

**THE MISSISSIPPI PUBLIC SERVICE COMMISSION**

**REQUEST FOR PROPOSALS**

**THE MISSISSIPPI PUBLIC SERVICE COMMISSION**  
**REQUIRES THE ASSISTANCE OF AN INDEPENDENT CONSULTANT**  
**IN DOCKET NO. 2011-AD-2 TO PERFORM A STUDY CALCULATING THE**  
**ACTUAL BENEFITS OF DISTRIBUTED GENERATION IN MISSISSIPPI**

**Proposal Issue Date:** Tuesday, May 8, 2018

**Proposal Due Date:** Friday, May 25, 2018 no later than 4:00 p.m. CT

**Contact:** Laura Dixon  
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Mississippi Public Service Commission  
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Telephone: 601-961-5498

## **SECTION 1 - SCOPE OF WORK**

### **I. Introduction**

The contractor will provide independent consulting services to the Mississippi Public Service Commission (“Commission”) for the purpose of studying and calculating the actual benefits of distributed generation in Mississippi as set forth in the Commission’s Order Adopting Net Metering Rule in Docket No. 2011-AD-2 and the Mississippi Renewable Energy Net Metering Rule (“Net Metering Rule”). Please review Docket No. 2011-AD-2 for background information if needed. For ease of reference, a copy of the Net Metering Rule is also attached Exhibit A to this RFP.

The selected contractor must have the professional qualifications and experience necessary to accomplish this purpose. The contractor’s duties will include, but not be limited to, the following:

- Gather and assess relevant information and data from regulated utilities and other interested parties and stakeholders that may provide guidance in developing a calculation and quantifying the actual benefits of distributed generation as anticipated by the Net Metering Rule;
- Work collaboratively with the utilities to gather Mississippi-specific data regarding the benefits that have been realized as a result of the adoption of distributed generation in Mississippi since implementation of the Net Metering Rule;
- Use the information obtained to calculate the actual, quantifiable benefits realized by installed distributed generation over and above the cost of wholesale power in Mississippi;
- Report study findings to the Commission;
- Review, to the extent necessary, all relevant filings in this proceeding;
- Confer with the Commissioners, Commission staff, and technical and legal consultants, as necessary; and
- Attend hearings, if requested by the Commission.

It is anticipated that the period of performance of the contract will begin immediately after contract execution in July, 2018 and will be completed by December 31, 2018.

## **SECTION 2 - RFP AVAILABILITY**

The Request For Proposals will be published on the Mississippi Public Service Commission’s website at [www.psc.state.ms.us](http://www.psc.state.ms.us). A Request for Proposal also may be obtained by written request to:

Katherine Collier  
Executive Secretary  
Mississippi Public Service Commission  
501 N. West St., Suite 201-A  
Jackson, MS 39201

-or-

PO Box 1174  
Jackson, MS 39215-1174

-or-

Email: [katherine.collier@psc.state.ms.us](mailto:katherine.collier@psc.state.ms.us)  
Telephone: 601-961-5405

### **SECTION 3 - CLARIFYING INFORMATION**

Any company or person wishing to obtain clarifying information about this request for proposals may submit inquiries *in writing only* to:

Laura Dixon  
Senior Attorney  
Mississippi Public Service Commission  
Email: [laura.dixon@psc.state.ms.us](mailto:laura.dixon@psc.state.ms.us)  
Telephone: 601-961-5498

All inquiries for information must be made in writing and submitted to the Commission on or before **Friday, May 18, 2018, no later than 4:00 pm CT**, to the attention of Laura Dixon at the above stated email address. When sending an inquiry, put "RFP Docket No. 2011-AD-2" in the subject line of the email.

In order to assure that no applicant may obtain a competitive advantage because of acquisition of information unknown to other applicants, answers to all written questions that are submitted in a timely manner and are relevant to this RFP will be posted on the Commission's webpage, [www.psc.state.ms.us](http://www.psc.state.ms.us), under RFP Docket No. 2011-AD-2 by **Wednesday, May 23, 2018, no later than 4:00 p.m. CT**.

### **SECTION 4 - TIMING/DEADLINE FOR SUBMISSION OF PROPOSALS**

The times stated in this document refer to Central Time (CT). The closing date for proposals is **no later than 4:00 p.m., Friday, May 25, 2018**. A proposal received after this deadline will not be considered. **Proposals may be either mailed or hand-delivered to the Commission. Submit six (6) bound copies to:**

Katherine Collier  
Executive Secretary  
Mississippi Public Service Commission  
501 N. West St., Suite 201-A  
Jackson, MS 39201  
-or-  
PO Box 1174  
Jackson, MS 39215-1174

### **SECTION 5 - ELIGIBLE OFFERORS**

To be eligible, applicants must be neutral and impartial and without any conflict of interest related to Docket No. 2011-AD-2. Eligible applicants must demonstrate legal capabilities, competence, relevant experience, and resources to perform the duties as delineated in the Scope of Work, Section 1 of this RFP.

### **SECTION 6 - PROPOSAL REQUIREMENTS**

Proposals submitted in response to this request must meet the following conditions to be considered for selection. Emailed or faxed proposals will not be accepted under any circumstances.

**PROPOSALS MUST BE WRITTEN ENTIRELY ON 8.5" x 11" PAPER. PROPOSALS SHOULD INCLUDE NECESSARY APPENDICES AND ATTACHMENTS. PROPOSALS SHOULD BE STAPLED IN THE TOP LEFT CORNER OR BOUND IN A 3-RING BINDER.**

**PROPOSALS MUST BE SUBMITTED IN A MANNER THAT DOES NOT PRESENT ANY BENEFIT, KEEPSAKE, OR VALUE FOR MEMBERS OF THE REVIEW PANEL.**

Proposals shall begin with a cover page that clearly states the name of the applicant and the name, address, telephone number, fax number, and email address, if available, of the applicant's contact person who may be contacted directly regarding the proposal. The cover page shall make up the cover of the proposal. A proposal must be submitted in the format outlined herein. Pages of the proposal must be numbered.

Proposals may reflect the provision of services by more than one consultant or consultant firm. However, each proposal submitted must address the requirements of the RFP in their entirety. Additionally, all proposals submitted in response to this Request for Proposals must include, at a minimum, the following information:

1. The legal name of the consultant or consultant firm and the location of the principal place of business.

2. A thorough Executive Summary of the Proposal.
3. Evidence of the consultant's or firm's experience and abilities in the specified area directly related to the proposed service including, but not limited to, a list and supporting documentation reflecting the specific expertise and experience of the proposed consultant(s) in performing work in the relevant area.
4. The qualifications and experience of all persons who would be assigned to provide the required services.
5. A detailed description of how the service will be provided to accomplish the Scope of Work, Section 1, including, but not limited to, a description of major tasks and sub-tasks.
6. A Project Schedule and details of how each task identified will be best accomplished.
7. Thorough and detailed pricing information.
8. Any available references for contracts of similar size and scope. Include the name of the organization; the length of the contract; a brief summary of the work; and, the name and telephone number of a responsible contact person.
9. A statement verifying that the prospective consultant or consultant firm has/has not retained any person or agency on a percentage, commission or other contingent arrangement to secure this contract.
10. Discuss any conflicts of interest that may arise, if your proposal is accepted.
11. Any additional information that will aid in evaluation of the response.

### **SECTION 7- SOURCE SELECTION**

The Commission's selection will be based on evaluation criteria including but not limited to the factors listed under Evaluation of Proposals in Section 9.

### **SECTION 8 - ANTICIPATED SCHEDULE OF ACTIVITIES**

Publish RFP on Commission website	May 8, 2018
RFP Questions from applicants due to Commission	May 18, 2018
Responses to questions posted on Commission website	May 23, 2018

Deadline for submission of proposals	May 25, 2018
Selection approved by Commission	June 5, 2018
Contract award	June 5, 2018
Commencement of project activities	Immediately following contract Execution
Report study results and provide written recommendation of actual benefits calculation to the Commission	December 3, 2018

### **SECTION 9 – EVALUATION OF PROPOSALS**

Factors to be considered in the evaluation of proposals include, but are not limited to, the following:

1. Responsiveness to all items set forth in this Request for Proposals.
2. Applicant’s ability to provide the required services as reflected/evidenced by qualifications and experience.
3. Whether adequate personnel and other resources to perform the services are currently available or demonstrated to be made available at the time of contracting.
4. The overall detailed description of the proposed plan for performing the required services.
5. A record of past performance of similar work.

## TITLE 39: UTILITIES

### PART IV: Mississippi Distributed Generator Interconnection and Net Metering

#### Subpart II: Mississippi Renewable Energy Net Metering Rule

##### Chapter 01: Introduction

- 100** The Mississippi Renewable Energy Net Metering Rule (MRENMR) sets forth technical and procedural requirements for Net Metering on qualified Distributed Generator Facilities (DGFs). These DGFs are also subject to the requirements of the Mississippi Distributed Generator Interconnection Rule (MDGIR).

##### Chapter 02: DEFINITIONS

The following capitalized terms, when used in this Rule, shall have the following meanings unless the context clearly indicates otherwise. These definitions are in addition to those found in the MGDIR, which also apply to the MRENMR.

- 100** “**Billing Period**” means the monthly billing period used by an Electric Utility (EU) to measure usage and any excess energy exported by a DGF to the EU, and to bill customers.
- 101** “**Avoided Cost of Wholesale Power**” means the cost to an EU<sup>1</sup> of electric energy that the EU would generate itself or purchase from another source, such as from an organized wholesale power market, but for the purchase from a Renewable Energy Net Metered Interconnection Customer (RENMIC). In essence, the avoided cost is the marginal cost to produce or purchase one more unit of electrical energy. When a RENMIC delivers electricity to an EU, the EU will reduce the equivalent amount of electricity that either is generated at its most expensive operating plant that is not running for reliability purposes or is purchased from an organized wholesale power market. For power generated by an EU, the cost avoided consists of the cost of fuel needed to produce that electricity and the corresponding portion of the plant’s operation and maintenance costs and shall include an appropriate average line loss adjustment. No capacity credit is given as part of the calculation of Avoided Cost of Wholesale Power. For an EU that is a member of a regional transmission organization (RTO), the Avoided Cost of Wholesale Power shall be the average real-time locational marginal price (LMP) calculated by the RTO for the EU’s load zone(s). Such LMP may be adjusted to reflect the daytime energy production of a solar PV system and shall include an appropriate average line loss adjustment.
- 102** “**Non-Quantifiable Expected Benefits**” means a temporary adjustment to be included in the Total Benefits of Distributed Generation for benefits of distributed generation that, while expected to occur, are currently non-quantifiable. The Non-Quantifiable Expected Benefits shall be no more than 2.5 cents per kilowatt hour for no longer than

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<sup>1</sup> An EU is an electric utility within the meaning of Miss. Code Ann. section 77-3-3(d)(i) (Supp 2014).

three (3) years after the effective date of this rule, which shall serve as a proxy for the Actual Benefits of Distributed Generation further defined below.

- 103 “Actual Benefits of Distributed Generation”** means actual, quantifiable benefits realized by installed distributed generation over and above the Avoided Cost of Wholesale Power, which shall be calculated based upon information derived from the report of a third party consultant chosen by the Commission (further described below) and the experience of the utilities since implementation of this rule, as well as any additional information that may be available in the industry at that time. The calculation of the Actual Benefits of Distributed Generation shall replace the temporary Non-Quantifiable Expected Benefits no later than three (3) years following the effective date of this rule.
- 104 “Low-Income Benefits Adder”** means an additional amount to be included in the Total Benefits of Distributed Generation that shall flow to the first 1,000 qualifying customers whose household income is at or below 200% of the federal poverty level (or similar requirement proposed by the EU to be approved by the Commission) who is approved to take service under the EU’s net metering tariff. Beginning with the effective date of this rule, the Low-Income Benefits Adder shall be equal to 2 cents per kilowatt hour. To provide sufficient financial certainty to qualifying low income customers that install DGFs, this Low-Income Benefits Adder shall remain in place for a period of fifteen (15) years from the date the customer begins taking net metering service under the EU’s net metering tariff.
- 105 “Total Benefits of Distributed Generation”** means the total amount – expressed in cents per kilowatt hour - that shall be credited to EU customers as a result of excess energy exported by a DGF to the EU, which shall include the Avoided Cost of Wholesale Power plus the Non-Quantifiable Expected Benefits or the Actual Benefits of Distributed Generation, plus, if applicable, the Low-Income Benefits Adder, as further outlined in this rule.
- 106 “Exit Fee”** means a fee that is paid by a customer that reduces load by using a DGF and is intended to compensate the EU in whole or part for the loss of fixed cost contribution from that customer. Exit fees are not allowed under this Rule, unless otherwise approved by the Commission.
- 107 “Renewable Energy Net Metered Interconnection Customer” or “RENMIC”** is any electricity customer, such as an industrial, large commercial, residential or small commercial customer, that generates electricity on the customer’s side of the meter using a Renewable Energy source. The electricity customer must own or lease the DGF producing the Renewable Energy on the electricity customer’s side of the meter in order to qualify as a RENMIC under this MRENMR, unless otherwise approved by the Commission.
- 108 “Net Metering”** means measuring the real-time kilowatt-hours supplied by the EU to the RENMIC and the kilowatt-hours produced by the RENMIC’s DGF and exported to



the EU over the applicable Billing Period. Net metering includes the real-time displacement of kilowatt-hours that otherwise would be provided by the EU by kilowatt-hours that were generated by the RENMIC's DGF. An EU may employ a multi-channel meter for separately measuring the RENMIC's electric usage and excess energy exported to the EU.

- 109** “**Renewable Energy**” means electric energy produced from solar technologies, wind energy, geothermal technologies, wave or tidal action, hydro-power facilities, and biomass. Any energy derived from fossil fuels is not considered renewable and does not qualify under the MRENMR.
- 110** “**Biomass**” means a power source that is comprised of combustible solids or gases from forest products, manufacturing waste, or byproducts; products from agricultural and orchard crops; waste or co-products from livestock and poultry operations; waste or byproducts from food processing; urban wood waste; municipal liquid waste treatment operations; and landfill gas.

### **Chapter 03: NET METERING REQUIREMENTS**

- 100** This MRENMR sets forth the Net Metering requirements that apply to EUs that have customers who self-generate electricity with Renewable Energy on the customer's side of the EU's meter that wish to Net Meter, as indicated by the customer on the Standard Application. These customers are referred to as RENMICs in this Rule.
- 101** All EUs shall offer Net Metering to any customer that seeks to generate electricity on the customer's side of the EU's meter using Renewable Energy sources, provided:
1. For residential customers, Net Metering nameplate direct current capacity of the aggregated DGFs at the customer's premises shall be limited to 20 kW and shall meet the requirements of the MDGIR;
  2. For non-residential customers, Net Metering nameplate direct current capacity for the aggregate DGFs at the customer's premises shall be limited to 2 MW and shall meet the requirements of the MDGIR.
- 102** EUs may refuse additional net metering requests if the total Net Metering direct current capacity in kW, as reported through these requirements, exceeds at any time 3 percent of the EU's total system peak demand expressed in kW recorded during the prior calendar year.
- 103** Each EU shall develop a tariff for Net Metering and interconnection policies in concordance with this MRENMR and the MDGIR. Each EU shall make Net Metering available to eligible RENMICs on a first-come, first-served basis until such time as the aforementioned cap has been reached.

- 104** An EU shall provide Net Metering at non-discriminatory rates that are identical, with respect to rate structure and level, retail rate components, and any monthly fixed charges, to the rates that a RENMIC would be charged if not a RENMIC, unless otherwise approved by the Commission.
- 105** In each Billing Period, energy supplied to the RENMIC from the EU as recorded on the EU's bi-directional net meter will be billed using appropriate commission-approved rate and rider schedules. This provision means that energy self-supplied by the RENMIC, up to the amount supplied from the EU to the RENMIC (e.g., through the recording of meter Channel 1) will be credited to the RENMIC at the full retail rate (i.e., effectively displacing energy supplied from the EU). During that same Billing Period, any excess energy supplied from the RENMIC to the EU and recorded on the EU's bi-directional net meter in kWh (e.g., through meter Channel 2) will be credited on the RENMIC's bill at the applicable Total Benefits of Distributed Generation expressed in cents per kWh and shall be accounted for through the EU's fuel adjustment clause. The customer's monthly bill will be the total of billing for any usage (i.e., as recorded on meter Channel 1) subject to any customer charge and/or minimum bill provisions in the EU's rate and rider schedules less any credit due to the customer from excess energy exported to the EU (i.e., as recorded on meter Channel 2). If the sum total of the monthly bill is negative, any such amount will be carried over to the next Billing Period and applied to any charges arising during the subsequent Billing Period.
- 106** Beginning with the effective date of this rule, Total Benefits of Distributed Generation shall temporarily be equal to the Avoided Cost of Wholesale Power plus Non-Quantifiable Expected Benefits. Further, Non-Quantifiable Expected Benefits shall be equal to 2.5 cents/kWh, which may be modified downward at any time by order of this Commission, should the Commission find it is in the public interest to do so. Within sixty (60) days of the effective date of this rule, each EU shall file with the Commission net metering tariffs consistent with the provisions of this rule for consideration and approval by the Commission.
- 107** In the calculation of Total Benefits of Distributed Generation, Non-Quantifiable Expected Benefits shall be replaced and subsumed by Actual Benefits of Distributed Generation no later than three (3) years following the effective date of this rule. In order to develop a calculation for Actual Benefits of Distributed Generation within that three-year timeframe, the Commission shall cause a study to be performed by an independent consultant beginning no earlier than one year after the effective date of this rule, the costs of which shall be paid by each EU whose rates are regulated by the Commission under the Mississippi Public Utilities Act, §§ 73-3-1 *et seq.*, and recovered through each such EU's net metering tariff. Said independent consultant will work collaboratively with the utilities and gather information from other stakeholders to provide the Commission with guidance in developing a calculation of benefits that can be demonstrated to have been realized and quantified as a result of the adoption of distributed generation in Mississippi. No later than three (3) years

from the effective date of this rule, the Commission shall instruct each EU to file modifications to their net metering tariffs to reflect a calculation of Actual Benefits of Distributed Generation consistent with conclusions of the study and data provided by the EUs.

- 108** Each new Billing Period shall begin with zero kWh credits to the RENMIC; however, subject to the provisions above, the customer may carry over any value of energy credit arising from the prior Billing Period(s). When a customer closes his or her account with the EU, if the RENMIC has accumulated a dollar balance as a result of excess energy delivered to the EU, any such balance, net of costs owed to the EU, shall be paid to the RENMIC.
- 109** Credit for any excess energy exported to the EU shall not be applied to reduce any fixed monthly customer charges or minimum bill provisions imposed by the EU under Commission-approved rate and rider schedules.
- 110** An EU shall offer a RENMIC the choice of a time differentiated energy tariff rate or a non-time-differentiated energy tariff rate, if the EU offers the choice to customers in the same rate class as the RENMIC. If a RENMIC uses a retail billing arrangement that has time-differentiated rates, the EU shall net any production from the DGFs against the customer's consumption within the same time-of-use period in the Billing Period and any excess energy exported to the EU will be credited as described above.
- 111** Any renewable energy credits (RECs) created by the RENMIC are the property of the RENMIC, unless otherwise approved by the Commission. The EU shall not charge any back-up, standby, or Exit Fees to a RENMIC, unless otherwise approved by the Commission.
- 112** An EU shall not charge a RENMIC any fee or charge, or require additional equipment, insurance or any other requirement, unless the fee, charge, or other requirement is specifically authorized in this MRENMR or the MDGIR, or the fee would apply to other customers in the same rate class that are not RENMICs, or unless otherwise approved by the Commission.
- 113** All RENMICs must be electrically interconnected with their EU pursuant to the provisions of the MDGIR. All rules and regulations for interconnected DGFs within the MDGIR apply to RENMICs. Any Distribution System Upgrades, including additional equipment needed that is associated with the export of electricity, shall be at the RENMIC's expense, per the MDGIR.
- 114** As a further requirement under this rule, each EU shall file with the Commission within three months of the effective date of this rule the EU's plan to publicize and inform its customers, whether through a website, a bill insert, or other form of communication, of the opportunities available to interconnect DGFs and receive compensation for excess energy delivered to the grid.

**115** Nothing in this document shall abrogate any person's obligation to comply with all applicable Federal or State laws, rules or regulations, including the MDGIR.

#### **Chapter 04: METERS AND METERING**

**100** A RENMIC shall be equipped with metering equipment that can measure the flow of electricity in each direction at the same time. This is typically accomplished through use of a single bi-directional meter that records customer usage as well as excess energy exported to the EU (e.g., energy supplied to the customer net of the output of the RENMIC is measured on Channel 1 and excess energy supplied by the RENMIC to the EU in excess of the customer's requirements is measured on Channel 2).

**101** An EU may choose to use an existing electric revenue meter if the following criteria are met:

1. The meter is capable of measuring the flow of electricity both into and out of the RENMIC at the same time; and
2. The meter is accurate to within plus or minus five percent when measuring excess energy flowing from the RENMIC to the EU.

**102** If the RENMIC's existing electric revenue meter does not meet the requirements above, the EU shall install a new revenue meter for the RENMIC, at the RENMIC's expense, within 10 business days after the interconnection agreement is executed and approved. If the EU offers a time-differentiated rate chosen by the RENMIC, the meter shall have the capability to appropriately record energy flows in each direction during any time-differentiated period.

**103** Any subsequent revenue meter change will be at the EU's expense, meaning such meter expense will not be charged to an individual RENMIC but shall become part of the EU's overall cost of service and subsequent revenue requirement.

#### **Chapter 05: REPORTING REQUIREMENTS**

**100** Each EU with one or more RENMICs connected to its grid shall submit to the Mississippi Public Service Commission a Net Metering report within 90 days of the end of each calendar year. The report shall include the following information regarding RENMICs during the reporting period:

1. The total energy expressed in kilowatt-hours supplied to the EU's grid by RENMICs and a description of any estimation methodology used;
2. The total number of RENMICs that were paid for excess energy exported to the EU at the end of any Billing Period(s) during the prior calendar year;

3. The total dollar amount by month that the EU paid to RENMICs for excess energy exported to the EU during the prior calendar year;
4. The total number of net metering DGFs by resource type that were interconnected at the end of the prior calendar year;
5. The total rated nameplate direct current generating capacity of net metering DGFs installed during the prior calendar year broken out by resource type; and
6. The percentage of the EU's total system peak demand from the prior calendar year represented by the total rated nameplate direct current generating capacity of net metering DGFs.

**101** For purposes of these reporting requirements, any estimates shall be made using Commission-approved protocols unless no such protocols are available, in which case the estimates shall be accompanied by detailed calculations demonstrating how the estimates were made.

#### **Chapter 06: SAFETY AND CONSUMER PROTECTION WORKING GROUP**

**100** In order to ensure adequate safeguards for safety and consumer protection, a joint working group shall be established between representatives of the Commission, the Mississippi Public Utilities Staff, the Office of the Mississippi Attorney General, and qualified stakeholders, as identified and requested by the working group. Prior to January 1, 2017, the working group shall establish and present to the Commission an initial set of consumer protection and safety standards and guidelines related to the installation and use of distributed generation systems. Thereafter, the working group shall reconvene as necessary to discuss additional issues related to net metering as they arise, and to present any recommendations on such issues to the Commission.

#### **Chapter 07: REOPENER**

**100** Five years from the effective date of this Rule, the Commission shall open a new docket to assess the efficacy and functionality of the MRENMR, and make any subsequent revisions or modifications of the Rule that may be deemed necessary at that time.