Competition for more efficient, affordable, and reliable service should be at the heart of the regulation of public goods, and guarantees should be made through performance, and not just through unwritten rules. EML, and parent company ETR were integrated into MISO amidst the suspicion of anti-competitive practices that the U.S. Department of Justice opened an investigation into in 2009, and this investigation currently remains open at least in relation to "Entergy's power generation dispatch, transmission planning and power procurement practices constitute exclusionary conduct under Section 2 of the Sherman Act."⁶.

EML and ETR's conduct as a corporation that provides service not only for the state of Mississippi, but also the most significant geographic volume and number of customers in the MISO South subregion is highly relevant to investigating the benefits of MISO membership. There is a considerable potential for ETR to exert market power in the MISO South subregion, especially provided that the company still retains possession of a transmission business which the U.S. DOJ specifically implicated as a possible

expression of 'exclusionary conduct under Section 2 of the Sherman Act'⁷. This investigation pertains to possible exclusionary conduct which had persisted for more than a decade leading up to integration into MISO.

If the benefits of MISO membership are to provide a competitive and reliable market for bulk power, it should be examined whether the continued vertical integration of ETR's business model into transmission planning and construction undermines access to a more competitive and beneficial power market to consumers within all the service territories of their subsidiaries. This should examine whether ETR and subsidiaries have engaged in activities as corporate entities that either knowingly, *or* unknowingly undermine the goals of a competitive marketplace for energy. Whether or not this is willful anti-competitive behavior, the outcomes for ratepayers of anti-competitive behavior can be negative. For the full benefits to be gained by membership in an RTO, there must not be an active effort to undermine efforts to engage in competitive transmission planning, and efforts to increase market efficiency. It's not just the promise of low prices that benefit the transmission system in an RTO, but also the promise that more efficient service creates a more resilient system. If EML and ETR are enabling anti-competitive planning, then consumers are likely missing out on more than just fringe benefits, but also critical infrastructure.

The following timeline provides an overview of many events that raise suspicion around anti-competitive behavior, both before and after ETR subsidiaries joined MISO:

ETR / MISO Integration Timeline

1996-99: Federal Energy Regulatory Commission (FERC) issues a series of orders to promote competition in bulk electricity markets, leading to Order 2000 which establishes minimum characteristics and functions of an RTO.

1997, ETR subsidiaries withdraw from the Southwest Power Pool (SPP) after SPP moves to become an RTO. It is alluded to by some analysts that ‘potential financial uncertainty caused by Entergy's exit may have spooked’⁸ at least 6 other members.

2000, FERC rejects ETR and SPP’s proposal requesting “authorization to create an independent, for-profit transmission company (Transco) to operate within the umbrella of and to operate under the oversight of the SPP RTO”⁹

2002, FERC approves MISO’s Open Access Transmission Tariff effectively recognizing them as the first RTO in the country.¹⁰

2001-03, ETR develops two proposals to join RTOs being formed by Southern Co and other utilities: Grid South and SeTrans. Both failed to garner state and federal regulatory approval over governance issues.¹¹

2006, FERC orders ETR to put its grid under partial third-party oversight. The Independent Coordinator of Transmission (ICT) agreement with SPP did little to satisfy power plant and regulator complaints.¹²

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June 2009, A public meeting brought together regulators from all four Entergy states and FERC in Charleston, South Carolina, to listen to grievances against the ICT entity. State regulators, with FERC backing, began working together formally to force changes at ETR.¹³

2009, ETR's plan to move Entergy Texas, Inc. (ETI), its Texas utility unit under oversight of the Electric Reliability Council of Texas (ERCOT) fails to find favor with state regulators due to high cost.¹⁴

2010, EML reveals to the MSPSC that the U.S. Department of Justice (DOJ) had launched an investigation into its competitive businesses, including operation of its transmission system.¹⁵

April 2011, ETR utilities propose joining MISO, citing its superior benefits over SPP membership.¹⁶

December 2011, ETR and ITC Holdings announce an agreement under which ETR would divest its transmission operation and then merge the business into an ITC subsidiary called ITC Midsouth LLC.¹⁷

November 2012, the DOJ states in a press release, "Entergy's commitments to obtain membership in an RTO and divest its transmission system to a third party with the incentive to make efficient transmission investments are significant steps towards restoring competition in the Entergy service area. If Entergy follows through on its commitments, these measures will address the Antitrust Division's concerns by eliminating Entergy's ability to maintain barriers to wholesale power markets", and goes on to state "The division will closely monitor developments, and in the event that Entergy does not make meaningful and timely progress, the division can and will take appropriate enforcement action, if warranted."¹⁸

November 2012, ETR obtains final approval from utility regulators in Mississippi and the City of New Orleans to join MISO.¹⁹

March 2013, ETR agrees to pay \$975,000 to settle a FERC claim which violated 15 reliability standards related to its transmission system.²⁰

December 2013, ETR is approved to integrate its grid operations into MISO. MSPSC rejects ETR's proposal to merge Entergy's MidSouth Transco in an arrangement known as a 'reverse Morris trust' in which ETR shareholders would receive 50.1% of pro-forma shares in ITC, with the remaining 49.9% going to ITC shareholders for the merged company.²¹

2016, ETR subsidiaries in AR, LA and NOLA complete acquisition of Union Power Station, a 990MW Combined Cycle Gas Turbine power plant in El Dorado, AR. Entergy representatives tout the fact that the joint purchase from previous owner Entegra TC LLC by subsidiaries was nearly half the cost (\$479/kW) of building a new power station of the same magnitude.²²

December 2016, MTEP16 selects competitive transmission projects that receive board approval.

One of these projects is the Waterford to Churchill line planned in Louisiana²³, which coincides with the approval to build the Lake Charles Power Station a month prior. Subsequent analysis by MISO that follows construction and in-service date of St Charles Power Station finds that the economics of the competitive transmission project has diminished, and MISO subsequently withdraws it from their list of competitive projects.²⁴

March 2018 the Nuclear Regulatory Commission (NRC) cites ETR for false inspection records, which ETR defers to NRC's Alternative Dispute Resolution process.²⁵

2018, Entergy New Orleans (ENO) was found through obtained emails from senior leadership to have hired paid actors through a subcontractor to show support in public meetings for the proposed New Orleans Power Station (NOPS), a 128MW Reciprocating Internal Combustion Engine (RICE) 'peaker' natural gas power plant.²⁶

2019 Entergy purchases 810MW Choctaw Generating Facility near French Camp, MS from a subsidiary of GenOn Energy. Like Union Power Station, this purchase from a company that was recently in financial dire straits²⁷ was nearly half the cost of a new power plant (\$387.65/kW).

2019, Texas Governor Greg Abbot signs S.B. 1938, also known as a 'Right of First Refusal' (ROFR) law, which grants utility companies the first right to bid on transmission projects in the state. Utility companies, including ETI encourage support for both S.B. 1938 and its companion bill H.B. 3995 in alliance of electric utilities and large industrial consumers.²⁸ H.B. 3995 is the subject of a letter from the DOJ's Antitrust Division which cautions the passage of the bill and raises its anti-competitive nature.²⁹

December 2019, ETR subsidiary ENO brings a civil suit against the City Council of New Orleans (CCNO)³⁰ in response to the lowering of their Return on Equity (ROE), and a \$1 million fine levied against ENO by the CCNO for continued system reliability issues related to their distribution network.

August 2020, Hurricane Laura strikes coastal Louisiana, causing a load shed event. Power outages triggered by infrastructure damages, in addition to a lack of alternate transmission routes to deliver power,

caused a load shed event in the 'Western Load Pocket' initiated by MISO in order to preserve the regional system. In their post event analysis, MISO's Independent Market Monitor (IMM) showed a host of issues related to the load pocket, including concerns about the capacity market in the load pocket.³¹

February 2021, Winter Storm Uri causes MISO to initiate load shedding for the MISO South subregion³² which encompasses ETR's five subsidiaries in TX, MS, LA, AR and New Orleans. Due to a computer error, the amount of load shed by subsidiary Entergy New Orleans was more than 3 times the amount requested.³³

March 2021, The Louisiana Public Service Commission, along with regulators in the City of New Orleans and Arkansas file a complaint with FERC seeking \$360 million in damages due to the imprudent operation of Grand Gulf Nuclear Power Station in Port Gibson, MS.³⁴ In aggregate between NOLA City Council, ARPSC and LPSC the total amount of damages south by parties for costs incurred by customers due to imprudent operation of Grand Gulf Nuclear Power Station is nearly \$1 billion.³⁵

As stated, the concerns raised by the DOJ in their probe in 2009 remain open at this time. Although it is currently not an active investigation there are loose ends related to Entergy's transmission system commitments. The release from the DOJ states:

"In addition to the merger investigation of the KGen transactions, the division has been examining allegations that Entergy has engaged in exclusionary conduct in its four-state utility service area spanning parts of Arkansas, Louisiana, Mississippi and Texas. That investigation remains open. The conduct investigation has focused on whether certain of Entergy's power

generation dispatch, transmission planning and power procurement practices constitute exclusionary conduct under Section 2 of the Sherman Act.

“If Entergy follows through on its transmission system commitments, the Antitrust Division’s concerns will be resolved.

“The division has been investigating the effect of several of Entergy’s practices on competition and barriers to entry. The division has also evaluated professed efficiency and regulatory justifications, which have not been persuasive.”

The reliability and efficiency of the MISO South subregion is dependent on the engagement of stakeholders that support planning for a competitive market. If the primary transmission planning entity for the region is ETR and its subsidiaries, without coordination with an independent organization like MISO, it should be examined whether or not this planning is being exclusionary, and whether it constitutes anti-competitive behavior that also could threaten reliability for MISO South.

- a. MISO's evolving transmission planning and cost allocation methodologies; including, but not limited, to MISO's assumptions about future generation resource portfolios and assumed increased demand tied to electrification.**

In response to the prompt above in Docket 2021-AD-52, transmission planning by an RTO is not designed top down, but instead designed to acknowledge that the RTO is composed of members that are at least in principle in agreement that a market-based approach to planning for the system is superior to a go-it-alone approach. An important point for consumer advocates to take note of however, is that vertically integrated utilities like ETR subsidiaries have, and often do exert market power through several planning efforts at the expense of consumers, who have only limited avenues to exert influence over

planning processes. The addition of new resources instead of increasing access to existing resources could be an expression of a market barrier, and a resulting power outage in a region because it only fulfills a narrow set of needs, is an example of market manipulation. It is for the purpose of mitigating such market barriers that FERC Order 2000 established a framework for RTOs that maintain a level of independence and undertake transmission planning efforts to facilitate competition and superior outcomes for consumers throughout an RTO's footprint.

As stated in FERC Order 2000:

'an RTO must satisfy in the following areas:

Minimum Characteristics:

1. Independence
2. Scope and Regional Configuration
3. Operational Authority
4. Short-term Reliability

Minimum Functions:

1. Tariff Administration and Design
2. Congestion Management
3. Parallel Path Flow
4. Ancillary Services
5. OASIS and Total Transmission Capability (TTC) and Available Transmission Capability (ATC)
6. Market Monitoring
7. Planning and Expansion
8. Interregional Coordination'³⁶

Governance of most RTO's involve a stakeholder process for advising on many of the above functions of the organization, and to provide public meetings in addition to soliciting verbal and written comments from a diversity of stakeholders and stakeholder groups to inform the process.

In addition to this engagement, there are also referendums voted on by stakeholder group representatives related to governance and process (*Fig 1*). The final decisions related to planning, operation, and

governance are taken up by the board of directors at an RTO. Transmission Owning (“TO”), and Transmission Dependent Utilities (“TDU”) within RTO’s often have interests that are counter to MISO’s value proposition, but that is why the role of an independent transmission planning organization is vital. Given that there is representation of both consumers and vertically integrated utilities, as well as consumer advocates and regulators like the MSPSC, there will be challenges to many processes within an RTO, but it’s important to understand that market power has a significant ability to undermine this process if left unchecked.

ADVISORY COMMITTEE

Sectors	Assigned Seat	Seats Converted to Weights
IPP/EW G ¹	3	12%
Transmission Owners	3	12%
TDU ²	3	12%
Power Marketers	3	12%
Public Consumer Advocates	2	8%
State Regulatory Authorities	4	16%
Environmental/Other Stakeholder Groups	2	8%
Eligible End- Use Customers	3	12%
Coordinating Members	1	4%
Transmission Developers	1	4%
Affiliates	1	0%

PLANNING ADVISORY COMMITTEE:

Sectors	Assigned Seat	Seats Converted to Weights
IPP/EW G ³	1	10%
Transmission Owners	1	10%
TDU ⁴	1	10%
Power Marketers	1	10%
Public Consumer Advocates	1	10%
State Regulatory Authorities	1	10%
Environmental/Other Stakeholder Groups	1	10%
Eligible End- Use Customers	1	10%
Coordinating Members	1	10%
Transmission Developers	1	10%
Affiliates	1	0%

Figure 1 - Stakeholder Governance Guide showing stakeholder voting percentage shares
Source: MISO³⁷

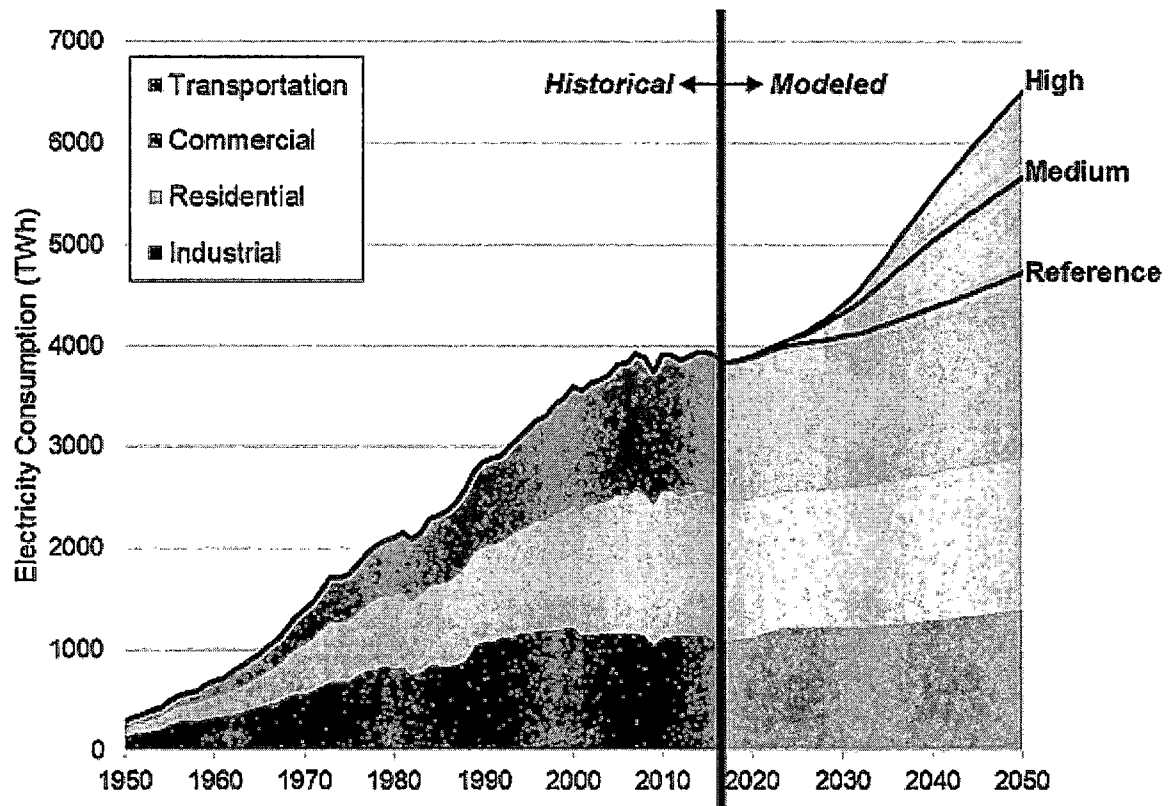
Transmission planning assumptions underpinning MISO cost allocation for different project types are not arbitrary and have taken years in some cases to develop through stakeholder input and discussion. Forecasts and projections based on rigorous modeling by MISO staff use a variety of inputs to produce a forecast of needs for the system for many years into the future. Planning assumptions are driven by a host of factors outside of public policy goals, like utility planned resource retirements and additions, utility corporate goals and commitments, and load assumptions that help to shape the requirements for system resilience and resource adequacy throughout the footprint. These assumptions are modeled for a future which always carries a level of uncertainty in any forecasting exercise. There is no such thing as a 100% accurate forecast in any science, especially when looking at the 40-year useful lifespan of a transmission project. Long term transmission planning is one occasion where FERC's standard of assessing benefits as 'at least roughly commensurate'³⁸ should be recognized as not only adequate but appropriate. This standard acknowledges that granularity past a certain threshold is not possible because of the fluid nature of the power system, and the full range of benefits related to the life of the investment. In addition, it may be suggested that FERC Order 1000's 'roughly commensurate' standard recognizes that the pursuit of granularity past a certain threshold can obstruct progress on building beneficial transmission projects, both because it represents false accuracy, and because it could add to administrative burden in assessing benefits on a granular level, while pursuing negligible benefits. It is a common tactic by some MISO stakeholders to continually demand more granular data, while attempting to slow down transmission expansion planning. Putting the transmission planning process in to question, and delaying implementation of solutions that facilitate better outcomes for market participants and ratepayers.

Electrification assumptions are crucial to transmission planning efforts because planning retroactively for an increase in demand which exceeds system performance, is a threat to system stability and public safety. These needs represent a challenge in terms of seeking low-cost solutions to meet demand, and solutions made available by transmission system investments can be strategically

implemented with proactive stakeholder engagement from regulatory entities like the MSPSC.

Furthermore, by considering non-power generation alternatives, in addition to generation resources to address the challenges of electrification, there may be additional year-round benefits to be gained, rather than those associated with resources that are only needed for limited use.

While 350 NO feels that MISO could improve their forecasts in relation to MTEP Futures I, II, and III, it is in the direction of forecasting higher levels of demand through electrification being added to the MISO system, rather than lower.



Source: National Renewable Energy Laboratory

Figure 2: NREL Electrification Futures study indicates load growth at much higher rates than those referenced in MTEP21 Futures 1 (2%), 2 (15%), 3 (32%).

Source: National Renewable Energy Laboratory 'The Electrification Futures Study: Demand-Side Scenarios'³⁹

This is in line with extensive research by the National Renewable Energy Laboratory in their Electrification Futures Study⁴⁰, and forecasts for electrification needed to address dangerous greenhouse gas emissions in the transportation, industrial and residential sectors. With respect to the NREL forecasts for electrification, there is a much greater danger and financial cost to underbuilding the transmission system, than overbuilding it.

The discussion of cost allocation for transmission project types is often contentious, due to disagreements about drivers for transmission solutions, and who benefits. It does not need to be. In all cases, planning for reliability in service of the lowest system cost should be the priority, and MISO has identified system needs that benefit all members when selecting projects for their MTEP cycles. It should be recognized also that a piecemeal approach to reliability, as is often the role of Baseline Reliability Projects (“BRP”) throughout MISO South is likely not in service of lowest cost planning over a longer time horizon. Viewing costs and benefits through a narrow lens will limit benefits for certain stakeholders or create stakeholders which are free riders over time. The primary driver of BRPs are to provide stability to the grid in a narrow context, and throughout a narrow geography not as a larger solution for reliability throughout the MISO system.

In the context of competition, it should also be considered whether BRP projects are also building walls around a utility’s service territory by only focusing on reliability within a narrow geographic scope and limiting access to a competitive market. Although market and reliability issues are treated separately in MISO’s project types, there may be a crossover when a lack of projects solving market issues can cause long term reliability issues as well. Protecting generation assets of utilities in the subregion that could have lapses in reliability, rather than providing access to the larger MISO footprint could threaten

reliability, in addition to increasing market instability. At the heart of both market efficiency transmission planning and reliability planning is the same question, are transmission assets long-term or short-term investments?

Building transmission projects can be a lengthy process and assessing the future needs of the regional MISO grid, and the benefits of different projects, must be done years in advance of the in-service date of projects selected for development. This is not the *most* granular way of assessing benefits, but the nature of the transmission grid, is that assessments must be made before serious reliability or market issues arise. Since forecasting the full range of benefits for transmission investments with an average 40-year lifespan can be challenging, FERC recommends approaching this process by establishing broad principles for planning. In the words of FERC Order 1000 “the principles-based approach requires that all regional and interregional cost allocation methods allocate costs for new transmission facilities in a manner that is at least roughly commensurate with the benefits received by those who will pay those costs”.

Note that ‘roughly’ commensurate does not mean ‘exactly’ commensurate. This is more than a term of art chosen by FERC, it reflects the reality that power flows change over time and a benefits framework should retain some level of flexibility. Thought should be given to whether there has been a productive stakeholder engagement in MISO South which supports alternate principles related to transmission planning, or simply communication that no change is necessary in MISO’s transmission planning methods. Although, this is technically a principle, it is not facilitating a proactive approach to cost allocation if issues persist on the transmission system the subregion is relying on.

The time and effort to develop the Futures, resource expansion, and siting has increased over the past 5 years

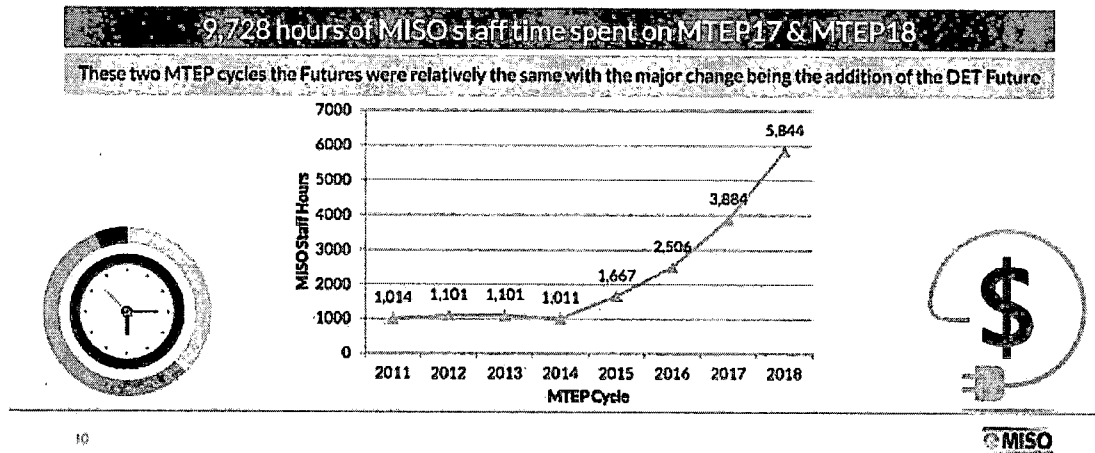


Figure 3: MISO staff time spent on transmission planning per year from 2011 through 2018. A glance at the amount of time dedicated to MISO planning coinciding with the years since the integration of ETR subsidiaries suggests substantial complications in the process, one of which could be obstruction of the process by stakeholders. Source: MISO⁴¹

Questioning MISO processes and cost allocation methodologies without a clear purpose or ideal in mind will only delay or defer benefits. If it does not add to or move forward the process of cost allocation, then it only undermines the process. The MISO footprint encompasses states with a diverse range of policy goals and resources, and the greater the engagement between regulators and MISO regarding specific transmission system needs for their jurisdictions, the more fruitful the discussions related to cost allocation and other processes will be.

To provide affordable and reliable electricity for ratepayers at the least cost is a policy goal.

Renewable energy resources are increasingly cost-competitive and are shaping the market for power because of they are least cost resources. Planning the grid for increases in renewable energy resources is not only facilitating access to lower cost resources, it's also necessary to provide greater system stability.

To ignore the transmission system, and planning for this future is not only ignoring consumer benefits, but also playing dice with our electrical infrastructure. Although there are levels of uncertainty related to planning the grid of the future, MISO has considerable opportunities for regulators in MISO South to achieve positive outcomes for ratepayers. Without engaging MISO on what these goals are related to MISO membership, discussions of cost allocation will be driven by a consensus which leaves benefits and beneficiaries on the table.

b. Potential changes to generator accreditation, transition to a seasonal capacity auction, implementation of novel, untested market design changes including Available Capacity (ACAP), raising the administratively determined Value of Lost Load (VOLL) to \$10,000/MWh (particularly in light of the excessive prices of natural gas and electricity observed during the February 2021 Polar Vortex⁴²), MISO's application of VOLL to certain de-energized load busses during force majeure event (e.g., hurricanes) resulting in unreasonably high "uplift costs" and MISO's proposal to revise the recovery of those uplift costs so that they are paid only by the subregion of MISO affected by the force majeure event⁴³, and other repercussions that may result from MISO's Resource Adequacy and Need (RAN) initiative.

If uplift costs are not attributed to subregions affected by the rolling blackouts or 'force majeure event' triggered by extreme weather events on February 16th, 2021, then who should bear the burden of uplift costs? To answer this, there needs to be analysis of where the failures on the MISO bulk power system took place. If they are primarily related to the reliance on power generation within the subregion, where several constraints have been identified since MISO's MTEP17, then it is less apparent that MISO's RAN initiative is a cause for increased concern. Without the relief of existing transmission constraints in the

subregion, including the largest constraint, the RDT between MISO North and South, it seems unfair that the subregion that is better connected to the grid should shoulder the burden? There is no incentive to fix problematic constraints in that event.

By placing uplift costs on the MISO South subregion, the market is dispassionately incentivizing competitive planning, while disincentivizing uncompetitive and piecemeal planning. Were the tables turned, and they may well be in a future event in which the state of Mississippi's grid is compromised, a similar question could be asked regarding uplift costs assigned to the subregion. While it is unfortunate this comes at the expense of consumers in the short term, the fault lies with a delay in fixing transmission congestion and constraints, which MISO identified many years ago [Fig 4] and should not be forced on the affected local resource zones alone.

Top Congested Flowgate Analysis

The top congested flowgate analysis identifies system congestion trends based on both the historical market data and forecasted congestion. The analysis identifies and prioritizes highly congested flowgates within the MISO market footprint and on the seams Figure 5.3-2.

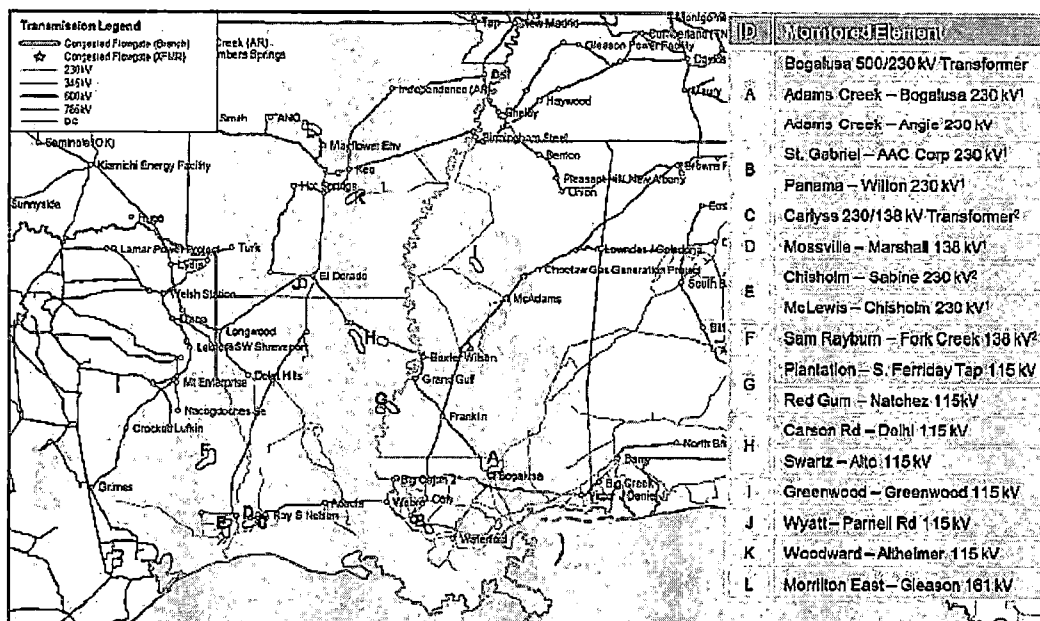


Figure 5.3-2: Projected top congested flowgates in MISO South Region

Figure 5: Analysis of transmission congestion issues in MISO South
Source: MISO MTEP17 Book 1 Transmission Studies⁴⁴

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The introduction of a sub-annual, seasonal Planning Resource Auction (“PRA”) is a recommendation from MISO’s Independent Market Monitor (“IMM”), and is currently under discussion by MISO’s Resource Adequacy SubCommittee (“RASC”). This is in response to deficiencies identified by the IMM, and MISO is targeting a FERC filing this year for a construct that includes four seasonal auctions. This reform could help increase flexibility in power plant unit commitments to fulfill capacity requirements throughout the MISO footprint as well as provide clearer price signals that may have had a depressive effect on auction clearing prices in the past.

Modeling transmission constraints can provide greater clarity for market modeling and has been suggested by MISO’s IMM⁴⁵. There are short term impacts like extreme weather events that produce market shocks especially where there are load pockets or transmission constraints in MISO South. In a recent IMM report discussing the load shed event following Hurricane Laura’s impacts on Texas and Louisiana it was stated, “MISO’s current VOLL of \$3,500 per MWh is inefficiently low. MISO would have lost of up to 830 MW from a key resource to ERCOT if it had been tight, since ERCOT will set prices up to \$9,000 per MWh. We have recommended that MISO update the VOLL used in shortage pricing based on data from the Midwest to \$23,000 per MWh.” In light of these comments from Dr. Patton, \$10,000/MWh during a period of scarcity provides a reasonable compromise in terms of current congestion and constraints to moving power throughout the MISO South Subregion. These prices are meant as an incentive to plan ahead and prepare for resilience and affordability on the grid. If power plants fail to meet the challenge of affordability and reliability under this VOLL; a more robust transmission network may prove to be more viable. This is not a punishment, it is an incentive for better planning.

c. The categories and relative magnitude of benefits and costs associated with RTO membership, including:

i. Wide area economic commitment and generation resource dispatch;

According to the most recent IMM State of the Market report, the analysis of Day Ahead vs. Real Time Market Prices seem to indicate not only a wide variation between those two factors, but also that there is price separation between MISO North and South, especially in states that are further from the North South Regional Directional Transfer constraint.⁴⁶ In the case of August and October 2019 the Western Load Pocket in TX is an extreme outlier. In March 2019 Day Ahead prices in Louisiana were 15% higher than the Real Time auction. Above the constraint, and even in Arkansas, prices are consistently below 10% difference between Day Ahead and Real Time prices.

Figure 16: Day-Ahead and Real-Time Prices
2019–2020

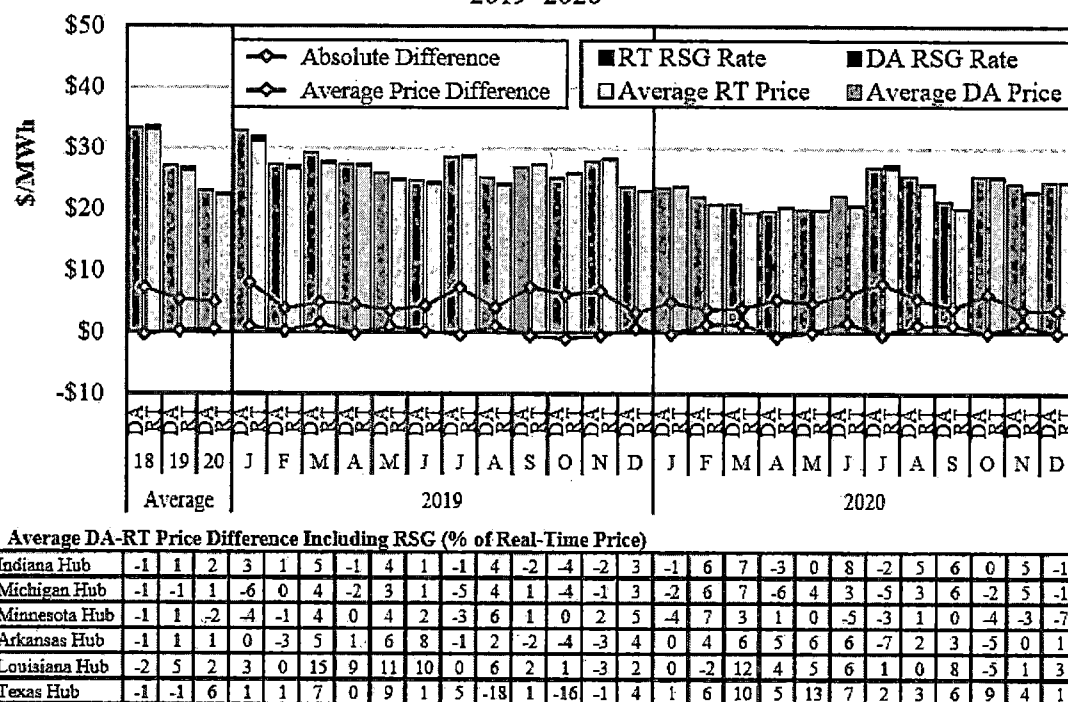


Figure 5: 2020 State Of The Market Report For The Miso Electricity Markets, Day-Ahead and Real-Time Prices 2019-2020. Source: Potomac Economics⁴⁷

ii. Effects on the quantity and cost of required capacity reserves;

iii. Effects on the quantity and cost of operating reserves;

The effect of costs related to required capacity reserves are often shaped by import and export constraints which can have a depressive effect on prices in MISO South due to the North / South constraint, as well as low prices for natural gas. However, this can be a problem for generators that may experience revenue shortfalls that do not cover plant expenses. In the MISO's latest PRA, clearing prices in the South were \$0.01 throughout the South⁴⁸. These prices also could also reflect that the market is overbuilt in MISO South in terms of available generation, and that ratepayers are paying for assets that do not sufficiently cover operations and maintenance costs through plant revenues.

iv. The value of transmission planning functions performed by MISO;

As stated previously, to overlook the value of transmission planning through an independent organization is to do so at the MSPSC's peril. There is tremendous benefit to engaging in transmission planning when it facilitates the value proposition of MISO, but if it seeks to undermine efforts, then it supports incumbent utilities, whether by design or proxy.

v. Effects on local electric system reliability;

Again, the question should be asked whether market efficiency-based transmission projects have been selected and built to a degree in MISO South that allows the MPSC to properly assess the benefits of EML's membership in MISO. If there is greater investment in transmission that can positively impact the market and system constraints, then there can be a more meaningful analysis of how this impacts reliability as well.

There are multiple areas throughout MISO South where there is congestion and load pockets which inhibit the flow of electricity to where it is needed. Notably, the MTEP cycle which identified the Hartburg – Sabine line for the only Market Efficiency Project (“MEP”) recorded in the past 4 MTEP cycles in MISO South, is undergoing a ‘variance analysis’ by MISO currently due to the state of TX’s ROFR law. Although not purely related to reliability; at this moment in time the Hartburg – Sabine line is the only project in MISO South to be identified as an MEP.

A good place to start in assessing benefits, is to look at what projects have been selected throughout EML and adjacent service territories in MISO which seek to mitigate

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congestion issues. Although market related, these constraints extend to system reliability and they can be identified clearly during peak system demand on MISO's Real Time LMP map [Figure 6].

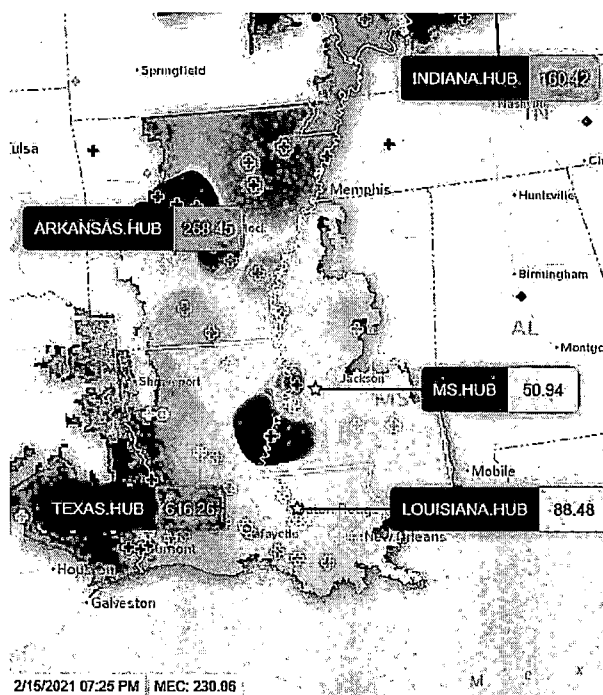


Figure 6: Real Time Locational Marginal Pricing Map during lead up to the February Arctic Event 2.15.2021 Source: MISO

vi. Effects of MISO Interconnection Queue project application management.

Given that few projects have been approved through MISO's competitive transmission planning process which address congestion issues in EML territory, it is understandable why interconnection issues would arise. Transmission congestion often complicates the interconnection process due to its limiting of available transmission capacity. Lines that are close to being overloaded require more costly upgrades that won't overheat lines and cause larger system failures.

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6. The Commission seeks comments regarding whether Entergy Mississippi and its customers would enjoy greater net benefits and be exposed to less risk in an alternative operational environment, including, but not limited to, joining the newly formed Southeast Energy Exchange Market (SEEM).

The SEEM energy exchange market is not an RTO, which is specifically indicated by the Department of Justice in its final statement regarding the anti-trust investigation into ETR. The final statement declares:

“Entergy’s commitments to obtain membership in an RTO and divest its transmission system to a third party with the incentive to make efficient transmission investments are significant steps towards restoring competition in the Entergy service area. If Entergy follows through on its commitments, these measures will address the Antitrust Division’s concerns by eliminating Entergy’s ability to maintain barriers to wholesale power markets, ensuring that all Entergy service area generation is dispatched independently and at lowest cost, increasing market transparency and oversight, and properly aligning incentives for the construction of transmission. Such measures will also directly benefit consumers, who will ultimately enjoy lower electricity prices and improved reliability as a result of RTO integration and the transmission system divestiture. The division does not endorse any particular RTO or independent transmission company.”⁴⁹

However, the SEEM proposal is currently in an uncertain state as FERC recently declared the proposal ‘deficient’. This is accompanied by the scrutiny of many parties who share a concern around market transparency and whether or not the proposal merely extends the market power of members.

Regardless, the decision on behalf of EML to exit MISO could be on the order of \$40-45 million as it has been relayed in other dockets.⁵⁰ In this light, it is difficult to see how the payment of an exit fee of this magnitude would be in the interest of consumers. As it was recently cited by a press release from ETR, EML saved \$207 million in the period from 2014-18, representing an average of \$41.4 million a year. In a scenario where EML exits MISO, they would be paying \$40-45 million in exit fees to eliminate average yearly savings of \$41 million as a MISO member.⁵¹ This does not make sense for ratepayers in EML territory. Especially considering that the full range of benefits regarding EML's membership in MISO have yet to be meaningfully engaged in.

7. The Commission seeks comments regarding factors that may limit Entergy Mississippi's access to benefits from continued membership in MISO, including:

a. The effects of limited transmission capacity (physical and contractual) between MISO South and the rest of the MISO system;

The North/South constraint must be addressed through a physical planning solution, rather than a contractual solution. This would provide more benefits in terms of allowing generators to sell more affordable and competitive power between markets, in addition to allowing consumers to have access to stable power supply between subregions.

8. The Commission seeks comments regarding any factors limiting benefits to Entergy Mississippi whether and to what extent additional transmission investments would be required for Entergy Mississippi to participate in alternative regional pooling arrangements, such as SEEM.

Integration into SEEM is hypothetical as this construct has not been approved by FERC. Since the SEEM proposal is for an energy exchange market construct, rather than an RTO, it's also possible that EML seeking to integrate into SEEM would also raise suspicion around anti-competitive behavior for previously stated reasons. The DOJ statement reads, "Entergy's commitments to obtain membership in an RTO and divest its transmission system to a third party with the incentive to make efficient transmission investments are significant steps towards restoring competition in the Entergy service area. If Entergy follows through on its commitments, these measures will address the Antitrust Division's concerns by eliminating Entergy's ability to maintain barriers to wholesale power markets"⁵²

9. The Commission seeks comments regarding whether there any identifiable "deal breaker" events or categories of events that would make it unreasonable or cost-prohibitive for Entergy Mississippi to be an RTO member.

The Commission should consider the persistence of increased costs and lack of reliable service after competitive transmission project types are built as a 'deal breaker'. If costs are found to outweigh benefits that are assigned to certain transmission projects selected through MISO's competitive planning process, including those competitive projects selected to increase reliability (which are *not* considered Baseline Reliability Projects because they are part of a competitive planning process) that should be grounds for a re-examination of the benefits of EML being a member of MISO.

Conclusion

In conclusion, EML ratepayers are saving money by the company being a member of MISO RTO. However, the full range of benefits that they, and their customers could be receiving as a member of MISO are suppressed by a host of factors discussed throughout these comments, and likely discussed by

other intervenors on this docket. If there is one theme that rises above the rest however it is that MISO South's lack of access to a competitive market compared to the rest of the MISO footprint is an impediment to affordable and competitive electricity options. The timeline provided earlier in these comments show a pattern of behavior on behalf of ETR that may constitute anti-competitive behavior, which is deferring this access at the expense of ratepayers. Importantly, since there was never a divestment of ETR's transmission business enterprise in accordance with the U.S. DOJ's expressed wishes, the question remains whether transmission planning in the region continues to promote anti-competitive behavior which limits access to the benefits of MISO membership.

The most urgent implication related to a MISO South system that lacks a strategic long-term transmission plan is planning for increasingly common extreme weather events that threaten reliability. Access to the wider MISO market is growing even more important in terms of market and policy trends like the rapidly changing energy resource portfolio and increased electrification, but the demands of a changing climate will also place increased risk on the grid. Better connectivity throughout MISO South, through a more robust and strategically planning transmission grid can provide optionality and resilience for consumers in the region. In this regard, 350 NO is grateful for the opportunity to intervene in this docket and urges the MPSC to engage in a broader evaluation of benefits to be gained by other utilities in Mississippi joining MISO, in addition to EML. Access to a more competitive market that can provide better outcomes for all ratepayers in Mississippi should be investigated for the purpose of determining the full range of benefits to be gained for the state's ratepayers. In the near term, with greater efforts through MISO to engage in transmission planning efforts that bolster resilience, affordability, and competition within EML territory, it will become increasingly apparent throughout MISO South that the benefits of membership in MISO are considerable and that exiting the footprint will come at a loss.

¹ Press Release 'Entergy Utility Customers Realize Significant Benefits After 5 Years as MISO Member' PR Newswire 2019 (<https://www.prnewswire.com/news-releases/entergy-utility-customers-realize-significant-benefits-after-5-years-as-miso-member-300975438.html>)

² FERC Order No.1000 ¶ 254 | (<https://www.ferc.gov/sites/default/files/2020-04/OrderNo.1000.pdf>)

³ Sherman Anti-Trust Act of 1890, 51st Cong. 26 Stat. 209, 15 U.S.C. §§ 1–7 (1890)

⁴ Hempling, Scott, Attorney at Law, LLC 'What "Regulatory Compact?" 2015 (<https://www.scotthemplinglaw.com/essays/what-regulatory-compact>)

⁵ Hempling, Scott, Attorney at Law, LLC 'What "Regulatory Compact?" 2015 (<https://www.scotthemplinglaw.com/essays/what-regulatory-compact>)

⁶ Press Release 'Justice Department Statement on Entergy Corp.'s Transmission System Commitments and Acquisition of KGen Power Corp.'s Plants in Arkansas and Mississippi' Dec 2013, United States Department of Justice (<https://www.justice.gov/opa/pr/justice-department-statement-entergy-corp-s-transmission-system-commitments-and-acquisition>)

⁷ Press Release 'Justice Department Statement on Entergy Corp.'s Transmission System Commitments and Acquisition of KGen Power Corp.'s Plants in Arkansas and Mississippi' United States Department of Justice, Nov 2012 (<https://www.justice.gov/opa/pr/justice-department-statement-entergy-corp-s-transmission-system-commitments-and-acquisition>)

⁸ Dismukes, David E. and Denny, Fred I. 'Reliability or Profit? Why Entergy Quit the Southwest Power Pool' 1998 (<https://www.fortnightly.com/fortnightly/1998/02/reliability-or-profit-why-entergy-quit-southwest-power-pool>)

⁹ FERC Docket No. RT01-34-000, et al. | ORDER REJECTING RTO FILINGS (Issued July 12, 2001) (https://www.energymarketers.com/documents/rt01-34-000_SWPP.pdf)

¹⁰ Midcontinent Independent System Operator (<http://timeline.misomatters.org/>)

¹¹ Atlanta Business Chronicle 'Southern Co., others halt SeTrans RTO plan' 2003 (<https://www.bizjournals.com/atlanta/stories/2003/12/01/daily27.html>)

¹² JOINT FERC and STATE REGULATOR CONFERENCE 7ON THE STATE OF TRANSMISSION IN THE ENTERGY REGION | Issuance; relative to DOCKET NOS. ER05-1065-000 4ER09-555-000

¹³ JOINT FERC and STATE REGULATOR CONFERENCE 7ON THE STATE OF TRANSMISSION IN THE ENTERGY REGION | Issuance; relative to DOCKET NOS. ER05-1065-000 4ER09-555-000

¹⁴ Roden, Howard 'Bill keeps Entergy from deregulation' The Woodlands Villager (<https://www.chron.com/neighborhood/woodlands/news/article/Bill-keeps-Entergy-from-deregulation-9307397.php>)

¹⁵ Lynch, Adam 'Entergy DOJ Investigation Kept Secret' Jackson Free Press, Oct. 2010 (<https://www.jacksonfreepress.com/news/2010/oct/20/entergy-doj-investigation-kept-secret/>)

¹⁶ 'Entergy proposes joining MISO for greatest savings' Reuters, Apr. 2011, (<https://www.reuters.com/article/utilities-entergy-miso/entergy-proposes-joining-miso-for-greatest-savings-idUSN2522126520110425>)

¹⁷ 'ITC Holdings, Creating Industry-Leading Electric Transmission Company' | ITC Press Release; <https://www.itc-holdings.com/newsroom/newsroom-details/entergy-to-divest-and-merge-electric-transmission-business-into-itc-holdings-creating-industry-leading-electric-transmission-company-590>

¹⁸ Press Release 'Justice Department Statement on Entergy Corp.'s Transmission System Commitments and Acquisition of KGen Power Corp.'s Plants in Arkansas and Mississippi' Dec 2013, United States Department of Justice (<https://www.justice.gov/opa/pr/justice-department-statement-entergy-corp-s-transmission-system-commitments-and-acquisition>)

¹⁹ 'Entergy joins MISO central U.S. power grid' Reuters, Dec 2013, (<https://www.reuters.com/article/utilities-entergy-miso/entergy-joins-miso-central-u-s-power-grid-idUSL2N0JY0TC20131219>)

²⁰ deJesus, Joel and Halpern, Jesse 'FERC Imposes a \$975,000 Civil Penalty Against Entergy for 27 Violations of Reliability Standards' Energy and Environmental Law Advisor, Apr. 2013 (<https://www.energyenvironmentallawadvisor.com/2013/04/ferc-imposes-a-975000-civil-penalty-against-entergy-for-27-violations-of-reliability-standard/>)

²¹ Dombek, Carl 'Mississippi rejects Entergy's bid to divest transmission to ITC' | Transmission Hub, 2013 (<https://www.transmissionhub.com/articles/2013/12/mississippi-rejects-entergys-bid-to-divest-transmission-to-itc.html>)

²² Cassell, Barry 'Entergy Gulf States seeks approval to buy two Union Power Station blocks' Transmission Hub, 2015 (<https://www.transmissionhub.com/articles/2015/01/entergy-gulf-states-seeks-approval-to-buy-two-union-power-station-blocks.html>)

²³ Presentation 'MISO Transmission Expansion Plan 2020' Midcontinent Independent Service Operator, Oct 2020 (<https://cdn.misoenergy.org/20201026%20System%20Planning%20Committee%20of%20the%20BOD%20Item%2003%20MTEP%20Review486318.pdf>)

²⁴ Larino, Jennifer 'Entergy approved to build \$869 million power plant in St. Charles Parish' The Times Picayune, Nov 2016 (https://www.nola.com/news/business/article_78e8d8af-ab18-5222-b4d8-403a311fc4eb.html)

²⁵ Walton, Robert 'NRC cites Entergy for false inspection records at Grand Gulf nuclear plant' Utility Dive, Mar 2018 (<https://www.utilitydive.com/news/nrc-cites-entergy-for-false-inspection-records-at-grand-gulf-nuke-plant/519156/>)

²⁶ Isaac Stein, Michael 'Actors were paid to support Entergy's power plant at New Orleans City Council meetings' The Lens, 2018 (<https://thelensnola.org/2018/05/04/actors-were-paid-to-support-entergys-power-plant-at-new-orleans-city-council-meetings/>)

²⁷ Businesswire 'GenOn Completes Reorganization and Emerges from Chapter 11 with New Management Team and Board of Directors' Dec 2018 <https://www.businesswire.com/news/home/20181214005423/en/GenOn-Completes-Reorganization-and-Emerges-from-Chapter-11-with-New-Management-Team-and-Board-of-Directors>

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²⁸ Campaign Advertisement (https://www.eenews.net/assets/2019/07/08/document_ew_05.pdf)

²⁹ Communication 'Letter to the Honorable Representative Travis Clardy of the Texas House of Representatives' United States Department of Justice Antitrust Division, Apr 2019 (<https://www.justice.gov/atr/page/file/1155881/download>)

³⁰ Entergy New Orleans LLC v. The Council of the City of New Orleans. 2019. <https://www.documentcloud.org/documents/6572525-2019-12-06-Petition-R-19-457.html>

³¹ Patton, D. 'IMM Report on Market Outcomes in MISO South' P. 6. 2020 (<https://cdn.misoenergy.org/20201120%20ERSC%20Item%2008%20IMM%20South%20Report495042.pdf>)

³² Midcontinent Independent Service Operator. 2021 *The February Arctic Event* (<https://cdn.misoenergy.org/2021%20Arctic%20Event%20Report554429.pdf>)

³³ Williams, Jessica 'Entergy said it cut 3 times more power to New Orleans than needed during blackouts. It was more.' *NOLA.com*, Mar. 11 2021 (https://www.nola.com/news/politics/article_4adedae-8281-11eb-85cc-1f45426c8981.html)

³⁴ Press Release 'LPSC Complaint Seeks \$360 Million in Damages' *Louisiana Public Service Commission*, Mar. 2021 (http://www.lpsc.louisiana.gov/_docs/_press/LPSC%20Grand%20Gulf%20Complaint%20Press%20Release.pdf)

³⁵ Press Release 'Council Leads \$1 Billion Lawsuit Against Entergy Over Grand Gulf Nuclear Station Reliability Concerns' *City Council of New Orleans*, Mar 2021 ([https://council.nola.gov/news/march-2021/council-leads-\\$1-billion-lawsuit-against-entergy-o/](https://council.nola.gov/news/march-2021/council-leads-$1-billion-lawsuit-against-entergy-o/))

³⁶ FERC Order No. 2000 | at Pg. 5 | (https://www.ferc.gov/sites/default/files/2020-06/RM99-2-00K_1.pdf)

³⁷ MISO. 2021. 'MISO Stakeholder Governance Guide', P. 9 (<https://cdn.misoenergy.org/Stakeholder%20Governance%20Guide105455.pdf>)

³⁸ FERC Order No.1000 ¶ 586 (<https://www.ferc.gov/sites/default/files/2020-04/OrderNo.1000.pdf>)

³⁹ Mai, Trieu, Jadun, Paige, Logan, Jeffrey, McMillan, Colin Muratori, Matteo, Steinberg, Daniel and Vimmerstedt, Laura. 2018. *Electrification Futures Study / Demand Side Impacts*. Golden, CO: National Renewable Energy Laboratory. (<https://www.nrel.gov/news/program/2018/analysis-demand-side-electrification-futures.html>)

⁴⁰ Mai, Trieu, Jadun, Paige, Logan, Jeffrey, McMillan, Colin Muratori, Matteo, Steinberg, Daniel and Vimmerstedt, Laura. 2018. *Electrification Futures Study / Demand Side Impacts*. Golden, CO: National Renewable Energy Laboratory. (<https://www.nrel.gov/news/program/2018/analysis-demand-side-electrification-futures.html>)

⁴¹ Presentation 'Development of the Next MTEP Futures' Midcontinent Independent System Operator. 2019. Slide 10 (<https://cdn.misoenergy.org/20190815%20MTEP%20Futures%20Workshop%20Presentation%20V2%20posted%2008%2032019372805.pdf>)

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⁴² On Monday, February 15, 2021, sustained frigid temperatures and winter weather impacting the MISO South Region resulted in forced generation and transmission outages, periodic power outages in Southeast Texas beginning early Monday morning and generally higher than normal Locational Marginal Prices throughout MISO South. "Winter Weather Causes Forced Outages in Parts of MISO's South Region" (Feb. 15, 2021), available at <https://www.misoenergy.org/about/media-center/miso-load-demand-reaches-an-all-time-high-in-western-southregion>.

From approximately 5 p.m. CST until 9 p.m. Central Standard Time (CST), MISO declared a Maximum Generation Event - Emergency Event Step 2c in MISO South. As part of its emergency procedures, MISO directed EML and other MISO South members to issue public appeals of conservation to their customers. See "Extreme Weather Continues to Impact the MISO Region," (Feb. 15, 2021), available at <https://www.misoenergy.org/about/media-center/extreme-weather-continues-to-impact-the-miso-south-region/>.

On the following day, Tuesday, February 16, 2021, conditions deteriorated further. Due to the prolonged winter weather event, resulting forced generation outages and higher than average demand across the system, MISO declared a Maximum Generation Event Emergency Event Step 3 for MISO South and directed all Load Balancing Authorities in MISO South to shed load on a pro rata, load ratio share basis. See <https://www.misoenergy.org/about/media-center/current-grid-conditions/>. Approximately one hour later, MISO recalled the load shed event. During this period, the MISO South region cleared at VOLL. Although conditions improved slightly on Wednesday, February 17, 2021, MISO once again declared a Maximum Generation Event - Emergency Event Step 2c in MISO South from 5 - 10 p.m. CST, and MISO South customers were once again requested to conserve electricity to avoid a larger power outage. Id. On Friday, February 19, 2021, at 10 a.m. CST, MISO terminated the Maximum Generation Alert for the South Region.

⁴³ In its Day-Ahead and Real-Time Markets, MISO calculates Locational Marginal Prices (LMPs) for roughly 35,000 physical electrical nodes. Each of these points are referred to as Electrical Pricing Nodes or EPNodes. To settle other products outside of Real-Time, MISO must determine prices for each EPNode, including electrically disconnected nodes. See, e.g., MISO August 27, 2020 Maximum Generation Emergency Pricing (Oct. 1, 2020), at P 5-6, available at <https://cdn.misoenergy.org/2020I001%20MSC%20and%20RSC%20Joint%20Meetine%20Item%2003%20August%2027%20Max%20Gen%20Emergency%20Pricing479256.pdf>.

⁴⁴ Midcontinent Independent System Operator *MTEP17 Book 1 Transmission Studies*, P. 85, 2017

⁴⁵ Patton, D., '2020 STATE OF THE MARKET REPORT FOR THE MISO ELECTRICITY MARKETS' P. 92, 2021 (https://www.potomaceconomics.com/wp-content/uploads/2021/05/2020-MISO-SOM_Report_Body_Compiled_Final_rev-6-1-21.pdf)

⁴⁶ Patton, D., '2020 STATE OF THE MARKET REPORT FOR THE MISO ELECTRICITY MARKETS' P. 60, 2021 (https://www.potomaceconomics.com/wp-content/uploads/2021/05/2020-MISO-SOM_Report_Body_Compiled_Final_rev-6-1-21.pdf)

⁴⁸ Presentation '2021/2022 Planning Resource Auction (PRA) Results' Midcontinent Independent System Operator. Slide 5. 2021

⁴⁹ Press Release 'Justice Department Statement on Entergy Corp.'s Transmission System Commitments and Acquisition of KGen Power Corp.'s Plants in Arkansas and Mississippi' *United States Department of Justice*, Nov 2012 (<https://www.justice.gov/opa/pr/justice-department-statement-entergy-corp-s-transmission-system-commitments-and-acquisition>)

⁵⁰ MISSOURI PUBLIC SERVICE COMMISSION CASE NO. EO-2011-0128, 2011 (<https://www.efis.psc.mo.gov/mpsc/commoncomponents/viewdocument.asp?DocId=935607709>)

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⁵¹ Press Release 'Entergy Utility Customers Realize Significant Benefits After 5 Years as MISO Member' Entergy Corporation. 2021 (<https://www.entergynewsroom.com/news/entergy-utility-customers-realize-significant-benefits-after-5-years-as-miso-member/>)

⁵² Press Release 'Justice Department Statement on Entergy Corp.'s Transmission System Commitments and Acquisition of KGen Power Corp.'s Plants in Arkansas and Mississippi' Dec 2013, United States Department of Justice (<https://www.justice.gov/opa/pr/justice-department-statement-entergy-corp-s-transmission-system-commitments-and-acquisition>)

RESPECTFULLY SUBMITTED, this the 25th day of June 2021.

By: Andrew S Kowalczyk

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350 New Orleans

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**RE: ORDER ESTABLISHING DOCKET TO INVESTIGATE THE MEMBERSHIP OF
ENTERGY MISSISSIPPI, LLC. IN THE MIDCONTINENT INDEPENDENT
TRANSMISSION OPERATOR**

CERTIFICATE OF SERVICE

I, Andy Kowalczyk, as the intervening representative for 350 New Orleans (350 NO), hereby sign and certify that I have filed with the Mississippi Public Service Commission (MPSC) 350 NO's Motion to Intervene, and the above comments in Docket 2021-AD-52 are sent in electronic format to the following intervenors in this proceeding;

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